

JUEL HOLDINGS LIMITED

FINANCIAL STATEMENTS

31st DECEMBER 2024

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DIRECTOR'S REPORT

FOR THE YEAR ENDED 31st DECEMBER 2024

The director presents his report and the audited financial statements of Juel Holdings Limited for the year ended 31st December 2024.

Principal Activities

The statement of profit or loss and other comprehensive income for the year is set out on page 7.

The principal activity of the Company is the holding of property for short-term and long-term rental.

Review of business

During the current year, the Company made a profit before taxation of €125,819 (2023 – €338,460). The Company generated revenue from accommodation of €671,534 (2023 - €696,257) and revenue from sale of property of €122,400 (2023 - NIL) and incurred administration expenses of €286,368 (2023 - €260,642).

Subsequent events

Subsequent to the reporting period, the Company decided to proceed with the sale of the properties that were previously operated as short or long-term rental accommodation. This decision aligns with the Company's strategic objectives to optimize its property portfolio and reallocate capital towards other investment requirements. The necessary steps to initiate the sale process are currently underway.

Results and dividends

The results for the year are shown in the statement of profit or loss and other comprehensive income on page 7.

The Director does not recommend the payment of a final dividend.

Directors

The Directors of the Company as at 31st December 2024 who held office throughout the year were:-

Adrian Muscat

Edward Camilleri Ellul Bonici - resigned on 16th May 2024

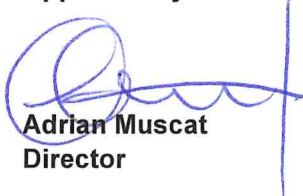
In accordance with the Company's memorandum and articles of association the Director remains in office.

DIRECTOR'S REPORT - CONTINUED

Auditor

The auditor, TACS Malta Limited has expressed its willingness to continue in office and a resolution proposing its reappointment will be put before the members at the next annual general meeting.

Approved by the Director on behalf of the Board hereunder:



Adrian Muscat
Director

Hyatt Centric Malta
Triq Santu Wistin
San Giljan
Swq 3312

Date : 29 April 2025

STATEMENT OF THE DIRECTOR'S RESPONSIBILITIES

Statement of the Director's Responsibilities

The director is required by the Maltese Companies Act 1995 to prepare 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 income statement for that period. In preparing the financial statements, the director is required to:-

- ensure that the financial statements have been drawn up in accordance with the International Financial Reporting Standards as adopted by the EU;
- make judgments and estimates that are reasonable and prudent;
- ensure that applicable accounting standards have been followed;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

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 them to ensure that the financial statements comply with the Maltese Companies Act 1995. The director is 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 properly safeguarded and that fraud and other irregularities will be prevented or detected.

Approved by the Director on behalf of the Board hereunder:



Adrian Muscat
Director

Date : 29 April 2025

Independent auditor's report

To the Shareholders of Juel Holdings Limited.

Report on the Audit of the Financial Statements for the year ended 31st December 2024.

Opinion

I have audited the financial statements of Juel Holdings Limited, set out on pages 7 to 28 which comprise the statement of financial position as at 31st December 2024 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of material accounting policies.

In my opinion, the accompanying financial statements give a true and fair view of the financial position of Juel Holdings Limited as at 31st December 2024, its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU 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 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 opinion.

Information other than the Financial Statements and Auditor's Report thereon

The director is responsible for the other information. The other information comprises the Director's Report and the Statement of the Director's Responsibilities.

My opinion on the financial statements does not cover the other 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.

With respect to the Director's Report, I also considered whether the Director's Report includes the disclosure requirements of Article 177 of the Companies Act (Cap. 386).

In accordance with the requirements of sub-article 179(3) of the Companies Act (Cap. 386) in relation to the Director's Report, in my opinion, based on the work undertaken in the course of the audit:

The information given in the Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

The Director's Report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, I have not identified any material misstatements in the Director's Report.

Independent auditor's report

To the Shareholders of Juel Holdings Limited.

Responsibilities of the Director

The director is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs as adopted by the EU, and for such internal control as the director determines 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 director either intends to liquidate the Company or to cease operations, or has 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.

