

Excel Property Trading Limited

Report & Financial Statements

For the period 12 June 2023 to 31
December 2023

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Directors' report

The directors present their report and the audited financial statements for the period 12 June 2023 to 31 December 2023.

Principal activities and business overview

The company was principally engaged to purchase, lease, develop and manage properties. During the year, the company did not commence any projects.

Results

The loss for the year amounted to € 3,500.

Directors

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

Joseph Portelli
Daniel Refalo
Mark Agius

In accordance with the Articles of Association of the company, the present directors remain in office until such time as they resign or are otherwise removed.

Disclosure of information to the auditor

At the date of making this report, the directors confirm the following:

- As far as each director is aware, there is no relevant information needed by the independent auditor in connection with preparing the audit report of which the independent auditor is unaware, and
- Each director has taken all steps that he ought to have taken as a director in order to make himself aware of any relevant information needed by the independent auditor in connection with preparing the audit report and to establish that the independent auditor is aware of that information.

Statement of directors' responsibilities

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

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

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements have been properly prepared in accordance with the Companies Act, Cap 386. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. They are also responsible for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

The auditor Grant Thornton has intimated its willingness to continue in office and a resolution proposing its reappointment will be put to the Annual General Meeting.



Joseph Portelli
Director



Daniel Refalo
Director

Registered address:
Agius Building, Saint Goerge Street
Rabat, Ghawdex
Malta

31 October 2024

Statement of comprehensive income

	Note	2023 (6 months) €
Administrative and other expenses		(3,500)
Loss for the year	5	<u>(3,500)</u>

Statement of financial position

	Notes	2023 €
Assets		
Current		
Cash and cash equivalents	7	1,200
Due from a related party	8	115,000
		<u>116,200</u>
Total assets		<u>116,200</u>
Equity		
Share capital	9	1,200
Shareholders' contribution	10	115,000
Accumulated losses		(3,500)
Total equity		<u>112,700</u>
Liabilities		
Current		
Accrued expenses	11	3,500
Total liabilities		<u>3,500</u>
Total equity and liabilities		<u>116,200</u>

The financial statements on pages 4 to 16 were approved by the board of directors, authorised for issue on 31 October 2024 and signed on its behalf by:



Joseph Portelli
Director



Daniel Refalo
Director

Statement of changes in equity

	Share capital €	Shareholders' contribution €	Accumulated losses €	Total equity €
Issue of share capital	1,200	-	-	1,200
Contribution from shareholder	-	115,000	-	115,000
Loss for the period	-	-	(3,500)	(3,500)
At 31 December 2023	1,200	115,000	(3,500)	112,700

Accumulated losses include current period results as disclosed in the statement of comprehensive income.

Statement of cash flows

	Notes	2023 (6 months) €
Operating activities		
Loss before tax		(3,500)
Net changes in working capital	12	3,500
Net cash used in operating activities		<u>-</u>
Financing activities		
Proceeds from issuance of share capital		1,200
Net cash generated from financing activities		<u>1,200</u>
Cash and cash equivalents, end of the period	7	<u>1,200</u>

Notes to the financial statements

1 Nature of operations

The company was principally engaged to purchase, lease, develop and manage properties. During the year, the company did not start any projects.

2 General information and statement of compliance with International Financial Reporting Standards (IFRSs)

Excel Property Trading Limited, a private liability company, is incorporated and domiciled in Malta. The address of the company's registered office, which is also the principal place of business is Agius Building, Saint George Street, Rabat, Ghawdex, Malta

The financial statements of the company have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by International Accounting Standards Board (IASB) and as adopted by the European Union (EU), and in accordance with the Companies Act, Cap 386.

The financial statements are presented in euro (€), which is also the company's functional currency. This is the company's first accounting period since incorporation.

3 New or revised Standards or Interpretations

3.1 Standards, amendments and Interpretations to existing Standards that are not yet effective and have not been adopted early by the company

At the date of authorisation of these financial statements, several new, but not yet effective, Standards and amendments to existing Standards, and Interpretations have been published by the IASB or IFRIC. None of these Standards or amendments to existing Standards have been adopted early by the company and no Interpretations have been issued that are applicable and need to be taken into consideration by the company.

Other Standards and amendments that are not yet effective and have not been adopted early by the company include:

- Classification of Liabilities as Current or Non-current (Amendments to IAS 1)
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)
- Non-current Liabilities with Covenants (Amendments to IAS 1)
- Lack of Exchangeability (Amendments to IAS 21)

These amendments are not expected to have a significant impact on the financial statements in the period of initial application and therefore no disclosures have been made.

4 Material accounting policies

An entity should disclose its material accounting policies. Accounting policies are material and must be disclosed if they can be reasonably expected to influence the decisions of users of the financial statements.

Management has concluded that the disclosure of the entity's material accounting policies below are appropriate.

4.1 Overall considerations

The material accounting policies that have been used in the preparation of these financial statements are summarised below.

The financial statements have been prepared using the measurement bases specified by IFRS for each type of asset, liability, income and expense. The measurement bases are more fully described below.

