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Company Registration No: C 102389

EXCEL MJD LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS
For the period from 8 July 2022 to 31 December 2023

EXCEL MJD LIMITED

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EXCEL MJD LIMITED

DETAILED RESULTS

For the period from 8 July 2022 to 31 December 2023

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Administrative Expenses

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This schedule does not form part of the financial statements.

DIRECTORS' REPORT

For the period from 8 July 2022 to 31 December 2023

The directors present their report and the audited financial statements of Excel MJD Limited for the period ended 31 December 2023.

Principal activities

The company was registered on the 8 July 2022 as a limited liability company under the Companies Act, (Cap. 386.) with registration number C 102389. The company's principal activity is the development of immovable properties for rental purposes.

Review of business

During the period under review the company did not generate any turnover but posted a surplus on the revaluation of investment property (net of related deferred tax) of €7,251,786. After incurring administrative, distribution and finance expenses of €3,210, the company reported comprehensive income of €8,582,033. At the end of the reporting period, the company reported net assets of €16,572,336.

Results

The results for the period are set out in the Statement of Comprehensive Income on page 8.

Dividends

The directors do not recommend the payment of a dividend.

Directors

The directors who have served on the Board since the beginning of the period up to the date of this report are as follows:

- Mr. Joseph Portelli
- Ms. Maria Agius
- Mr. Daniel Refalo

In accordance with the company's Articles of Association, the directors remain in office.

EXCEL MJD LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS 2023

DIRECTORS' REPORT (continued)

For the period from 8 July 2022 to 31 December 2023

Auditor

Mr. Mario Grech has been appointed as auditor of the company for the ensuing period.

By order of the board,



Mr. Joseph Portelli
Director



Ms. Maria Agius
Director



Mr. Daniel Refalo
Director

Date: 30 June 2024

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are required by the Maltese Companies Act 1995 (Chap. 386) to prepare annual financial statements which give a true and fair view of the state of affairs of the company at the end of each financial period and of its profit and loss for that period. In preparing the annual financial statements, the directors should:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- comply with International Financial Reporting Standards as adopted by the European Union; and
- prepare the annual financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

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 annual financial statements comply with the Companies Act 1995. They are also responsible for ensuring that an appropriate system of internal control is in operation to provide them with reasonable assurance that the assets of the company are being properly safeguarded and that fraud and other irregularities will be prevented or detected.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

I have audited the accompanying financial statements of Excel MJD Limited, which comprise the statement of financial position as at 31 December 2023, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the period then ended, including a summary of significant accounting policies.

Opinion

In my opinion, the financial statements give a true and fair view of the financial position of Excel MJD Limited as at 31 December 2023 and of its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards as adopted by the European Union and have been properly prepared in accordance with the Maltese Companies Act 1995 (Cap. 386).

Basis for opinion

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

Other information

The directors are responsible for the other information. The other information comprises the Directors' Report and the Statement of Directors' Responsibilities. My opinion on the financial statements does not cover this information. In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS (continued)

With respect to the Directors' Report, I also considered whether it includes the disclosures required by Article 177 of the Maltese Companies Act (Cap. 386). Based on the work I have performed, in my opinion:

- the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with the Maltese Companies Act (Cap.386).

In addition, in light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, I am required to report if I have identified material misstatements in the Directors' Report. I have nothing to report in this regard.

Responsibilities of the directors

The directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union; and, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS (continued)

The Appendix to this report, which is incorporated into this report as if set out in full, should be read to provide an understanding of the purpose of this report, the work I have undertaken and the basis of my opinion.

Report on other legal and regulatory requirements

Under the Maltese Companies Act (Cap. 386) I am required to report to you if, in my opinion:

- I have not received all the information and explanations I require for my audit
- Adequate accounting records have not been kept, or that returns adequate for my audit have not been received from branches not visited by me.
- The financial statements are not in agreement with the accounting records and returns.

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



Mario Grech
Certified Public Accountant

10 Capuchins' Street
Victoria, Gozo

Date: 30 June 2024

APPENDIX TO THE AUDITOR'S REPORT

As part of an audit in accordance with ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. I 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 my 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my 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.

I 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 I identify during my audit.