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 director.
- Conclude on the appropriateness of the director'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 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. I am responsible for the direction, supervision and performance of the audit. I remain solely responsible for my audit opinion.

I 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 I identify during my 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 my independence, and where applicable, related safeguards.

Independent auditor's report

To the Shareholders of Juel Holdings Limited.

Report on Other Legal and Regulatory Requirements

I am also responsible under the Companies Act (Cap. 386), I have responsibilities to report to you if, in my opinion:

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

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



This copy of the audit report has been signed by
Pamela Fenech (Director) for and on behalf of

TACS Malta Limited

Certified Public Accountant and Registered Auditor

1, Tal-Providenza Mansions

Main Street

Balzan

Malta

Date: 29 April 2025

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31st DECEMBER 2024

	Notes	2024 €	2023 €
Revenue	3	793,934	696,257
Cost of sales		<u>(376,303)</u>	<u>(393,925)</u>
Gross profit		417,631	302,332
Administrative expenses		<u>(286,368)</u>	<u>(260,643)</u>
Operating profit		131,263	41,689
Finance costs	7	(5,444)	(3,229)
Fair value on investment property		<u>-</u>	<u>300,000</u>
Profit before taxation	4	125,819	338,460
Tax expense	8	<u>(38,447)</u>	<u>(37,530)</u>
Profit for the year		<u>87,372</u>	<u>300,930</u>
 Total Comprehensive income		 <u>87,372</u>	 <u>300,930</u>
 Earnings per share		 <u>72.81</u>	 <u>250.78</u>

The notes on pages 11 to 28 are an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION - 31st DECEMBER 2024

	Notes	2024 €	2023 €
ASSETS			
Non-current assets			
Property, plant and equipment	9	166,518	199,936
Investment property	10	3,300,000	3,300,000
Deferred income tax	16	172	2,309
Total non-current assets		3,466,690	3,502,245
Current assets			
Inventory - Development project	11	-	78,653
Trade and other receivables	12	20,025	253,484
Cash and cash equivalents	13	139,937	39,583
Total current assets		159,962	371,720
Total Assets		3,626,652	3,873,965
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	14	1,200	1,200
Retained earnings		2,269,768	2,182,396
Total equity		2,270,968	2,183,596
Non-current liabilities			
Deferred tax liability	17	264,000	264,000
Total non-current liabilities		264,000	264,000
Current liabilities			
Trade and other payables	16	38,157	186,550
Other financial liabilities	16	1,027,008	1,227,462
Taxation due		26,519	12,357
Total current liabilities		1,091,684	1,426,369
Total liabilities		1,355,684	1,690,369
Total equity and liabilities		3,626,652	3,873,965

The notes on pages 11 to 28 are an integral part of these financial statements.

The financial statements on pages 7 to 28 were approved by the board of directors and were signed on its behalf by:


Adrian Muscat
Director

Date : 29 April 2025

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31st DECEMBER 2024

	Share Capital €	Retained Earnings €	Total €
Balance at 1st January 2023	1,200	1,881,466	1,882,666
Comprehensive income			
Profit for the year	-	300,930	300,930
Balance at 31st December 2023	1,200	2,182,396	2,183,596
Balance at 1st January 2024	1,200	2,182,396	2,183,596
Comprehensive income			
Profit for the year	-	87,372	87,372
Balance at 31st December 2024	1,200	2,269,768	2,270,968

The notes on pages 11 to 28 are an integral part of these financial statements.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31st DECEMBER 2024

	2024	2023
	€	€
Cash flows from operating activities		
Net profit before taxation	125,819	338,460
Adjustments for:		
Depreciation	34,286	34,199
Finance costs	5,444	3,229
Gain on revaluation of investment property	-	(300,000)
Operating profit before working capital changes	165,549	75,888
Trade and other receivables	(16,629)	6,701
Inventory	78,653	-
Trade and other payables	(148,393)	8,395
Cash generated from operations	79,180	90,984
Finance costs	(5,444)	(3,229)
Income tax paid	(22,148)	(1,135)
<i>Net cash generated from operating activities</i>	51,588	86,620
Cash flows used in investing activities		
Payments for fixed assets	(868)	(1,716)
<i>Net cash used in investing activities</i>	(868)	(1,716)
Cash flows from financing activities		
Director's loans	-	747,604
Related parties	49,635	(967,637)
<i>Net cash from / (used in) financing activities</i>	49,635	(220,033)
Movement in cash and cash equivalents	100,355	(135,129)
Cash and cash equivalents at beginning of the year	39,583	174,712
Cash and cash equivalents at end of the year (note 13)	139,937	39,583

