

AB INVESTMENTS LIMITED

*Audited Report
and
Financial Statements
31st December 2023*

Company Registration Number C 70554

Registration

AB Investments Limited is registered in Malta as a limited liability company under the Companies Act (Cap.386) with registration number C 70554.

Director

Alan Bonnici

Registered Office

T9B08, Preti Court,
Tigne Point,
Sliema,
Malta

Auditor

Joseph Polidano - Certified Public Accountant and Registered Auditor
For and on behalf of **Finaserv Limited – AB/2/21/06**
'Kyle', Apartment 4, Triq il-Mediterran,
St. Julians, STJ 1870, Malta

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Statement of Director's Responsibilities

Company law requires the director to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company at the end of the financial period and of the profit or loss of the company for that period.

In preparing the financial statements, the director is required to:-

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

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy, at any time, the financial position of the company and to enable the director to ensure that the financial statements have been properly prepared in accordance with the Companies Act (Cap.386) enacted in Malta. This responsibility includes designing, implementing and maintaining such internal control as the director determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The director is 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.

	Notes	2023 €	2022 €
Revenue	3	58,577	-
Cost of Sales		-	-
Gross Income		58,577	-
Administrative expenses		(17,274)	(3,200)
Operating Income		41,303	(3,200)
Interest Paid		(18,497)	(22,870)
Interest Received		100	-
Income before Taxation	4	22,906	(26,070)
Taxation	5	(8,610)	-
TOTAL INCOME FOR THE YEAR		14,296	(26,070)

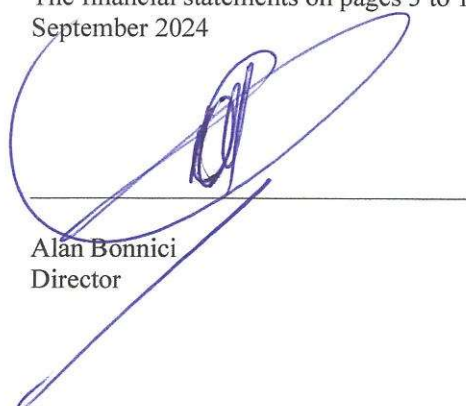
The accounting policies and explanatory notes on pages 3 to 11 form an integral part of these financial statements.

AB INVESTMENTS LIMITED
Balance Sheet
For the year ended 31st December 2023

Page 4

	Notes	2023 €	2022 €
ASSETS			
Fixed Assets			
Property, Plant & Equipment	6	2,665,513	2,329,751
		<u>2,665,513</u>	<u>2,329,751</u>
Current Assets			
Trade and Other Receivables	7	153,273	1,105,493
Cash at bank		<u>547,944</u>	<u>233,095</u>
		<u>701,217</u>	<u>1,338,588</u>
Total Assets		<u><u>3,366,730</u></u>	<u><u>3,668,339</u></u>
EQUITY AND LIABILITIES			
Capital and Reserves			
Share capital	8	651,200	651,200
Retained Earnings	9	<u>13,053</u>	<u>(1,243)</u>
Total equity		<u>664,253</u>	<u>649,957</u>
Non-current Liabilities			
Borrowings	10	<u>2,206,006</u>	<u>3,004,982</u>
		<u>2,206,006</u>	<u>3,004,982</u>
Current Liabilities			
Trade and other payables	11	487,861	13,400
Taxation	12	<u>8,610</u>	<u>-</u>
Total current liabilities		<u>496,471</u>	<u>13,400</u>
Total Equity and Liabilities		<u><u>3,366,730</u></u>	<u><u>3,668,339</u></u>

The financial statements on pages 3 to 10 were approved and authorised for issue by the Director on the 30th September 2024



Alan Bonnici
Director

1. Basis of preparation

Basis of measurement and statement of compliance

The financial statements of AB Investments Limited ("the Company") have been prepared in accordance with the Accountancy Profession (General Accounting Principles for Small and Medium-Sized Entities) Regulations, 2015 and the Schedule accompanying and forming an integral part of those Regulations ("GAPSME"). The financial statements have been prepared on the historical cost basis.

Functional and presentation currency

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

2. Significant accounting policies

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

Financial assets, financial liabilities and equity

A financial asset or a financial liability is recognised on the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially recognised at their fair value plus in the case of financial assets and financial liabilities not classified as held for trading and subsequently measured at fair value, transaction costs attributable to the acquisition or issue of the financial assets and financial liabilities.

Financial assets and financial liabilities are derecognised if and to the extent that, it is no longer probable that any future economic benefits associated with the item will flow to or from the entity.

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue cost.