STATEMENT OF COMPREHENSIVE INCOME
For the period ended 31 December 2023

	Notes	2023 €
Revenue		-
Cost of sales		-
Gross profit/(loss)		-
Other operating income		-
Administrative expenses		(3,210)
Operating loss		(3,210)
Finance income		-
Finance costs		-
Loss before taxation	4.	(3,210)
Current tax provision		-
Deferred tax provision		-
Income tax	5.	-
Loss for the period		(3,210)
Other comprehensive income		
<i>Items that will not be subsequently reclassified to profit and loss</i>		
Surplus on revaluation of investment property	6.	9,331,786
Deferred tax on surplus arising on revaluation of investment property		(2,080,000)
		7,251,786
Total comprehensive income for the period		€ 7,248,576

STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

	Notes	2023 €
Non-current assets		
Tangible assets		
Investment property	6.	26,000,000
		<u>26,000,000</u>
Current assets		
Trade and other receivables	8.	1,278,194
Deposits in Maltese banks		164,507
Total current assets		<u>1,442,701</u>
Total assets		<u><u>€27,442,701</u></u>

STATEMENT OF FINANCIAL POSITION (continued)
As at 31 December 2023

	Notes	2023 €
EQUITY		
Capital and reserves		
Ordinary share capital	9.	1,200
Revaluation reserve		7,251,786
Retained earnings		2,296,790
Shareholders' loans	10.	5,689,103
Total shareholder equity		15,238,879
LIABILITIES		
Non-current liabilities		
Interest-bearing borrowings	11.	10,112,484
Trade and other payables	12.	2,080,000
		12,192,484
Current liabilities		
Trade and other payables	12.	11,338
		11,338
Total liabilities		12,203,822
Total equity and liabilities		€27,442,701

The financial statements on pages 8 to 24 were authorised for issue by the board of directors on the 30 June 2024 and were signed on its behalf by:



Mr. Joseph Portelli
Director



Mr. Daniel Refalo
Director



Ms. Maria Agius
Director

STATEMENT OF CHANGES IN EQUITY

For the period ended 31 December 2023

	Ordinary share capital	Revaluation reserve	Retained earnings	Shareholders' loans	Total
	€	€	€	€	€
Issue of share capital	1,200	-	-	-	1,200
Total comprehensive profit for the period	-	7,251,786	(3,210)	-	7,248,576
Change in shareholders' loans	-	-	-	7,989,103	7,989,103
Shareholders' contribution (v. Note 10)	-	-	2,300,000	(2,300,000)	-
Balance as at 31 December 2023	€ 1,200	€ 7,251,786	€ 2,296,790	€ 5,689,103	€ 15,238,879

STATEMENT OF CASH FLOWS
For the period ended 31 December 2023

	Notes	2023 €
Cash flow from operating activities		
Cash generated from operations	13.	(1,270,066)
Income tax paid		-
		<u>(1,270,066)</u>
Cash flows from investing activities		
Acquisition of investment property		(16,668,214)
		<u>(16,668,214)</u>
Cash flows from financing activities		
Movement in bank loans		10,112,484
Issue in share capital		1,200
Change in shareholders' loans		7,989,103
		<u>18,102,787</u>
Net movement in cash, cash equivalents and bank overdrafts		164,507
Cash, cash equivalents and bank overdrafts at beginning of period		<u>-</u>
Cash, cash equivalents and bank overdrafts at end of period	14.	<u><u>€ 164,507</u></u>

NOTES TO THE FINANCIAL STATEMENTS

1. Reporting company

Excel MJD Limited is a private limited company, domiciled and incorporated in Malta.

2. Basis of preparation

(a) Statement of compliance

The financial statements have been prepared and presented in accordance with the provisions of the Companies Act, 1995 (the "Act") enacted in Malta, which requires adherence to International Financial Reporting Standards (IFRSs) as adopted by the EU.

The Act specifies that in the event that any one of its provisions is in conflict or not compatible with IFRS as adopted by the EU or its application is incompatible with the obligation for the financial statements to give a true and fair view, that provision shall be departed from in order to give a true and fair view.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except investment property which are measured at fair value.

(c) Functional and presentation currency

The financial statements are presented in Euros, which is the Company's functional currency.

(d) Critical accounting estimates and judgments

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

(d) Critical accounting estimates and judgments (continued)

In the opinion of the company directors', the accounting estimates and judgments made in the course of preparing these financial statements are not difficult, subjective or complex to a degree which would warrant their description as critical in terms of the requirements of IAS 1 (revised).

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Investment property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the company, is classified as investment property.

Investment property is measured initially at its cost, including related transaction costs. Borrowing costs which are incurred for the purpose of acquiring or constructing a qualifying investment property are capitalised as part of its cost. Borrowing costs are capitalised while acquisition or construction is actively underway. Capitalisation of borrowing costs is ceased once the asset is substantially complete and is suspended if the development of the asset is suspended. After initial recognition, investment property is carried at fair value. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset.