The notes on pages 11 to 28 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS - 31st DECEMBER 2024

1 Summary of material accounting policies

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

1.1 Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) with the requirements of the Maltese Companies Act, 1995. The financial statements are prepared under the historical cost convention, except as disclosed in the accounting policies below.

The financial statements have been prepared on a going concern basis, which assumes that the Company will continue in operational existence for the foreseeable future. The Directors have, at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operation for at least twelve months from the end of the reporting period. Accordingly, the financial statements do not include any adjustments that would result if the Company were unable to continue as a going concern.

Critical accounting estimates and judgements

The preparation of financial statements in conformity with IFRSs requires the use of certain accounting estimates. It also requires directors to exercise their judgement in the process of applying the Company's accounting policies. Estimates and judgements 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.

In the opinion of the director, 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.

Standards, interpretations and amendments to published standards effective in 2024

The Company adopted new standards, amendments and interpretations to existing standards that are mandatory for the Company's accounting period beginning on 1 January 2024. The adoption of these revisions to the requirements of IFRSs as adopted by the EU did not result in substantial changes to the Company's accounting policies.

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, certain new standards, and amendments to existing standards have been published by the IASB that are not yet effective, and have not been adopted early by the Company.

Management anticipates that all relevant pronouncements will be adopted in the Company's accounting policies for the first period beginning after the effective date of the pronouncement. The Company does not expect that new standards, interpretations and amendments will have a material impact on the Company's financial statements.

NOTES TO THE FINANCIAL STATEMENTS - 31st DECEMBER 2024

1 Summary of material accounting policies

1.2 Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

1.3 Revenue and cost recognition

Revenue from hospitality relates to revenue from accommodation. Revenue from each operation is recognised over time since the customer benefits as the Company is performing: the amount allocated to the performance obligation is recognised over the customer's stay at the respective apartment.

Sales of property are recognised when the significant risks and rewards of ownership of the property being sold effectively transferred to the buyer. This is generally considered to occur at the later of the contract of sale and the date when all the Company's obligations relating to the property are completed and the possession of the property can be transferred in the manner stipulated by the contract of sale. Amounts received in respect of sales that have not yet been recognised in the financial statements, due to the fact that the significant risks and rewards of ownership still rest with the Company, are treated as payments received on account and presented within trade and other payable.

Other operating income consisting of the following is recognised on an accruals basis:

Interest

Costs are recognised when the related goods and services are sold, consumed or allocated, or when their future useful lives cannot be determined.

NOTES TO THE FINANCIAL STATEMENTS - 31st DECEMBER 2024

1 Summary of material accounting policies

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

1.5 Other financial liabilities

Other financial liabilities are recognized initially at fair value of proceeds received, net of transaction costs incurred. Other financial liabilities are subsequently measured at amortised cost using the effective interest method unless the effect of discounting is immaterial. Any difference between the proceeds, net of transaction costs, and the settlement or redemption of other borrowings is recognised in profit or loss over the term of the borrowings, unless the interest on such borrowings is capitalised in accordance with the company's accounting policy on borrowing costs.

1.6 Property, plant and equipment

All property, plant and equipment are initially recorded at cost and subsequently stated at cost less depreciation.

Cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount 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. Expenditure on repairs and maintenance of property, plant and equipment is recognised as an expense when incurred.

Property, plant and equipment are stated at cost or valuation less accumulated depreciation. Depreciation is provided for on the straight line method in order to write off cost over the expected useful economic lives of the assets as follows:

	Years
Computers & Equipment	4
Motor Vehicles	5
Furniture & Fittings	10

The assets' residual values and useful lives are reviewed and adjusted if appropriate, at each statement of financial position date.

