

# **EDEN LEISURE GROUP LIMITED**

## **FINANCIAL STATEMENTS**

***FOR THE YEAR ENDED 31<sup>st</sup> DECEMBER 2024***

**Company No. C- 4529**

# EDEN LEISURE GROUP LIMITED

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*Independent auditors report*

# EDEN LEISURE GROUP LIMITED

## REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2024

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Directors: -	Ian De Cesare (Chairman and Non-Executive Director of the Board) Kevin De Cesare (Non-Executive Director) Paul Mercieca (Non-Executive Director) Victor Spiteri (Non-Executive Director)
Company Secretary: -	David Zahra
Bankers: -	HSBC Bank Malta p.l.c., Commercial Branch, Republic Street, Valletta
	FCM Bank Ltd, Suite 3 Tower Business Centre, Tower Street, Swatar, Birkirkara
	Bank of Valletta p.l.c., 45, Triq ir-Repubblika, Il-Belt Valletta
Registered Office: -	Eden Place, St. Augustine Street, St. George's Bay St. Julians.

The directors of Eden Leisure Group Limited present their report, together with the audited financial statements of the Group and Company for the year ended 31st December 2024.

### Principal Activities

Eden Leisure Group Limited is proud to be recognized as Malta's leading operator in the leisure and hospitality industry. The Group owns and operates several business units, including Eden Cinemas, Cynergi Health & Fitness Club, 89.7 Bay, Bay Easy, the InterContinental Arena Conference Centre, and the Eden Car Park. In 2024, the Group also launched *The Eden*, a state-of-the-art entertainment centre that features the new SuperBowl, XP Arcade, and Delta Strike.

The Group owns three hotel properties:

- **InterContinental Malta** – the island's largest five-star hotel,
- **Holiday Inn Express**, and
- **voco Malta**, our newest upscale property, which began welcoming guests in April 2025. All three hotels are operated by the InterContinental Hotels Group (IHG).

Additionally, the Group operates an Esports division focused on tournament organization and holds a controlling interest in TEN Ltd, a software company that has developed two platforms: an Applicant Tracking System and Job Hound, a nationwide job board.

# EDEN LEISURE GROUP LIMITED

## REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2024

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### Review of Business and Financial Position

The Group reported revenues of €45.6 million, consistent with the prior year. Notably, in January 2024, the Eden SuperBowl closed temporarily as part of an ongoing redevelopment and reopened in July within the new *The Eden* entertainment centre, which now houses SuperBowl, XP Arcade, Delta Strike, and Hangry's Restaurant.

Group EBITDA reached €21.7 million, boosted by a one-time €10.7 million transaction from the sale of intellectual property and a capital expenditure grant relating to the early termination of the lease for 46 self-catering apartments adjacent to InterContinental Malta.

Profit before tax for the year amounted to €16.0 million. The Group's cash reserves remained strong, with cash generated from operations reaching €13.4 million (2023: €12.4 million).

Despite the SuperBowl's six-month closure, the entertainment sector recorded an increase in revenue over 2023, largely attributed to contributions from the newly launched entertainment facilities. All employees were retained and redeployed during the closure period.

*The Eden* offers a variety of attractions including bowling, augmented reality darts, karaoke rooms, Duck Pin bowling, billiards and air hockey tables, arcade games, two interactive escape rooms, and a premier laser tag arena. A restaurant and bar support private events, corporate functions, and general clientele.

2024 marked the first full operational year of Bay Easy, the Group's new radio station, which saw a significant increase in audience reach and advertising revenue.

The cinema operation was consolidated into one site in December 2023, and despite a reduction in screening halls, profitability remained in line with the previous year. Entertainment operating profit before royalties increased by 6% over 2023.

In the hospitality segment, revenues and EBITDA were marginally lower than in 2023. While Holiday Inn Express performed steadily, InterContinental Malta was impacted by nearby construction, which temporarily reduced its EBITDA. However, ADR (average daily rate) improved year-on-year.

In 2024, the Group agreed to terminate the lease of the aforementioned self-catering apartments early on favourable terms. Plans are in place to re-launch the property as a new hospitality unit in 2026.

The Group continued its strategic divestment from the intellectual property rights associated with the 'Eden', 'Eden Cinemas', and 'Eden Superbowl' brands, generating €10.7 million. The Group retains exclusive use of the marks for a defined period.

A conservative revaluation of the Group's assets added €21.4 million to the balance sheet, driven primarily by the realization of *The Eden* entertainment centre.

### Investments

In 2024, the Group's key investment focus was the mixed-use development at St George's Bay. In July, *The Eden* entertainment centre officially opened and has since proven highly successful due to its diverse offering and prime location.

The 168-room voco Malta hotel was completed in Q1 2025 and began operations on 4 April 2025. Operated by IHG, the new lifestyle hotel is managed by the existing team overseeing InterContinental Malta and Holiday Inn Express. Shared services among the three hotels are expected to generate economies of scale, cost efficiencies, and opportunities to drive higher yields, especially in conference and group business.