Subsequent expenditure is charged to the asset's carrying amount 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 costs are charged to the profit and loss account during the financial period in which they are incurred.

The resultant change from the cost to the initial revaluation (net of applicable deferred income taxes) is recognised within other comprehensive income and is reflected within the revaluation reserve in shareholders' equity. Subsequently changes in fair values are recognised in profit or loss.

(b) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired.

(b) Trade receivables (continued)

The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement within 'selling and marketing costs'. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against 'selling and marketing costs' in the income statement.

(c) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

(d) Trade payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

(e) Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

A financial instrument is recognised if the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Company's contractual rights to the cash flows from the financial assets expire or if the Company transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Regular way purchases and sales of financial assets are accounted for at trade date, i.e., the date that the Company commits itself to purchase or sell the asset. Financial liabilities are derecognised if the Company's obligations specified in the contract expire or are discharged or cancelled.

Cash and cash equivalents comprise cash balances and call deposits.

(f) Loans

Other loans receivable by the Company, which do not have a fixed maturity date, but which are repayable after more than twelve months from the date of the statement of financial position, are initially measured at the fair value of the consideration given. Subsequently, they are measured at amortised cost less any impairment losses and are included within non-current assets.

Loans payable by the Company, which do not have a fixed maturity date, but which are repayable after more than twelve months from the date of the statement of financial position, are measured at the fair value of the consideration received and are included within non-current liabilities.

Other non-derivative financial instruments are measured at amortised cost using the effective interest rate method, less any impairment losses.

(g) Ordinary share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to issue of ordinary shares are recognised as a deduction from equity.

(h) Impairment

Financial assets

A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its current fair value.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk circumstances.

All impairment losses are recognised in profit or loss. Any cumulative loss in respect of an available-for-sale financial asset recognised previously in equity is transferred to profit or loss.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost and available-for-sale financial assets that are debt securities, the reversal is recognised in profit or loss. For available-for-sale financial assets that are equity securities, the reversal is recognised directly in equity.

(h) Impairment (continued)

Non-financial assets

The carrying amount of the Company's non-financial assets, other than investment property, are reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in profit or loss.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(i) Finance costs

Finance expenses comprise interest expense on borrowings, unwinding of the discount on provisions and impairment losses recognised on financial assets. All borrowing costs are recognised in profit or loss using the effective interest method.

(j) Income tax expense

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

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

Deferred tax is recognised using the 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. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantially enacted by the reporting date.

(j) Income tax expense (continued)

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

4. Loss before taxation

The loss before taxation is stated after charging:

	2023
Audit fee	<u>€ 1,800</u>

5. Income tax

	2023
	€
Balance brought forward	-
Tax charge for the period :	
Current tax provision	-
Deferred tax provision	2,080,000
	<u>2,080,000</u>
Sub-total	2,080,000
Less: Tax paid	
Transfer to deferred taxation	(2,080,000)
	<u>€ -</u>

5. Income tax (continued)

The tax expense and the tax charge for the period at the applicable rate of 35% are reconciled as follows:

	2023
Profit for the period	<u>€ 9,328,576</u>
Tax at the applicable rate of 35%	3,265,001
Tax effect of:	
Disallowed expenditure	86
Unrecognised deferred income tax asset	1,038
Revaluation of investment property	(2,519,582)
	<u>€ 746,543</u>

6. Investment property

	2023
	€
Movements for the period ended 31 December	
Opening net book amount	-
Additions	16,668,214
Impairments	-
Disposals	-
Fair value gains for the period	9,331,786
Closing net book amount	<u>€26,000,000</u>

Investment property is valued annually on 31 December at fair value comprising open market value approved by the directors on the basis of an independent professional valuation prepared by the company's architect.

If the investment property were stated on the historical cost basis, the amounts would be as follows:

	2023
	€
At 31 December	
Cost	16,668,214
Less: Accumulated depreciation	-
Net book amount	<u>€16,668,214</u>

7. Deferred tax

	2023
	€
Arising from:	
Change in fair value of investment property	(2,080,000)
	<u>€ (2,080,000)</u>
Movement during the period:	
Balance brought forward	-
Provision for the period	(2,080,000)
Balance carried forward	<u>€ (2,080,000)</u>