Gains and losses on disposal of property, plant and equipment are determined by comparing proceeds with the carrying amount, and are taken into account in determining operating profit.

An asset's carrying amount is written down immediately to its recoverable amount if its carrying amount is greater than its estimated recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS - 31st DECEMBER 2024

1 Summary of material accounting policies

1.7 Investment property

Investment property is initially measured at cost and subsequently at fair value with any change therein recognised in profit or loss. After initial recognition, investment property is carried at fair value, representing open market value determined as frequent as the directors deem necessary.

Any gain or loss on disposal of investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss. When investment property that was previously classified as property, plant and equipment is sold, any related amount included in the revaluation reserve is transferred to retained earnings.

Rental income from investment property is recognised as other revenue on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

1.8 Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

i. As a lessee

The Company leases out property from related parties. The Company has classified this lease as an operating lease, because it does not transfer substantially all of the risks regards incidental to the ownership of the asset.

ii. As a lessor

At inception or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other revenue'.

The Company leases out its investment property to related parties. All leases are classified as operating leases.

NOTES TO THE FINANCIAL STATEMENTS - 31st DECEMBER 2024

1 Summary of material accounting policies

1.9 Inventory - Development project

This development is intended in the main for resale purposes, and is accordingly classified in the financial statements as Inventory. Any elements of a project which are identified for business operation or long-term investment properties are transferred at their carrying amount to Property, plant and equipment or investment properties when such identification is made and the cost thereof can reliably be segregated.

The development is carried at the lower of cost and net realisable value. Cost comprises the purchase cost and net realisable value. Cost comprises the purchase cost of acquiring the land together with other costs incurred during its subsequent development, including:

(i) The cost incurred on development works, including demolition, site clearance, excavation, construction, etc., together with the costs of ancillary activities such as site security.

(ii) The cost of various design and other studies conducted in connection with the project, together with all other expenses incurred in connection therewith.

(iii) Any borrowing costs, including imputed interest, attributable to the development phases of the project.

The purchase cost of acquiring the land represents the cash equivalent of the contracted price. This was determined at date of purchase by discounting to present value the future cash outflows comprising the purchase consideration.

Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses.

NOTES TO THE FINANCIAL STATEMENTS - 31st DECEMBER 2024

1 Summary of material accounting policies

1.10 Financial assets

i. Recognition and initial measurement

Trade and other receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

ii. Classification and subsequent measurement

Financial assets - Classification, subsequent measurement and gains and losses

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI - debt investment; FVOCI - equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

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

Financial liabilities - Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in the statement of profit or loss and other comprehensive income. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in the statement of profit or loss and other comprehensive income. Any gain or loss on derecognition is also recognised in the statement of profit or loss and other comprehensive income.

iii. Derecognition

Financial assets

The Company derecognises a financial asset when:

- the contractual rights to the cash flows from the financial asset expire; or
- it transfers the rights to receive the contractual cash flows in a transaction which either:
 - substantially all of the risks and rewards of ownership of the financial assets are transferred; or
 - the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

NOTES TO THE FINANCIAL STATEMENTS - 31st DECEMBER 2024

1 Summary of material accounting policies

1.10 Financial assets (continued)

iii. Derecognition (continued)

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in the statement of profit or loss and other comprehensive income.

iv. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

v. Impairment

Simplified approach model

For trade and other receivables, the Company applies the simplified approach required by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

The expected loss rates are based on the payment profiles of sales over a period of 12 months before 31 December 2024 or 1 January 2024 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the liability of the customers to settle the receivable. Receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, among others, the probability of insolvency or significant financial difficulties of the debtor. Impaired debts are derecognised when they are assessed as uncollectible.

1.11 Cash and cash equivalents

Cash and cash equivalents as shown in the cashflow statement comprises of cash in hand and cash at bank.

NOTES TO THE FINANCIAL STATEMENTS - 31st DECEMBER 2024

1 Summary of material accounting policies

1.12 Taxation

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the current tax is also dealt within equity.