# EDEN LEISURE GROUP LIMITED

## REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2024

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In Q2 2025, the Group will also launch its flagship restaurant, **LUMI**, a premium dining venue housed under a 1,000m<sup>2</sup> retractable canopy, anticipated to become a key food and beverage attraction.

The development includes commercial rental space at street level. Q1 2025 saw the openings of **Starbucks** and **Grom Artisanal Ice Cream**, with two more premium restaurants expected in Q2. Additional rental opportunities remain available, which will be a key focus for the remainder of 2025.

The Group also continued investing in energy efficiency across its hotel portfolio, reducing dependency on boilers for heating and water generation by shifting to solar, VRF systems, and other advanced technologies.

To support operational efficiency and sustainability, the Group invested in a centralized laundry facility serving all three hotels. Although utility usage will rise, the overall carbon footprint is expected to decline due to energy-efficient equipment and localized operations.

### **Outlook**

The outlook for FY2025 is very positive, driven by the completion of the mixed-use development. Existing businesses will benefit from the end of construction disruptions and the redeployment of resources. New revenue streams from *The Eden*, additional commercial rentals, and nine month operation of *voco Malta* and its F&B outlets are projected to significantly boost Group performance.

InterContinental Malta anticipates a strong rebound in 2025 and 2026, particularly from conference bookings already on the books. The outlook is improving from April 2025 onwards.

While inbound tourism to Malta is expected to grow, increased competition from new hotel beds and short-term rentals will continue to pressure rates and occupancy levels. Additionally, Malta's heavy reliance on low-cost carriers and the ongoing restructuring of KM Malta (formerly Air Malta) present ongoing challenges.

Geopolitical risks—including U.S. tariff threats and conflicts in the Middle East and Ukraine—remain concerns, although inflation appears to have stabilized.

In 2025, a substantial investment is planned for Cynergi to maintain its leading position in the health and fitness market.

Cinema attendance is projected to remain strong in 2025, with several major blockbusters scheduled for release.

Overall, the Group forecasts a 20% increase in revenue over 2024. Entertainment EBITDA is expected to grow by 24%, while Group-wide EBITDA is projected to rise by 37%.

### **Going Concern**

The Directors reviewed the Group's and the Company's operational budgets and cash flow forecasts. In light of its strong financial KPIs, the directors confirm that the Group and the Company have adequate resources to continue in operation going forward.

### **Reserves**

The movement on reserves are set out in the statement of Changes in Equity.

# EDEN LEISURE GROUP LIMITED

## REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2024

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### Board of Directors

The directors of the Company who held office during the year were:

Ian De Cesare (Chairman and Non-Executive Director of the Board)

Kevin De Cesare (Non-Executive Director)

Paul Mercieca (Non-Executive Director)

Victor Spiteri (Non-Executive Director)

David Zahra (Company Secretary)

### Audit Committee

This Audit Committee is made up of only external directors and has performed this dual role since 2016. The Audit Committee met officially 4 times to discuss matters pertaining to the Company as well as Eden Finance plc.

### Remuneration Committee

The committee was set up on 5th January 2018 and its main function is to propose the appointment and the remuneration of senior management of the Group. The members of the committee are Paul Mercieca acting as Chairman and Victor Spiteri as member. The Committee met several times during the year.

### Principle Risks and Uncertainties

The Group's corporate and operational performance is subject to a number of external factors which are common to the hotel industry and beyond the Group's control.

The Group is exposed to various risks arising through the use of financial instruments including market risk, credit risk and liquidity risk, which result from both its operating activities and investing activities. The most significant financial risks as well as an explanation of the risk management policies employed by the Group are included in Note32 of the financial statements. Today the largest risk is more related to the oversupply of hotels in the tourism sector, raising costs due to inflation, wage pressure, energy prices and any spillover both of the Russia/Ukraine and Middle East war.

**Our Sustainability Mission:** We built our company on our values which guide the way we conduct business: ethically, environmentally and socially responsible. We support universal human rights, respect the law and strive to do business in ways that are good for people and the planet. We don't simply want to green-wash with a few good deeds, but we are making active strides in becoming a more sustainable enterprise, holding ourselves to account to ensure we see continuous progress and improvement.

### Environment, Social and Governance

Eden Leisure Group (ELG) continues to make significant strides in its commitment to sustainability, social responsibility, and ethical governance. As a leader in the hospitality and entertainment industries, ELG has an important role in shaping a more sustainable future while delivering exceptional experiences for its guests and employees. In 2024, the company intensified its efforts to reduce environmental impact by improving energy efficiency, implementing waste reduction initiatives, and enhancing water conservation measures. The installation of the ClearVue energy monitoring platform has provided real-time insights, allowing ELG to optimize consumption and reduce inefficiencies. Investments in LED lighting, high-efficiency kitchen equipment, laser projectors, upgraded glazing, and smart room automation have all contributed to improved energy performance. In 2025, ELG plans to build on this progress by incorporating renewable energy solutions, such as solar thermal technology, and further reducing its reliance on fossil fuels. The group also measures its Carbon footprint each year and is currently concluding its 2024 report.