2. Significant accounting policies (continued)

A financial instrument, or its component parts, is classified as a financial liability, financial asset or an equity instrument in accordance with the substance of the contractual arrangement rather than its legal form.

i. Trade and other receivables

Trade and other receivables are stated at their nominal value unless the effect of discounting is material in which case trade and other receivables are measured at amortised cost using the effective interest method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence of impairment.

ii. Trade and other payables

Trade and other payables are stated at their nominal value unless the effect of discounting is material, in which case trade and other payables are measured at amortised cost using the effective interest method.

iii. Share capital issued by the Company

Ordinary shares issued by the Company are classified as equity. Dividends to ordinary shareholders are debited directly to equity and are recognised as liabilities in the period in which they are declared.

Impairment

The Company's financial assets are tested for impairment.

i. Financial assets

A financial asset or a group of financial assets is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost or cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The amount of the loss is recognised in profit or loss. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. The reversal does not result in a carrying amount of the financial asset that exceeds what the amortised cost/cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in profit or loss.

2. Significant accounting policies (continued)

Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term investments that are held to meet short-term cash commitments rather than for investment or other purposes.

Income taxes

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that the tax arises from a transaction or event which is recognised directly in equity, in which case it is recognised in equity.

Current tax is based on the taxable profit for the year, as determined in accordance with tax laws, and measured using tax rates, which have been enacted or substantively enacted by the balance sheet date.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised on temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. The Company recognises a deferred tax liability in respect of all taxable temporary differences and a deferred tax asset in respect of all deductible temporary differences except to the extent that such deferred tax liability arises from the initial recognition of goodwill or the deferred tax asset/liability arises from the initial recognition of an asset or liability which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (loss). Recognition of a deferred tax asset is however limited to the extent that it is possible that taxable profit will be available against which the deductible temporary difference can be utilised. The Company reassesses any unrecognised deferred tax asset at each balance sheet date to determine whether future taxable profit has become probable that allows the deferred tax asset to be recovered.

Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Property held for development and resale

When the main object of a property project is the development for resale purposes, the asset is classified in the financial statements as inventory. Any elements of the project which are identified for business operation or long-term investments properties are transferred at their carrying amount or fair value to property, plant and equipment or investment property when such identification is made, and the cost thereof can be reliably segregated.

The development property is carried at the lower of cost and net realisable value. The purchase cost of acquiring the property represents the cash equivalent value of the contracted price. In case of land previously held as tangible non-current assets, the transfer value is the carrying value of the land as last revalued prior to its transfer to inventories.

2. Significant accounting policies (continued)

Cost comprises the purchase cost of acquiring the property together with other costs incurred during its subsequent development by specifically identifying the cost of individual items including:

- The costs incurred on development works and construction works in progress, including demolition, site clearance, excavation, construction and acquisition costs, together with the expense's incidental to acquisition and costs of ancillary activities such as site security.
- The cost of various design and other studies conducted in connection with the project, together with all other expenses incurred in connection therewith.
- Any borrowing costs, including imputed interests, attributable to the development phases of the property project.

Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses. Gains and losses on disposal of property inventories are determined by reference to their carrying amount and are taken into account in determining gross profit.

Cash and cash equivalents

Cash and cash equivalents include cash at bank.

Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Trade payables are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, billed to the company.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred.

3. Revenue

	2023	2022
	€	€
Rental Income	57,400	-
Other Income	1,177	-
	<u>58,577</u>	<u>-</u>

4. Income Before Taxation

Stated after charging the following:

	2023	2022
	€	€
Audit Fees	910	910
Directors' remuneration	-	-
	<u>-</u>	<u>-</u>

5. Taxation

	2023	2022
	€	€
Current Tax	8,610	-
Deferred Tax	-	-
Tax Charge	<u>8,610</u>	<u>-</u>

6. Fixed Assets

	2023	2022
	€	€
Property for Development		
Cost	2,329,751	899,869
Additions	335,762	1,429,882
Revaluations	-	-
Net Book Value	<u>2,665,513</u>	<u>2,329,751</u>

7. Trade and Other Receivables

	2023	2022
	€	€
Related Party Loan	140,462	1,105,493
Shareholder's Loan	10,210	-
Other Receivables	2,601	-
	<u>153,273</u>	<u>1,105,493</u>

8. Share Capital

	2023	2022
	€	€
Nominal Value Per Share	1.00	1.00
Authorised		
651,200 ordinary shares	651,200	651,200
Issued		
651,200 ordinary shares - 100% paid up	651,200	651,200

9. Retained Earnings

	2023	2022
	€	€
Opening Balance	(1,243)	624,827
Profit for the year	14,296	(26,070)
Dividends	-	(600,000)
Closing Balance	13,053	(1,243)

10. Borrowings

	2023	2022
	€	€
Interest bearing borrowings	1,658,869	1,433,046
Shareholder's loan	547,137	1,571,936
	2,206,006	3,004,982

11. Trade and Other Payables

	2023	2022
	€	€
Accrued Expenses	2,410	1,350
Deposits Received	485,451	12,050
	487,861	13,400

12. Taxation Payable

	2023	2022
	€	€
Taxation	8,610	-
	8,610	-

Independent Auditor's Report

To the Shareholders of AB Investments Limited

I have audited the accompanying financial statements of AB Investments Limited set out on pages 3 - 11 which comprise the statement of financial position as at 31st December 2023, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the period then ended, and a summary of significant accounting policies and other explanatory notes.