The charge/credit for current tax is based on the taxable result for the period. The taxable result for the period differs from the result as reported in profit or loss because it excludes items which are not assessable or disallowed and it further excludes items that are taxable or deductible in other periods. It is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Provision is made for deferred taxation, using the liability method, in respect of timing differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Deferred tax debits are only carried forward in so far as it is probable that future taxable profits will be available against which the tax losses and unabsorbed capital allowances can be

1.13 Trade and other receivables

Trade receivables are amounts due from customers for units sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the nominal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other 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 and other 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 are considered indicators that the receivable is impaired. 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 statement of profit or loss and other comprehensive income within selling and other direct expenses.

When a receivable is uncollectible, it is written off against the allowance account for trade and other receivables. Subsequent recoveries of amounts previously written off are credited against selling and other direct expenses in the statement of profit or loss and other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS - 31st DECEMBER 2024

2 Financial risk management

Risks relating to the Company

The Company's Board of Directors has the responsibility for the establishment and oversight of the Company's risk management framework. Accordingly, the Company's Board of Directors provides principles for overall Company risk management, as well as policies covering the risks identified.

2.1 Economic and Financial risks of the Company

i. Risks relating to rising costs for materials, resources, and utilities

Rising costs of raw materials and resources, due to global supply chain disruptions and/or tariffs, affect both the hospitality and property development sectors. The Company faces risks in delivering projects on time and within budget, and increased costs may be difficult to pass on to customers. Failure to meet project obligations could harm relationships with customers and suppliers, negatively impacting the Company's financial performance.

ii. Risks relating to aversion to travel due to Global Geopolitical event

Recent global geopolitical events may lead to reduced travel due to various factors such as political unrest, tariffs, and higher fuel costs. Such events may deter potential visitors to Malta. The Company's hospitality operations, is exposed to fluctuations in travel demand, influenced by geopolitical situations and economic conditions. Economic instability and geopolitical uncertainty remain risks to the Company's financial performance.

2.2 Operational risks of the Company

i. Risks relating to the loss of senior management and other key personnel

The Company's growth is driven by its executive director and key personnel, including senior management and project teams. Loss of any of these individuals, especially to competitors, could impact the Company's ability to manage and grow the business, potentially affecting its financial performance.

ii. Risks relating to competing projects

The local hospitality industry is highly competitive given the variety of temporary accommodation available on the market. Accordingly, the apartments operating under the "StayMela" brand may compete with local hotels and other accommodation and facilities offering various types of lodging options and related services to the public.

iii. Risks relating to changes in consumer preferences and demand

The Company's success depends on meeting consumer demand, which is influenced by trends, economic conditions, and brand reputation. In the property and hospitality sectors, failure to adapt to changing preferences could lead to reduced revenue and negatively affect the Company's financial performance.

iv. Risks relating to the Company's insurance policies

There is no guarantee that the Company's insurance coverage will be sufficient for all potential losses or available at acceptable rates. Changes in laws or regulations, as well as actions by employees, contractors, or third parties, may impact the Company's ability to make successful insurance claims.

NOTES TO THE FINANCIAL STATEMENTS - 31st DECEMBER 2024

2 Financial risk management - continued

2.3 Risks specific to the property sector

i. Risks Relating to Property Sales

The Company faces risks in selling or renting properties, particularly in relation to market conditions, local economic factors, and regulatory changes. There is no assurance that future property sales will be made at profitable prices or in line with prior valuations, potentially affecting the Company's revenue and cash flow.

iv. Property Valuation Risks

The Company's property assets are valued by independent experts. However, property valuations are inherently subjective and depend on market conditions and assumptions at a given time. As a result, actual market values may differ from estimated valuations, which could impact the Group's financial position and results of operations.

