

Best Deal Ghadira Limited
Report and Financial Statements
for the period ended 31 December 2024

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The directors present their report and the audited financial statements for the period ended 31 December 2024.

Principal Activity

The company is mainly engaged in property development for resale.

Performance Review

The company was registered on 23 August 2023 and is mainly engaged in property development for resale. The company purchased land for development in Ghadira, Mellieha with the intention of developing the site into apartments and garages for resale. The construction of this development commenced in December 2024 and is currently in progress.

The loss on the company's activities for the period after taxation amounted to € 11,887.

Results and Dividends

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

The directors do not recommend the payment of a dividend and propose that the accumulated loss of €11,887 be carried forward to the next financial year.

Events after the end of the reporting period

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

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 rate, liquidity and capital risk management. An explanation of these risks and how the company manages these risks is found in Note 12 to these financial statements.

Directors

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

Erskine Vella
Christopher Attard
David Basile
Pierre Bartolo
Robert Buttigieg

Directors' Responsibilities for the Financial Statements

The Companies Act (Cap.386), enacted in Malta, requires the directors to prepare financial statements for each financial period 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 period. 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 accrual basis;
- valuing separately the components of asset and liability items
- reporting comparative figures corresponding to those of the preceding accounting period; and
- preparing the financial statements in accordance with International Financial Reporting Standards (IFRS Accounting Standards) as adopted by the European Union (EU).

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 them as auditors of the company will be put to General Meeting.

This report was approved by the Board of Directors on 28 April 2025 and were signed on its behalf by:



Christopher Attard
Director



Pierre Bartolo
Director

Statement of Comprehensive Income
for the period ended 31 December 2024

	Note	23.08.23 to 31.12.24 €
Administrative expenses		(11,887)
Loss for the period	4	<u>(11,887)</u>
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		<u><u>(11,887)</u></u>

The notes on pages 7 to 14 form an integral part of these financial statements.

	Notes	2024 €
ASSETS		
Current Assets		
Inventories	5	9,277,066
Other receivables	6	438,140
Cash and cash equivalents	7	55,877
Total Current Assets		9,771,083
Total Assets		9,771,083
EQUITY		
Capital and Reserves		
Share capital	8	1,200
Accumulated losses		(11,887)
Total Equity		(10,687)
LIABILITIES		
Non-Current Liabilities		
Long-term borrowings	10	9,668,872
Total Non-Current Liabilities		9,668,872
Current Liabilities		
Trade and other payables	9	6,736
Short-term borrowings	10	106,162
Total Current Liabilities		112,898
Total Liabilities		9,781,770
Total equity and liabilities		9,771,083

The financial statements were approved and authorised for issue by the Board of Directors on 28 April 2025 and were signed on its behalf by:



Christopher Attard
Director



Pierre Bartolo
Director

The notes on pages 7 to 14 form an integral part of these financial statements.

**Statement of Changes in Equity
for the period ended 31 December 2024**

	Share Capital	Accumulated Losses	Total
	€	€	€
Total Comprehensive Loss			
Loss for the period	-	(11,887)	(11,887)
Transactions with owners in their capacity as owners			
Cash issue of shares	1,200	-	1,200
At 31 December 2024	<u>1,200</u>	<u>(11,887)</u>	<u>(10,687)</u>

The notes on pages 7 to 14 form an integral part of these financial statements.

Statement of cash flows
for the period ended 31 December 2024

	Note	2024	
		€	€
Net loss before taxation		(11,887)	
Reconciliation to cash generated from operations:			
Increase in inventories		(8,847,581)	
Increase in other receivables		(438,140)	
Increase in trade payables		1,166	
Increase in other payables		111,732	
Cash used in operating activities			(9,184,710)
Cash flow from investing activities			
Issue of shares for cash		1,200	
Cash generated from investing activities			1,200
Cash from financing activities			
New long term related party borrowings		9,239,387	
Cash generated from financing activities			9,239,387
Net increase in cash and cash equivalents in the period			55,877
Cash and equivalents at beginning of period			-
Cash and equivalents at end of period	7		55,877

The notes on pages 7 to 14 form an integral part of these financial statements.

1. General Information

Best Deal Ghadira Limited ("the company") is a limited liability company incorporated and domiciled in Malta. The company was incorporated on 23 August 2023. Consequently, these financial statements cover the period from the date of incorporation to 31 December 2024. The registered office of the company is 63 J.L. Buildings, 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 28 April 2025.

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 the ultimate controlling parties.

2. Material Accounting Policies

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

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.