# EDEN LEISURE GROUP LIMITED

## REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2024

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Water conservation remains a priority, with aerators, waterless urinals and strong controls and monitoring contributing to far lower consumption in 2024. In 2025, new water meters will be installed to improve monitoring and management, ensuring that every drop is used efficiently.

Waste reduction efforts have also been expanded, with a strong emphasis on organic waste, improving recycling processes, and reducing single-use plastics, including the installation of an in-house water filtration system that allowed the hotels to eliminate over 320,000 plastic bottles from guest rooms. The company has embraced a circular economy approach, replacing disposable items with sustainable alternatives and increasing donation programs to minimise landfill contributions. In 2024, ELG produced its first in-depth Waste Report, providing transparency and benchmark data to drive future improvements. Waste separation, composting initiatives, and paper reduction via digitalisation were also strengthened across the group.

As ELG moves toward 2030, ambitious targets have been set to reduce electricity consumption by 30%, eliminate diesel use, and cut greenhouse gas emissions through operational efficiencies and technological investments and advancements. Projects underway or in planning include high-efficiency heat pumps, HVAC upgrades, smart metering, and a full-scale modernisation of the Building Management and Room Control Systems.

In 2024, ELG placed a strong emphasis on staff education around ESG, delivering targeted training and regularly communicating its initiatives internally through company channels and also showcased the group's activities to the general public via social media and press coverage.

Beyond environmental responsibility, ELG is deeply invested in its people and communities. In 2024, the group launched the Eden Leisure Foundation, solidifying its long-term dedication to cultural preservation, environmental sustainability, and social outreach. The Foundation acts as the central body coordinating CSR efforts, vetting NGO partnerships, and allocating dedicated budgets to maximise social and environmental impact. In 2024 alone, ELG contributed over €125,000 in donations and in-kind support to various community initiatives, from heritage restoration projects to social welfare programs. One standout initiative was the funding of the Grandmaster's Carriage restoration—an €118,000 cultural heritage project carried out in partnership with Heritage Malta, this project will continue into the first half of 2025. As part of its fundraising efforts, the Foundation hosted the Stardust Gala, which successfully raised €37,000 in support of Inspire's Pathfinder Project. An additional €33,400 was donated to the Love Kitchen through a targeted campaign in ELG's hospitality outlets, including contributions from customers. Looking ahead, the company will continue to leverage its resources to drive meaningful impact, with a dedicated budget for CSR projects and strengthened partnerships with local NGOs. These efforts were documented in ELG's first-ever Impact Report.

Underpinning all these efforts is a strong governance framework that ensures transparency, accountability, and ethical business practices. ELG remains committed to upholding the highest standards of corporate governance, with an independent board structure that provides oversight and strategic direction. In preparation for mandatory reporting under the Corporate Sustainability Reporting Directive (CSRD), ELG has engaged professional partners (Deloitte) and is actively enhancing its ESG reporting mechanisms. Certifications earned in 2024—including Green Key for InterContinental Malta and Holiday Inn Express, and a BREEAM pre-assessment underway for voco—further demonstrate ELG's alignment with international sustainability standards.

As ELG moves forward, its vision remains clear: to lead by example, integrating sustainability into every aspect of its operations and delivering value to its stakeholders. Through continuous investment, innovation, and collaboration, the company is shaping a more sustainable future for its business and contributing to a better world for generations to come.

# EDEN LEISURE GROUP LIMITED

## REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2024

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### Employees

At Eden Leisure Group, we continue to place our employees at the heart of everything we do. As our most valuable asset, we are committed to a work environment that prioritizes growth, well-being and long-term engagement. In 2024, our focus remained on enhancing employee satisfaction and retention through a variety of learning, wellness and engagement initiatives aligned with our core values and business goals.

This year, the Group saw an increase in headcount, primarily due to the successful opening of the Family Entertainment Centre. With this expansion came renewed efforts to strengthen our internal culture and build an even more resilient and united workforce.

Learning and development remained a top priority throughout the year. On average, each employee received over 14 hours of training, reflecting our continued investment in professional development. We focused on empowering team leaders and managers with courses in Motivational Leadership. Front-line staff continued to benefit from extensive Customer Service training as well as Business English training, while Sales Teams engaged in personalized sales coaching. HR teams undertook updated training in Employment Law and Diversity & Inclusion. All teams were given training on ESG and Cybersecurity Awareness.

Hospitality employees also received in-depth training in topics such as Hospitality Management, Crisis Communication and Luxury Guest Services. Health and safety remained a top concern, with training in Fire Life Safety, First Aid, Emergency Preparedness, and Food Safety. This year all new non-EU employees had to obtain the Hospitality Skills pass, which provided a better trained workforce.

The Eden Social & Wellness Programme expanded in 2024, with even more activities aimed at supporting the holistic well-being of our team. Sessions included Mental Health Awareness, Women and Men's Health, Nutrition for Energy and Budgeting for Everyday Life. The collaboration with Richmond Foundation was renewed, ensuring all employees continue to have access to the Employee Assistance Programme and we saw an increase in the usage of this programme. In 2024, we also introduced a Wellness week held in September which included Pilates sessions, nutritional talks and mindfulness sessions.