2.4 Risks specific to the hospitality and tourism industry

i. Risks specific to the hospitality and tourism industry

The Company's activities in the hospitality and tourism industries comprise the operation of its rental activities under the brand "StayMela". The hospitality and tourism industries are susceptible to several factors which may impact the operations and revenue of owners and operators alike. Such factors include as follows:

- Changes in travel patterns, seasonal variations, availability of flights to Malta and consumer preferences regarding price, quality, location, and hospitality offerings.
- Disruptions in Malta-bound air or sea travel, increased taxes, surcharges, or travel restrictions imposed by authorities.
- Alterations in laws and regulations affecting property rental, employment, health and safety, alcohol licensing, environmental standards, and zoning, along with the associated compliance costs.
- Maintenance of required licenses and authorisations to operate hospitality establishments.
- Risks from terrorism, transportation disruptions (such as airline strikes and border closures), civil unrest, extreme weather, natural disasters, health crises, or other factors affecting travel patterns and reducing tourism.
- Heightened competition from alternative accommodation providers, such as private rentals through online platforms and other hospitality models like bed and breakfasts, room-sharing, and short-term lets at competitive prices.

Any of these factors, or a combination of them, could negatively impact rental activity, potentially reducing income from the Company's hospitality segment. This could have a material adverse effect on the Company's business, financial condition, and results of operations, including its ability to meet financial obligations in a timely manner.

NOTES TO THE FINANCIAL STATEMENTS - 31st DECEMBER 2024

2 Financial risk management - continued

2.5 Other Company Risks

i. Risks relating to the regulatory environment in which the Company operates

The Company's operations in hospitality are subject to a broad range of regulations, including environmental, property, health and safety, and consumer laws. These regulations are constantly evolving, and changes may expose the Company to liabilities or compliance risks, including fines, penalties, or the revocation of permits. Environmental risks, such as hazardous materials on properties, could also lead to third-party claims, significantly impacting the Company's financial condition and operations. Failure to comply with regulations could damage the Company's reputation, result in business losses, and affect its competitive position.

ii. Risks relating to personal data protection and privacy laws.

The Company processes personal data as part of its operations and is subject to local and EU data protection regulations. Non-compliance could lead to substantial penalties, additional costs, and operational changes. There is also a risk of unauthorized access or disclosure of personal data, which could harm the Company's reputation, cause loss of consumer trust, and result in legal and financial consequences. These risks could negatively impact the Company's business and financial performance.

iii. Risks relating to Information Technology

In view of the increasing reliance on digital systems, the Company remains exposed to cybersecurity risks, including potential data breaches, ransomware attacks, and other malicious cyber threats. To mitigate these risks, the Company continues to invest in robust IT security measures and regularly reviews its systems and protocols to ensure resilience and compliance with applicable regulations.

2.6 Risks relating to the failure to implement environmental, social and governance considerations in the Company's business model

There is increasing pressure on companies to incorporate sustainability risks and ESG factors into their operations and decision-making. As global focus on ESG rises, the Company's business model will face greater scrutiny from investors, regulators, and the public.

The Company operates in hospitality, with ESG considerations including energy efficiency, waste management, renewable energy use, and worker welfare. Risks from climate change, such as severe weather events and regulatory changes, could impact the Company's operations, financial performance, and long-term prospects.

Governance risks, such as inadequate management or compliance, could affect the Company's income, reputation, and operations. Failing to adopt sustainable practices could damage the Company's public image, relationships with stakeholders, and overall business performance.

NOTES TO THE FINANCIAL STATEMENTS - 31st DECEMBER 2024

2 Financial risk management - continued

2.7 Financial risk factors

(i) Liquidity risk

The Company is exposed to liquidity risk in relation to meeting future obligations associated with its financial liabilities, which comprise principally trade and other payables and other financial liabilities. Prudent liquidity risk management includes maintaining sufficient cash to ensure the availability of an adequate amount of funding to meet the Company's financial obligations and to safeguard the Company's ability to continue as a going concern, in particular to complete the Company's projects in a timely manner.

(ii) Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern; to maximise the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure consists of items presented within equity in the statement of financial position. The Company monitors the level of debt against total capital on an ongoing basis.

(iii) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument leading to a financial loss.

The Company manages its credit risk exposure in relation to receivables from fellow companies in an active manner, at arm's length. The Board retains direct responsibility for affecting and monitoring the investments made by the fellow companies. The Board considers these receivables to be fully performing and recoverable.