4.2 Presentation of financial statements

The financial statements are presented in accordance with IAS 1 '*Presentation of Financial Statements*'. The company has elected to present the 'statement of comprehensive income' in one statement.

4.3 Expense recognition

Expenses are recognised in the statement of comprehensive income upon utilisation of the service or at the date of their origin.

4.4 Foreign currency translation

Functional and presentation currency

The financial statements are presented in euro (€), which is also the functional currency of the company.

Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency of the company, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items denominated in foreign currency at year-end exchange rates are recognised in profit or loss.

4.5 Financial instruments

Recognition and derecognition

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets are classified into the following categories:

- amortised cost

The company does not have any financial assets categorised as FVTPL and FVOCI in the periods presented.

The classification is determined by both:

- the entity's business model for managing the financial asset; and
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in the profit or loss are presented within 'finance cost' or 'finance income' or 'other financial items'.

Subsequent measurement of financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The company's cash and cash equivalents, loans and receivables fall into this category of financial instruments.

Impairment of financial assets

IFRS 9's impairment requirements use forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'. Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under IFRS 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

The company considers a broad range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Classification and measurement of financial liabilities

The company's financial liabilities include payables.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in the income statement are included within 'finance costs' or 'finance income'.

4.8 Income taxes

Tax expense/income recognised in the statement of comprehensive income comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted by the end of the reporting period. Deferred tax liabilities are always provided for in full.

Deferred tax assets are recognised to the extent that it is probable that they will be able to be utilised against future taxable income.

Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in profit or loss, except where they relate to items that are recognised in other comprehensive income or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income or equity, respectively.

4.9 Cash and cash equivalents

For the purposes of the statements of financial position and cash flows, cash and cash equivalents comprise cash at bank.

4.10 Equity

Share capital is determined using the nominal value of shares that have been issued.

Accumulated losses include all current and prior period results.

4.11 Provisions

Provisions are recognised when present obligations as a result of a past event will probably lead to an outflow of economic resources from the company and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive commitment that has resulted from past events, for example, product warranties granted, legal disputes or onerous contracts. Restructuring provisions are recognised only if a detailed formal plan for the restructuring has been developed and implemented, or management has at least announced the plan's main features to those affected by it. Provisions are not recognised for future operating losses.

required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

4.12 Significant management judgements in applying accounting policies and estimation uncertainty

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experiences and various other factors that are believed to be reasonable and reliable in the circumstances, the results of which form the basis of making the judgements about carrying amounts of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

In the opinion of the 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 description as critical in terms of the requirements of IAS 1 (revised).

5 Loss for the year

The loss for the year is stated after charging:

	2023 (6 months) €
Auditor's remuneration	<u>3,000</u>

6 Tax income

The relationship between the expected tax income based on the effective tax rate of Excel Property Trading Limited at 35% and the tax income actually recognised in the statement of comprehensive income can be reconciled as follows:

	2023 (6 months) €
Loss before tax	(3,500)
Tax rate	35%
Expected tax income	<u>1,225</u>
Adjustment for the tax effect of:	
Non-deductible expenses	<u>(1,225)</u>
Actual tax income	<u>-</u>

7 Cash and cash equivalents

Cash and cash equivalents include the following components:

	2023
	€
Cash at bank	1,200
Cash and cash equivalents in the statement of financial position and statement of cash flows	1,200

The company did not have any restrictions on its cash at bank at year end.

8 Due from a related party

	2023
	€
Amount due from Excel MJD Limited	115,000
	115,000

The amounts due from a related party is unsecured, interest free and repayable upon demand.

9 Share capital

The share capital of Excel Property Trading Limited consists only of fully paid ordinary shares with a par value of € 1 each. All shares are equally eligible to receive dividends and the repayment of capital and represent one vote at the shareholders' meeting of Excel Property Trading Limited.

	2023
	€
Shares authorised/issued and fully paid at 31 December	
1,200 ordinary shares of € 1 each	1,200

10 Shareholders' contribution

On 31 December 2023, the company's shareholders resolved to approve the assignment of an amount of €115,000 due to a related party to the shareholders. The said amount was reinvestment in the company as capital contribution.

11 Accrued expenses

	2023
	€
Accrued audit fees	3,000
Other accrued expenses	500
Financial liabilities	3,500

The carrying amount of financial liabilities is considered a reasonable approximation of fair value.

12 Cash flow adjustments and changes in working capital

The following non-cash flow adjustment and adjustments for changes in working capital have been made to the pre-tax result for the year to arrive at operating cash flow:

	2023 (6 months) €
Net changes in working capital:	
Increase in accrued expenses	3,500
	<u>3,500</u>

13 Related party transactions

The company's related parties include its parent company, fellow subsidiary companies, other related companies, directors and shareholders.

Unless otherwise stated, none of the transactions incorporates special terms and conditions and no guarantee was given or received. Transactions with related companies are generally effected on a cost plus basis. Outstanding balances are usually settled in cash.

13.1 Transactions with entities under common management

	2023 €
Assignment of payable to related party	<u>115,000</u>

13.2 Transactions with key management personnel

There were no transactions with key management personnel.