8. Trade and other receivables

	2023
	€
Current	
VAT refundable	1,278,194
	<u>€ 1,278,194</u>

9. Share capital

	2023
	€
Authorised	
480 Ordinary A shares of € 1 each	480
360 Ordinary B shares of € 1 each	360
360 Ordinary C shares of € 1 each	360
	<u>€ 1,200</u>
Issued and fully paid up	
480 Ordinary A shares of € 1 each	480
360 Ordinary B shares of € 1 each	360
360 Ordinary C shares of € 1 each	360
	<u>€ 1,200</u>

10. Shareholders' loans

Shareholders' loans are unsecured, interest free and have no fixed date for repayment. By virtue of a Board Resolution dated 30 December 2023, the directors resolved to irrevocably contribute the amount of €2,300,000 of the shareholders' loans to the retained profits account of the Company. This contribution aims to offset accumulated losses and provide a robust capital base to support the Company's future projects.

11. Interest-bearing borrowings

	2023
	€
Non-current	
Bank loan(s)	10,112,484
	<u>€10,112,484</u>

Note

The bank loans are secured by hypothecary guarantees over the company's assets and over immovable property owned by related parties and by personal guarantees of the shareholders. Said bank loans bear interest at the average rate of 5.00% p.a.

12. Trade and other payables

	2023
	€
Non-current	
Deferred tax	2,080,000
	<u>€ 2,080,000</u>
Current	
Trade payables and accruals	11,338
	<u>€ 11,338</u>

13. Cash generated from operations

	2023
	€
Profit before tax	(3,210)
Adjustment for:	
Trade payables and accruals	11,338
VAT payable / (receivable)	(1,278,194)
	<u>€(1,270,066)</u>

14. Cash, cash equivalents and bank overdrafts

	2023
	€
Cash at bank and in hand	164,507
Bank overdraft	-
	<u>€ 164,507</u>

15. Related party transactions

Transactions with related parties arose during the normal course of business as analysed hereunder:

	2023
	€
Funds loaned to/(from)	
Shareholder	<u>€(5,689,103)</u>

15. Related party transactions (continued)

Balances outstanding are as follows:

	2023
Loans to/(from) shareholders	<u><u>€(5,689,103)</u></u>

16. Financial risk management

The company has an exposure to the following risks arising from the use of financial instruments within its activities:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the company's exposure to each of the above risks, policies and processes for measuring and managing risk, and the company's management of capital. Further quantitative disclosures are included in these financial statements. The responsibility for the management of risk is vested in the directors. Accordingly, it is the directors who have the overall responsibility for establishing an appropriate risk management framework.

Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises principally from the company's receivables and bank balances. Receivables are presented net of impairment charges for bad and doubtful debts. Credit risk with respect to receivables is limited due to the large number of customers comprising the company's debtor base. Accordingly, the company has no concentration of credit risk that could materially impact on the sustainability of its operations.

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. Generally, the company ensures that it has sufficient cash on demand to meet expected operational expenditure, including the servicing of financial obligations. Furthermore, the company utilises borrowing facilities granted by its bankers as detailed in Note 11.

16. Financial risk management (continued)

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates or interest rates, will affect the fair value or future cash flows of a financial instrument. The objective of market risk is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

The operating cash flows of the company are influenced by changes in market interest rates. Note 11 incorporates interest rate and maturity information with respect to the company's interest-bearing liabilities (if any). Up to the date of the statement of financial position, the company did not have any hedging arrangements with respect to the exposure of floating interest rate risk.

The company is not exposed to foreign exchange risk since all operations are conducted locally in the company's functional currency.

Capital management

It is the policy of the directors to maintain an adequate capital base in order to sustain the future development of the business and safeguard the ability of the company to continue as a going concern. In this respect, the directors monitor the operations and results of the company, and also monitor the level of dividends, if any, payable to the ordinary shareholders. The company is not subject to externally imposed capital requirements. There were no changes in the company's approach to capital management during the year.

Fair values

At 31 December 2023 the carrying amounts of cash at bank, receivables, payables and accrued expenses and short-term borrowings reflected in the financial statements are reasonable estimates of fair value in view of the nature of these instruments and/or the relatively short period of time between the origination of the instruments and their expected realisation. The fair values of loans and long-term borrowings are not materially different from their carrying amounts.

17. Statutory information

The ownership of the company's share capital and voting rights related to such holding are such that no particular individual or identifiable group may be deemed to exercise ultimate control over the company.

ADMINISTRATIVE EXPENSES

For the period from 8 July 2022 to 31 December 2023

	2023
	€
Accountancy fees	1,080
Audit fees	1,800
Company registration fee	85
Formation expenses written-off	245
Motor vehicles running costs	-
Total administrative expenses	€ 3,210