NOTES TO THE FINANCIAL STATEMENTS - 31st DECEMBER 2024

3 Revenue

The Company generated revenue primarily from accomodation services. The Company is currently undergoing restructuring and consequently it will only be providing accomodation in the coming years. Consequently, there will be no operating segment disclosures.

	2024	2023
	€	€
Sale of property held for Development and resale	122,400	-
Revenue from accomodation	671,534	696,257
	<u>793,934</u>	<u>696,257</u>

4 Operating Profit

The profit for the year is stated after charging :

		2024	2023
		€	€
Employment costs	- Note 5	112,969	172,836
Directors' emoluments	- Note 6	44,306	71,000
Depreciation	- Note 9	34,286	34,199
Audit fees		2,650	2,650

5 Employees

	2024	2023
	€	€
Employment costs comprise:		
Wages and salaries included with cost of sales	112,969	172,836
	<u>112,969</u>	<u>172,836</u>

The average weekly number of persons employed by the Company during the year was:

5	6
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6 Directors' emoluments

	2024	2023
	€	€
Directors' salaries and remuneration included with cost of sales	44,306	71,000
	<u>44,306</u>	<u>71,000</u>

7 Finance costs

	2024	2023
	€	€
Interest and bank charges	5,444	3,229
	<u>5,444</u>	<u>3,229</u>

NOTES TO THE FINANCIAL STATEMENTS - 31st DECEMBER 2024

8 Tax expense

The Company's income tax charge for the year has been arrived at as follows:

	2024	2023
	€	€
Current income tax		
Income tax on the taxable profits for the year at 35%	26,518	13,492
Income tax subject to 8% final tax on sales of immovable property	9,792	-
Deferred taxation	2,137	24,038
Tax charge	<u>38,447</u>	<u>37,530</u>

The accounting profits and the tax charge for the year are reconciled as shown hereunder:

	2024	2023
	€	€
Net profit for the year	<u>125,819</u>	<u>338,460</u>
Income tax thereon at 35% (statutory local income tax rate)	44,037	118,461
Tax effect of:		
Capital allowances not reflected by way of depreciation	-	69
Difference arising on deferred tax on gain of revaluation of property	-	(81,000)
Difference arising on income subject to 8% withholding tax on sales	(5,590)	-
	<u>38,447</u>	<u>37,530</u>

9 Property, plant and equipment

	Computers & Equipment	Motor Vehicles	Furniture & Fittings	Total
	€	€	€	€
Cost				
At 1st January 2024	12,663	19,600	271,131	303,394
Additions during the year	-	-	868	868
At 31st December 2024	<u>12,663</u>	<u>19,600</u>	<u>271,999</u>	<u>304,262</u>
Depreciation				
At 1st January 2024	7,205	15,680	80,573	103,458
Charge for the year	3,166	3,920	27,200	34,286
At 31st December 2024	<u>10,371</u>	<u>19,600</u>	<u>107,773</u>	<u>137,744</u>
At 31st December 2024	<u>2,292</u>	<u>-</u>	<u>164,226</u>	<u>166,518</u>
At 31st December 2023	<u>5,458</u>	<u>3,920</u>	<u>190,558</u>	<u>199,936</u>

NOTES TO THE FINANCIAL STATEMENTS - 31st DECEMBER 2024

10 Investment property

10.1 Recognition of carrying amount

	2024	2023
	€	€
Cost/Revaluation		
At 1st January	3,300,000	3,000,000
Revaluation	-	300,000
At 31st December	3,300,000	3,300,000

10.2 Amounts recognised in profit or loss

Rental income from the investment property during the year was €108,000 (2023 - €108,000) and was included with revenue, refer to note 3.

10.3 Measurement of fair value

Fair value hierarchy

The value of investment property is reviewed by the Directors of each company after seeking the professional advice of external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued.

The independent valuers provide the fair value of the Company's investment property portfolio as frequent as the director deems appropriate.

The independent valuers estimated the market value of the investment property held by the Company as at 31st December 2023 at €3,300,000.