2. Accounting Policies (continued)***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.

IFRS 18 Presentation and Disclosures in Financial Statements

Issued on 9 April 2024, this new standard includes requirements for all entities applying IFRS for the presentation and disclosure of information in financial statements. Applicable to annual reporting period beginning on or after 1 January 2027.

IFRS 19 Subsidiaries without Public Accountability: Disclosures

Issued on 9 May 2024, this new standard specifies the disclosure requirements an eligible subsidiary is permitted to apply instead of the disclosure requirements in other IFRS Accounting Standards. Applicable to annual reporting period beginning on or after 1 January 2027.

Lack of Exchangeability (Amendments to IAS 21)

Issued on 15 August 2023, the amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not. Applicable to annual reporting period beginning on or after 1 January 2025.

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.

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.

Other receivables

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

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.

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.

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.

3. Significant judgements and critical estimation uncertainties

The preparation of financial statements in conformity with IFRS Accounting Standards 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 period

	23.08.23
	to 31.12.24
	€
Loss for the period is stated after charging:	
Auditors' remuneration	3,540

5. Inventories	2024
	€
Work in progress	9,277,066
	<u>9,277,066</u>
6. Other Receivables	2024
	€
Other receivables	21,762
Prepayments	416,378
	<u>438,140</u>
	<u>438,140</u>
7. Notes to the statement of cash flows	
<i>Cash & cash equivalents</i>	
Cash and cash equivalents included in the statement of cash flows comprise the following statement of financial position amounts:	
	2024
	€
Cash at bank	55,877
	<u>55,877</u>
<i>Liabilities arising from financing activities</i>	
	23.08.23 to
	31.12.24
	€
Borrowings from group companies within 1 year	
Increase in borrowings	106,162
	<u>106,162</u>
	<u>106,162</u>
Borrowings from group companies over 1 year	
Increase in borrowings	9,239,387
Capitalised interest payable	429,485
	<u>9,668,872</u>
	<u>9,668,872</u>

8. Share capital		2024
		€
Authorised		
1,200 Ordinary shares of € 1 each		1,200
		<u>1,200</u>
Issued		
1,200 Ordinary shares of € 1 each 100% paid up		1,200
		<u>1,200</u>

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.

9. Trade & other payables		2024
		€
Trade payables		1,166
Accruals		5,570
		<u>6,736</u>

10. Borrowings		2024
		€
Non-current		
Parent company loan	<i>Note</i>	9,668,872
		<u>9,668,872</u>
Current		
Amounts owed to group companies	<i>Note</i>	106,162
		<u>106,162</u>

Amounts owed to group companies

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

Parent company loan

This loan is unsecured, bears interest of 7% per annum and is repayable by 2029. The total facility amounts to €14.6 million, excluding accrued interest.

11. Related party transactions

Transactions with related parties :

2024
€

Loan interest charged by parent company

427,993

Loans from related parties2024
€

Loans from parent company :

Loans advanced during the period

9,239,387

Interest charged

429,485

Closing balance

9,668,872

Loans from other group companies:

Loans advanced during the year

106,162

Total loans from related parties :

Loans advanced during the year

9,345,549

Interest charged

429,485

Closing balance

9,775,034

12. Financial Risk Management

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

- Credit risk
- Liquidity risk
- Interest 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 and trade and other receivables 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.

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, 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.

The following table analyses the company's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows.

	Interest Rate	Within 12 months	Between 1 - 5 years	More than 5 years	Total
31 December 2024		€	€	€	€
Related party borrowings	7%	106,162	9,668,872	-	9,775,034
Trade and other payables	-	90,815	-	-	90,815
		<u>196,977</u>	<u>9,668,872</u>	<u>-</u>	<u>9,865,849</u>

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.

13. 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.

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INDEPENDENT AUDITOR'S REPORT

To the Shareholder of Best Deal Ghadira Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Best Deal Ghadira Limited ("the Company"), set out on pages 3 to 14, which comprise the statement of financial position as at 31 December 2024, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the period then ended, and notes to the financial statements, including a summary of material 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 2024, and of its financial performance and its cash flows for the period 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 *Auditor's 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 AUDITOR'S REPORT – continued

To the Shareholder of Best Deal Ghadira 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 general information and the directors' report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information, 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 auditor's 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 AUDITOR'S REPORT – continued

To the Shareholder of Best Deal Ghadira Limited

Report on the Audit of the Financial Statements – continued

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 AUDITOR'S REPORT – continued

To the Shareholder of Best Deal Ghadira 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 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 this regard.



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

RSM Malta
Registered Auditor

28 April 2025