Employee engagement was a key area of focus, with a variety of initiatives organized throughout the year. Team-building activities included laser tag, bowling, escape rooms, dog walking and afternoon quizzes. Seasonal events such as the family picnic, summer BBQ, Christmas party and employee lunches continued to strengthen the bonds among colleagues. We also introduced new themed days including International Day of Happiness, Cultural Food Day and Mental Health Month.

Group-wide tournaments and games such as football, table tennis and darts brought a sense of friendly competition and camaraderie. Tokens of appreciation were distributed on days like World Kindness Day, Employee Appreciation Day, Valentine's Day and International Women's Day, reinforcing our culture of gratitude and recognition.

Town Halls remained an important platform for transparency and connection across the Group. These sessions featured business updates, open Q&A and the recognition of outstanding team members. The annual employee awards once again celebrated excellence across the Group, with categories including Employee of the Year, Leader of the Year, Green Champion, Community Champion and Innovator of the Year.

As we move forward, Eden Leisure Group remains committed to being a workplace where employees feel valued, motivated and empowered. We are excited to grow our team further through welcoming new employees at voco Malta and continue developing new strategies and enhancing existing programmes that support the personal and professional journeys of every member of our team.

# EDEN LEISURE GROUP LIMITED

## REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2024

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### Directors' responsibilities

The directors are required by the Companies Act (Chap. 386) to prepare financial statements in accordance with International Financial Reporting Standards as adopted by the EU which give a true and fair view of the state of affairs of the Group and of the Company at the end of each financial year and of the profit or loss for the year then ended.

In preparing the financial statements, the directors should:-

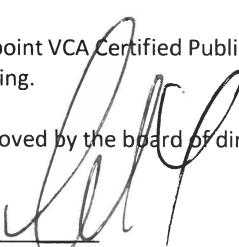
- prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the Group and the Company will continue in business as a going concern;
- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable;

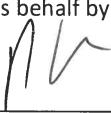
The directors are responsible for ensuring that proper accounting records are kept which disclose with reasonable accuracy at any time the financial position of the Group and the Company and which enable the directors to ensure that the financial statements comply with the Companies Act (Chap. 386), enacted in Malta. This responsibility includes designing, implementing and maintaining 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. The directors are also responsible for safeguarding the assets of the Group and of the Company, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Auditors

A resolution to reappoint VCA Certified Public Accountants as auditors of the Company will be proposed at the forthcoming annual general meeting.

This report was approved by the board of directors on the 29 April 2025 and signed on its behalf by:

  
Mr. Ian De Cesare – *Chairman*

  
Mr. Kevin De Cesare – *Director*

# EDEN LEISURE GROUP LIMITED

## STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2024

	Notes	Group		Company	
		2024	2023	2024	2023
		€	€	€	€
<b>Revenue</b>	4	<b>45,559,259</b>	<b>45,388,723</b>	<b>9,884,031</b>	<b>10,660,117</b>
Operating expenses	9	(25,042,086)	(24,624,799)	(356,113)	(243,936)
<b>Gross profit</b>		<b>20,517,173</b>	<b>20,763,924</b>	<b>9,527,918</b>	<b>10,416,181</b>
Other operating income	5	<b>1,142,708</b>	<b>1,105,580</b>	<b>1,842,708</b>	<b>1,006,017</b>
Impairment on related party balance	18	-	-	(329,263)	-
Gain/(Loss) on sale of fixed assets		<b>11,229</b>	<b>(128,902)</b>	<b>(178)</b>	<b>(106,929)</b>
Profit on sale of intellectual property	6	<b>10,700,000</b>	-	<b>10,700,000</b>	-
Other income	7	<b>1,200,000</b>	-	<b>1,200,000</b>	-
Administrative expenses	9	(11,848,650)	(9,882,992)	(1,237,261)	(1,040,225)
Depreciation and amortisation	12,13,15	(3,551,406)	(4,021,407)	(3,018,854)	(3,726,321)
<b>Operating profit</b>		<b>18,171,054</b>	<b>7,836,203</b>	<b>18,685,070</b>	<b>6,548,723</b>
Share of losses in associates	18	(1,170)	(507)	-	-
Gain on sale of financial instruments		<b>5,500</b>	-	<b>5,500</b>	-
Revaluation of investment property	17	-	-	<b>23,719,649</b>	-
Finance costs	8	(2,159,560)	(2,182,792)	(2,144,237)	(2,165,636)
<b>Profit before taxation</b>		<b>16,015,824</b>	<b>5,652,904</b>	<b>40,265,982</b>	<b>4,383,087</b>
<b>Tax charge</b>	11	<b>(1,209,709)</b>	<b>(1,839,571)</b>	<b>(3,915,294)</b>	<b>(1,455,514)</b>
<b>Profit for the year</b>		<b>14,806,115</b>	<b>3,813,333</b>	<b>36,350,688</b>	<b>2,927,573</b>