The valuation of the Investment properties was carried out by using the comparative method and was then cross checked by applying the investment method. By referring to the databases of reputable local real estate agencies, the market values of these properties were checked for comparisons to be drawn. The values were then capitalised at the rate of 5% which is deemed to be the average percentage return on investment for similar properties in Malta.

11 Inventory - Development project

	2024	2023
	€	€
Property cost of land and development costs	-	78,653
	-	78,653

NOTES TO THE FINANCIAL STATEMENTS - 31st DECEMBER 2024

12 Trade and other receivables

	2024	2023
	€	€
Trade receivables	9,283	75
Other receivables	1,800	1,800
Prepayments	5,231	1,521
Other taxation	3,711	-
Due from group companies	-	250,088
	<u>20,025</u>	<u>253,484</u>

All balances receivable from group companies are unsecured, interest free and have no fixed date for repayment.

13 Cash and cash equivalents

Cash and cash equivalents included in the cash flow statement comprise:

	2024	2023
	€	€
Cash in hand	15,349	13,474
Cash at bank	124,588	26,109
	<u>139,937</u>	<u>39,583</u>

14 Share capital

	2024	2023
	€	€
Authorised		
1,200 Ordinary shares of €1 each	1,200	1,200
	<u>1,200</u>	<u>1,200</u>
Issued and fully paid up		
1,200 Ordinary shares of €1 each	1,200	1,200
	<u>1,200</u>	<u>1,200</u>

NOTES TO THE FINANCIAL STATEMENTS - 31st DECEMBER 2024

15 Earnings per share

Earnings per share is calculated by dividing the result attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year.

	2024	2023
	€	€
Profit for the year	87,372	300,930
Weighted average share in issue	1,200	1,200
Earnings per share	72.81	250.78

The Company has not issued any dilutive instruments in the past, and therefore the basic and diluted earnings per share are equal.

16 Trade and other payables

	2024	2023
	€	€
Trade and other payables		
Trade payables	11,579	4,407
Other payables	12,091	27,977
Advanced deposits	-	122,400
Other taxation	-	14,766
Accruals	14,487	17,000
	38,157	186,550
Other financial liabilities		
Due to director	14,553	15,286
Due to corporate shareholder	945,581	760,176
Due to group companies	66,874	452,000
	1,027,008	1,227,462
Total trade and other payables	1,065,165	1,414,012

The balances due to director, corporate shareholder and group companies are unsecured, interest free and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS - 31st DECEMBER 2024

17 Deferred taxation

The liability for deferred taxation is analysed as follows:

	2024	2023
	€	€
Excess of depreciation over capital allowances	(172)	69
Unabsorbed capital allowances and tax losses carried forward	-	(2,378)
Gain on revaluation of investment property	264,000	264,000
	<u>263,828</u>	<u>261,691</u>

18 Transactions with related parties

Companies forming part of JUEL Group are considered by the directors to be part of the group of companies. Companies having the same shareholders and directors are considered by the director to be related parties.

During the course of the year, the Company entered into transactions with related undertakings all of which arise in the ordinary course of business. The related party transactions were :

	2024	2023
	€	€
Trade and other receivables		
Due from group companies	-	250,088
	<u>-</u>	<u>250,088</u>
Other financial liabilities		
Due to director	14,553	15,286
Due to corporate shareholder	945,581	760,176
Due to group companies	66,874	452,000
	<u>1,027,008</u>	<u>1,227,462</u>
Rent paid		
Rents paid to related parties	<u>152,000</u>	<u>149,500</u>

19 Contingent liability

The Company has provided a joint and several guarantee to the Security Trustee of the Parent Company and acts as a joint and several guarantor for other companies within the Group.

20 Comparative figures

Certain comparative figures have been reclassified to conform with this year's presentation.

21 Subsequent events

Subsequent to the reporting period, the Company decided to proceed with the sale of the properties that were previously operated as short or long-term rental accommodation. This decision aligns with the group's strategic objectives to optimize its property portfolio and reallocate capital towards other investment requirements. The necessary steps to initiate the sale process are underway.