14 Risk management objectives and policies

The company is exposed to various risks in relation to financial instruments. The company's financial assets and liabilities by category is summarised in note 13.4. The main types of risks are credit risk, liquidity risk and market risk.

The company's risk management is coordinated by the directors and focuses on actively securing the company's short to medium term cash flows by minimising the exposure to financial risks.

The most significant financial risks to which the company is exposed are described below.

14.1 Credit risk

The company's exposure to credit risk is limited to the carrying amount of financial asset recognised at the end of the reporting period, as summarised below:

	Notes	2023 €
Current asset		
Cash and cash equivalents	7	1,200
Due from a related party	8	<u>115,000</u>
		<u>116,200</u>

The company's management considers that the above financial asset that is not impaired for each of the reporting dates under review is of good credit quality.

None of the company's financial asset is secured by collateral or other credit enhancements.

The company banks with local institutions. At 31 December 2023, cash and cash equivalents amounting to € 1,200 are held with local counterparties with credit ratings of BBB- and are callable on demand. Management consider the probability of default to be close to zero as the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12 month expected credit losses as any such impairment would be insignificant to the company.

The company measures credit risk on ECL on related party balances using the probability of default and loss given default. Management considers the loss given default and probability of default to be close to zero. Since the amount is owed by a related party and there is no history of default or credit loss experience on past due amounts. As at year end, no loss allowance has been recognised.

14.2 Liquidity risk

The company's exposure to liquidity risk arises from its obligations to meet its financial liabilities, which comprise of accrued expenses (see notes 11). Prudent liquidity risk management includes maintaining sufficient cash and committed credit facilities to ensure the availability of an adequate amount of funding to meet the company's obligations when they become due.

At 31 December 2023, the company's financial liabilities have contractual maturities which are summarised below:

31 December 2023	Current within 1 year €	Non-current 2 to 5 years €	later than 5 years €
Accrued expenses	3,500	-	-
	<u>3,500</u>	<u>-</u>	<u>-</u>

The above amounts reflect the contractual undiscounted cash flows which may differ from the carrying amounts of the liabilities at the reporting date.

14.3 Market risk

Foreign currency risk

The company transacts business mainly in euro and had no significant foreign currency denominated financial assets and liabilities at the end of the financial reporting period under review. Consequently, the company's exposure to foreign currency risk is negligible.

Interest rate risk

The company is not exposed to interest rate risk since it does not have any interest bearing borrowings.

14.4 Summary of financial assets and liabilities by category

The carrying amounts of the company's financial assets and liabilities as recognised at the end of the reporting periods under review may also be categorised as follows. See note 4.5 for explanations about how the category of financial instruments affects their subsequent measurement.

	Notes	2023 €
Current assets		
- Cash and cash equivalents	7	1,200
- Due from a related party	8	<u>115,000</u>
		<u>116,200</u>
Current liabilities		
- Accrued expenses	11	<u>3,500</u>
		<u>3,500</u>

15 Capital management policies and procedures

The company is not trading and therefore its capital requirements are minimal. For the time being its capital management objectives are to ensure its ability to continue as a going concern until the shareholders decide on its future. In the meantime, the company has the financial support of its related companies to enable it to meet its liabilities as they fall due and to continue as a going concern.

16 Post reporting date events

No adjusting or other significant non-adjusting events have occurred between the end of the reporting period and the date of authorisation.

Independent auditor's report

To the shareholders of Excel Property Trading Limited

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Excel Property Trading Limited set out on pages 4 to 16 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 12 June 2023 to 31 December 2023, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying 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 period then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU), and have been properly prepared in accordance with the requirements of the Companies Act, Cap. 386 (the "Act").

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 International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements of the Accountancy Profession (Code of Ethics for Warrant Holders) Directive issued in terms of the Accountancy Profession Act, Cap. 281 that are relevant to our audit of the financial statements in Malta. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The directors are responsible for the other information. The other information comprises the Directors' report shown on pages 2 and 3 which we obtained prior to the date of this auditor's 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.

In connection with our audit of the financial statements, our responsibility is to read the other information 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.

With respect to the directors' report, we also considered whether the directors' report includes the disclosures required by Article 177 of the Act.

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

- The information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements, and
- the directors' report has been prepared in accordance with the Act

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the directors' report and other information that we obtained prior to the date of this auditor's report. We have nothing to report in this regard.

Responsibilities of those charged with governance for the financial statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS as adopted by the EU and are properly prepared in accordance with the provisions of the Act, 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 relating 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.

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 the 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 management.
- Conclude on the appropriateness of management's 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 those charged with governance 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.

Report on other legal and regulatory requirements

We also have responsibilities under the Companies Act, Cap 386 to report to you if, in our opinion:

- adequate accounting records have not been kept
- the financial statements are not in agreement with the accounting records.
- we have not received all the information and explanations we require for our audit.

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

The engagement partner on the audit resulting in this independent auditor's report is Sharon Causon.



Sharon Causon (Partner) for and on behalf of

GRANT THORNTON Certified Public Accountants

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31 October 2024