# EDEN LEISURE GROUP LIMITED

## STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2024

	Notes	Group		Company	
		2024 €	2023 €	2024 €	2023 €
<b>Profit for the year</b>		<b>14,806,115</b>	<b>3,813,333</b>	<b>36,350,688</b>	<b>2,927,573</b>
<b><u>Other comprehensive income</u></b>					
<b>Items that may be reclassified to profit or loss:</b>					
Changes in fair value of debt instruments at fair value through other comprehensive income net of deferred tax	21	<b>45,242</b>	<b>7,918</b>	<b>45,242</b>	<b>7,918</b>
Revaluation surplus net of deferred tax	17	<b>23,719,649</b>	<b>-</b>	<b>-</b>	<b>-</b>
Deferred tax movements in fair value	11	<b>(2,371,965)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other comprehensive income for the year, net of tax</b>		<b>21,392,926</b>	<b>7,918</b>	<b>45,242</b>	<b>7,918</b>
<b>Total comprehensive income for the year</b>		<b>36,199,041</b>	<b>3,821,251</b>	<b>36,395,930</b>	<b>2,935,491</b>
<b>Profit attributable to:</b>					
Equity holders of the company		<b>14,882,395</b>	<b>3,812,986</b>	<b>36,350,688</b>	<b>2,927,573</b>
Non-controlling interest		<b>(76,280)</b>	<b>347</b>	<b>-</b>	<b>-</b>
		<b>14,806,115</b>	<b>3,813,333</b>	<b>36,350,688</b>	<b>2,927,573</b>
<b>Total comprehensive income attributable to:</b>					
Equity holders of the company		<b>36,275,321</b>	<b>3,820,904</b>	<b>36,395,930</b>	<b>2,935,491</b>
Non-controlling interest		<b>(76,280)</b>	<b>347</b>	<b>-</b>	<b>-</b>
		<b>36,199,041</b>	<b>3,821,251</b>	<b>36,395,930</b>	<b>2,935,491</b>

# EDEN LEISURE GROUP LIMITED

## STATEMENT OF FINANCIAL POSITION

AS AT 31<sup>ST</sup> DECEMBER 2024

	Notes	Group		Company	
		2024 €	2023 €	2024 €	2023 €
<b>ASSETS</b>					
<b>Non-current assets</b>					
Intangible assets	12	<b>381,164</b>	-	-	-
Property, plant and equipment	13	<b>203,445,322</b>	174,982,138	<b>170,827,769</b>	160,700,271
PPE under development	14	<b>27,244,677</b>	11,893,053	<b>27,244,677</b>	11,893,053
Right-of-use assets	15	<b>1,484,466</b>	1,700,317	-	-
Investment property	16	<b>19,900,000</b>	16,750,000	<b>50,133,849</b>	16,750,000
Investment in subsidiaries	18	-	-	<b>1,699,796</b>	2,676,130
Investment in associates and joint ventures	18	<b>714,914</b>	716,084	<b>225,642</b>	225,642
Trade and other receivables	19	<b>13,165,750</b>	3,314,150	<b>13,706,472</b>	3,314,149
Deferred tax asset	23	<b>107,784</b>	189,378	-	-
		<b>266,444,077</b>	<b>209,545,120</b>	<b>263,838,205</b>	<b>195,559,245</b>
<b>Current assets</b>					
Inventories	20	<b>2,643,573</b>	2,358,223	<b>1,980,100</b>	1,956,914
Trade and other receivables – Current	19	<b>7,438,743</b>	6,912,684	<b>9,579,277</b>	9,181,446
Financial instruments at fair value through other comprehensive income	21	<b>538,863</b>	985,861	<b>538,863</b>	985,861
Deposits	22	-	750,000	-	750,000
Cash at bank and in hand	31	<b>4,251,938</b>	2,803,400	<b>2,264,447</b>	1,448,309
		<b>14,873,117</b>	<b>13,810,168</b>	<b>14,362,687</b>	<b>14,322,530</b>
<b>Total Assets</b>		<b>281,317,194</b>	<b>223,355,288</b>	<b>278,200,892</b>	<b>209,881,775</b>