Opinion

In my opinion, the accompanying financial statements give a true and fair view of the balance sheet of the Company as at 31st December 2023, and of its financial performance for the year then ended in accordance with the Accountancy Profession (General Accounting Principles for Small and Medium-sized Entities) Regulations, 2015 and the Schedule accompanying and forming an integral part of those Regulations (GAPSME) and have been properly prepared in accordance with the requirements of the Companies Act (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 our 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 our opinion.

Director's Responsibility for the Financial Statements

The **Director** is responsible for the preparation of the financial statements that give a true and fair view in accordance with GAPSME 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 director is 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 has no realistic alternative but to do so.

Other Information

The **Director** is responsible for the other information. The other information comprises the General Information. My opinion on the financial statements does not cover this information, and I do not express any form of assurance conclusion thereon. 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. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Independent Auditor's Report

To the Shareholders of AB Investments Limited

Auditor's Responsibility

My objective is 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 judgment 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.

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 our audit.

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

Independent Auditor's Report

To the Shareholders of AB Investments Limited

Report on Other Legal and Regulatory Requirements

Under the 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 our audit.
- Adequate accounting records have not been kept, or that returns adequate for our audit have not been received from branches not visited by us.
- 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.



Joseph Polidano

For and on behalf of

Finaserv Limited – AB/2/21/06

'Kyle', Apartment 4
Mediterranean Street
St. Julians
STJ1870
Malta

30th September 2024

AB INVESTMENTS LIMITED
Schedules to the Income Statement
31st December 2023

SCHEDULE

1. Administrative Expenses

AB INVESTMENTS LIMITED
Administrative Expenses
For the year ended 31st December 2023

Schedule 1

	2023	2022
	€	€
Auditor's Remuneration	910	910
Accountancy Fees	5,448	-
Commissions	-	-
Insurance	787	787
Registry Fees	-	363
Professional Fees	6,516	350
Utilities	118	790
Repairs & Maintenance	1,000	-
Bank Charges	2,496	-
Administrative expenses	17,274	3,200

Declaration by Directors pursuant to article 183(3) of the Companies Act

Applicable to accounting periods other than the first accounting period

I/we, the undersigned director/s* of AB Investments Limited having registration no. C 70554, do hereby confirm that in respect of the company's financial period ending 31st December 2023 the company qualifies as a small company in terms of article 185 (1) of the Companies Act on the grounds that the company did not exceed at least two of the below-mentioned three criteria, in respect of both the current accounting period and the previous accounting year;

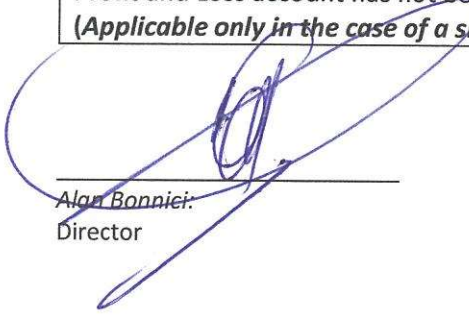
The company did not exceed the limits of at least two of the below-mentioned three criteria, in respect of both the current accounting period and the previous accounting year;	<input checked="" type="checkbox"/>
The company : <ul style="list-style-type: none">- did not exceed the limits of at least two of the below-mentioned three criteria in respect of the current accounting period; and- exceeded the limits of at least two of the below-mentioned three criteria in the previous accounting period, but is still entitled to be treated as a small company on the basis of the provisions of article 185(3) of the Companies Act (the two consecutive accounting periods test);	<input type="checkbox"/>
The company exceeded the limits of two of the below-mentioned criteria in respect of the current accounting year but is still entitled to be treated as a small company on the basis of the provisions of article 185(3) of the Companies Act (the two consecutive accounting periods test).	<input type="checkbox"/>

Criteria for a small company

- | | |
|---|---------------------------------|
| - Balance Sheet Total: | Eight million euro (€8,000,000) |
| - Turnover: | Four million euro (€4,000,000) |
| - Average number of employees during the accounting period: | fifty (50) |

I/We also confirm that on the basis of the above, the company has taken advantage of the following exemptions (tick where applicable):

Directors' report has not been submitted to the Registrar of Companies	<input checked="" type="checkbox"/>
Profit and Loss account has not been submitted to the Registrar of Companies (Applicable only in the case of a small private exempt company)	<input type="checkbox"/>



Alan Bonnici
Director

* This declaration is to be signed by two directors, unless the company has only one director.