# EDEN LEISURE GROUP LIMITED

## STATEMENT OF FINANCIAL POSITION

AS AT 31<sup>ST</sup> DECEMBER 2024

	Notes	Group		Company		
		2024 €	2023 €	2024 €	2023 €	
<b>EQUITY AND LIABILITIES</b>						
<b>Equity</b>						
Share capital	27	60,000,000	60,000,000	60,000,000	60,000,000	
Revaluation reserve	28	82,356,662	60,963,736	60,631,100	51,428,681	
Fair value gain reserve	29	4,539,734	4,539,734	25,887,418	4,539,734	
Retained earnings		22,792,350	11,239,217	32,510,459	18,082,083	
<b>Total Equity attributable to holders of the company</b>		<b>169,688,746</b>	<b>136,742,687</b>	<b>179,028,977</b>	<b>134,050,498</b>	
Non-controlling interest		(132,363)	(683)	-	-	
<b>Total Equity</b>		<b>169,556,383</b>	<b>136,742,004</b>	<b>179,028,977</b>	<b>134,050,498</b>	
<b>Non-current liabilities</b>						
Trade and other payables	24	455,181	692,303	455,181	692,303	
Borrowings	26	68,699,267	48,724,435	68,324,145	48,724,435	
Lease liabilities	15	1,486,738	1,686,735	-	-	
Deferred tax liabilities	23	21,440,865	18,739,511	21,456,685	17,354,896	
		<b>92,082,051</b>	<b>69,842,984</b>	<b>90,236,011</b>	<b>66,771,634</b>	
<b>Current Liabilities</b>						
Trade and other payables	24	16,753,851	12,248,799	6,401,812	5,115,468	
Current income tax liability	25	813,509	1,236,645	817,133	1,097,344	
Borrowings	26	1,911,403	3,097,291	1,716,959	2,846,831	
Lease liabilities	15	199,997	187,565	-	-	
		<b>19,678,760</b>	<b>16,770,300</b>	<b>8,935,904</b>	<b>9,059,643</b>	
<b>Total Liabilities</b>		<b>111,760,811</b>	<b>86,613,284</b>	<b>99,171,915</b>	<b>75,831,277</b>	
<b>Total Equity and Liabilities</b>		<b>281,317,194</b>	<b>223,355,288</b>	<b>278,200,892</b>	<b>209,881,775</b>	

These financial statements were approved and authorised for issue by the Board of Directors on the 29 April 2025 and signed on its behalf by:-

Mr. Ian De Cesare – *Chairman*

Mr. Kevin De Cesare – *Director*

# EDEN LEISURE GROUP LIMITED

## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2024

### Group

	Share capital	Revaluation Reserve	Fair value gains reserve	Retained earnings	Total	Non-controlling Interest	Total
	€	€	€	€	€	€	€
<b>Balance as at 31<sup>st</sup> December 2022</b>	60,000,000	60,955,818	4,539,734	9,926,231	135,421,783	(1,030)	135,420,753
Profit for the year	–	–	–	3,812,986	3,812,986	347	3,813,333
Changes in FV through OCI net of deferred tax – Note 28	–	7,918	–	–	7,918	–	7,918
<b>Total comprehensive income</b>	–	7,918	–	3,812,986	3,820,904	347	3,821,251
<b>Transactions with owners in their capacity as owners:</b>							
Dividends – Note 30	–	–	–	(2,500,000)	(2,500,000)	–	(2,500,000)
<b>Balance as at 31<sup>st</sup> December 2023</b>	60,000,000	60,963,736	4,539,734	11,239,217	136,742,687	(683)	136,742,004
Profit for the year	–	–	–	14,882,395	14,882,395	(76,280)	14,806,115
Changes in FV through OCI net of deferred tax – Note 18	–	45,242	–	–	45,242	–	45,242
Revaluation surplus net of deferred tax – Note 28	–	21,347,684	–	–	21,347,684	–	21,347,684
<b>Total comprehensive income</b>	–	21,392,926	–	14,882,395	36,275,321	(76,280)	36,199,041
<b>Transactions with owners in their capacity as owners:</b>							
Non-Controlling interest on acquisition of subsidiary	–	–	–	(329,262)	(329,262)	(55,400)	(384,662)
Dividends – Note 30	–	–	–	(3,000,000)	(3,000,000)	–	(3,000,000)
<b>Balance as at 31<sup>st</sup> December 2024</b>	60,000,000	82,356,662	4,539,734	22,792,350	169,688,746	(132,363)	169,556,383

# EDEN LEISURE GROUP LIMITED

## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2024

### Company

	Share capital	Revaluation Reserve	Fair value gains reserve	Retained earnings	Total
	€	€	€	€	€
<b>Balance as at 31<sup>st</sup> December 2022</b>	<b>60,000,000</b>	<b>51,420,763</b>	<b>4,539,734</b>	<b>17,654,510</b>	<b>133,615,007</b>
Profit for the year	–	–	–	2,927,573	2,927,573
Changes in FV through OCI net of deferred tax	–	7,918	–	–	7,918
<b>Total comprehensive income</b>	<b>–</b>	<b>7,918</b>	<b>–</b>	<b>2,927,573</b>	<b>2,935,491</b>
<b>Transactions with owners in their capacity as owners:</b>					
Dividends – Note 30	–	–	–	(2,500,000)	(2,500,000)
<b>Balance as at 31<sup>st</sup> December 2023</b>	<b>60,000,000</b>	<b>51,428,681</b>	<b>4,539,734</b>	<b>18,082,083</b>	<b>134,050,498</b>
Profit for the year	–	–	–	15,003,004	15,003,004
Changes in FV through OCI net of deferred tax	–	45,242	–	–	45,242
Reserves acquired upon merger – Note 18	–	9,157,177	–	2,425,372	11,582,549
Revaluation surplus net of deferred tax – Note 17	–	–	21,347,684	–	21,347,684
<b>Total comprehensive income</b>	<b>–</b>	<b>9,202,419</b>	<b>21,347,684</b>	<b>17,428,376</b>	<b>47,978,479</b>
<b>Transactions with owners in their capacity as owners:</b>					
Dividends – Note 30	–	–	–	(3,000,000)	(3,000,000)
<b>Balance as at 31<sup>st</sup> December 2024</b>	<b>60,000,000</b>	<b>60,631,100</b>	<b>25,887,418</b>	<b>32,510,459</b>	<b>179,028,977</b>

# EDEN LEISURE GROUP LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2024

	Notes	Group	Company			
			2024	2023	2024	2023
<b>Cashflow from operating activities</b>			€	€	€	€
Profit before taxation		16,015,824		5,652,904	40,265,982	4,383,087
Adjustments for:						
Depreciation and amortisation	12,13,15	3,551,406		4,021,407	3,018,854	3,726,332
Finance costs	8	2,159,560		2,182,792	2,144,237	2,165,636
Amortisation of finance issue costs		47,124		47,126	47,126	47,126
Loss on disposal of fixed assets		(11,229)		142,867	178	106,929
Gain on exchange		-		(317)	-	(317)
Provision for and write off of doubtful debts		-		(23,314)	-	-
Impairment on related party balance		-		-	329,263	-
Revaluation of investment property		-		-	(23,719,649)	-
Share of results of associates		(4,330)		507	-	-
<i>Operating profit before working capital changes</i>		21,758,355		12,023,972	22,085,991	10,428,793
Movement in inventories	20	(285,350)		(235,137)	(23,186)	(129,967)
Movement in receivables/ group company balances	19	(12,318,540)		1,206,384	(13,060,296)	647,730
Movement in payables/ advance deposits	24	4,249,691		(558,628)	1,049,226	1,818,665
<i>Cash generated from operations</i>		13,404,156		12,436,591	10,051,735	12,765,221
Interest paid		(2,987,970)		(2,085,655)	(3,059,487)	(2,165,636)
Income tax paid		(1,243,042)		(61,441)	(1,099,856)	(60,729)
<i>Cash flows generated from operating activities</i>		9,173,144		10,289,495	5,892,392	10,538,856
<b>Cashflow from investing activities</b>						
Payments to acquire tangible fixed assets	13	(25,521,522)		(9,230,863)	(23,489,845)	(8,831,837)
Proceeds from sale of tangible fixed assets	13	15,000		-	-	-
Movement in advance payments on PPE	24	1,033,634		(1,562,390)	1,033,634	(1,562,390)
Acquisition of subsidiary, net of cash acquired	18	12,631		-	-	-
Fixed-term deposits	22	750,000		(750,000)	750,000	(750,000)
<i>Net cash flows used in investing activities</i>		(23,710,257)		(11,543,253)	(21,706,211)	(11,144,227)
<b>Cashflow from financing activities</b>						
Repayment of bank borrowings	26	(2,517,743)		(3,201,018)	(2,517,743)	(3,201,018)
New bank borrowings	26	21,344,544		5,605,106	21,344,544	5,605,106
Principal element of lease payments	15	(274,405)		(265,405)	-	-
Movement in third party loans	26	319,106		(333,099)	707,244	(423,559)
Movement in shareholders loans		18,236		-	-	-
Net Dividends paid	30	(2,500,000)		(2,500,000)	(2,500,000)	(2,500,000)
<i>Net cash flows from/(used in) financing activities</i>		16,389,738		(694,416)	17,034,045	(519,471)
<b>Net movement in cash and cash equivalents</b>		1,852,625		(1,948,174)	1,220,226	(1,124,842)
Bank and Cash at the beginning of the year		2,399,313		4,347,487	1,044,221	2,169,063
Bank and Cash at the end of the year	31	4,251,938		2,399,313	2,264,447	1,044,221

# EDEN LEISURE GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2024

### 1. Basis of preparation

The financial statements of the Company and the consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and in accordance with the requirements of the Companies Act (Cap. 386).

#### ***Basis of measurement***

These financial statements have been prepared on a historical cost basis as modified by the fair valuation of the land and buildings class of property, plant and equipment, investment property and financial assets at fair value through other comprehensive income and at fair value through profit or loss.

#### ***Going Concern***

The Directors are satisfied that the Group and the Company have sufficient funds in order to meet all its obligations as and when they fall due over the foreseeable future and it is therefore appropriate to continue to adopt the going concern basis in the preparation of these consolidated and separate financial statements.

#### ***Standards, interpretations and amendments to published standards effective in 2024***

In 2024, the Group adopted new standards, amendments and interpretations to existing standards that are mandatory for the Group's accounting period beginning on 1 January 2024. The Group has applied the following standards and amendments for the first time for its annual reporting period commencing from 1 January 2024:

- i. Classification of Liabilities as Current or Non-Current and Non-current liabilities with covenants – Amendments to IAS
- ii. Lease Liability in Sale and Leaseback – Amendments to IFRS 16; and
- iii. Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7

The amendments listed above did not have any impact to the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

The adoption of these revisions to the requirements of IFRSs as adopted by the EU did not result in substantial changes to the Group's and the Company's accounting policies.

#### ***Standards, interpretations and amendments to published standards that are not yet effective***

Certain new accounting standards and amendments to accounting standards have been published that are not mandatory for 31 December 2024 reporting periods and have not been early adopted by the Company. The Company's assessment of the impact of these new standards and amendments is set out below

#### ***Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7 (effective for annual periods beginning on or after 1 January 2026)***

On 30 May 2024, the IASB issued targeted amendments to IFRS 9 and IFRS 7 to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. These amendments:

- clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- add new disclosures for certain instruments with contractual terms that can change cashflows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
- update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI)

# EDEN LEISURE GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2024

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### ***Standards, interpretations and amendments to published standards that are not yet effective (continued)***

The Group and the Company do not expect these amendments to have a material impact on its operations or financial statements. The group will apply the new standard from its mandatory effective date

### ***IFRS 18 Presentation and Disclosure in Financial Statements (effective for annual periods beginning on or after 1 January 2027)***

IFRS 18 will replace IAS 1 Presentation of financial statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though IFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements. Management is currently assessing the detailed implications of applying the new standard on the Group's and the Comnpy's consolidated financial statements.

The group will apply the new standard from its mandatory effective date of 1 January 2027. Retrospective application is required, and so the comparative information for the financial year ending 31 December 2026 will be restated in accordance with IFRS 18.

## **2. Material accounting policies**

A summary of the more important accounting policies, which have been applied consistently, is set out below:

### ***Basis of consolidation***

#### **i. Subsidiaries**

A subsidiary is an entity that is controlled by the Company. The Company controls an investee when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The Group financial statements include the financial statements of the parent Company and all its subsidiaries. The results of the subsidiaries acquired or disposed of during the period are included in the Group statement of profit or loss and other comprehensive income from the date of their acquisition or up to date of their disposal.

Profit or loss and each component of OCI are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses, cash flows and any unrealised gains relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including any goodwill), liabilities, non-controlling interest, and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

In the Company's financial statements, investments in subsidiaries are accounted for on the basis of the direct equity interest and are stated at cost less any accumulated impairment losses. Dividends from the investment are recognised in profit or loss.

#### **ii. Associates and joint ventures**

An associate is an entity over which the Company has significant influence and that is neither a subsidiary nor a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

# EDEN LEISURE GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2024

### 2. Material accounting policies (continued)

A joint arrangement is an arrangement of which two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

Under IFRS 11 – ‘Joint Arrangements’, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The Group has investments in joint ventures.

The results and assets and liabilities of associates or joint ventures are incorporated in these financial statements using the equity method of accounting.

#### iii. Equity method

Under the equity method of accounting, an investment in an associate or joint venture is recognised initially in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group’s share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group’s share of losses of an associate or joint venture exceeds the Group’s interest in that associate or joint venture, the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. The financial results of associates and joint ventures are taken from the latest audited financial statements.

When a Group entity transacts with an associate or joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group’s consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

The requirements of IAS 36 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group’s investment in an associate or joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount.

In the Company’s financial statements, investments in associates and joint ventures are accounted for on the basis of the direct equity interest and are stated at cost less any accumulated impairment losses. Dividends from the investment are recognised in profit or loss.

#### iv. Changes in ownership interest

The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of VALUE Plc.

When the group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This might mean that amounts previously recognised in other comprehensive income are reclassified to

# EDEN LEISURE GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2024

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### 2. Material accounting policies (continued)

profit or loss. If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised

#### *Property, plant & equipment*

Property, plant and equipment are initially measured at cost and subsequently, land and buildings are stated at market value, based on valuations by external independent valuers, less depreciation. Revaluations are carried out at regular intervals, but at least every five years, unless the directors consider it appropriate to have an earlier revaluation, such that the carrying amount of property does not differ materially from that which would be determined using fair values at the end of the reporting period. Any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Plant and equipment are stated at historical cost less depreciation. Assets in the course of construction for production, supply or administrative purposes are classified as property, plant and equipment under development and are carried at cost, less any identified impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy on borrowing costs. Depreciation of these assets, on the same basis as other property assets, commences when the assets are available for use.

Costs include 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 Group 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.

Any revaluation increase arising on the revaluation is recognised in other comprehensive income and accumulated in equity under the heading of revaluation surplus unless it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. A decrease in carrying amount arising on the revaluation is recognised in profit or loss to the extent that it exceeds the balance, if any, held in the revaluation surplus relating to a previous revaluation of that asset. When the asset is derecognised, the attributable revaluation remaining in the revaluation surplus is transferred to retained earnings.

Property, plant and equipment are derecognised on disposal or when no future economic benefits are expected from their use or disposal. Gains or losses arising from derecognition represent the difference between the net disposal proceeds, if any, and the carrying amount, and are included in profit or loss in the period of derecognition. On disposal of a revalued asset, amounts in the revaluation reserve relating to that asset are transferred to retained earnings.

Depreciation commences when the depreciable assets are available for use and is charged to profit or loss so as to write off the cost or revalued amount, less any estimated residual value, over their estimated useful lives, using the straight-line method, on the following bases:

Freehold buildings	2%
Motor vehicles	20%
Furniture, fixtures and fittings	10%
Computer equipment	25%
Equipment	7% – 20%
Other fixed assets	7%

Freehold land is not depreciated as it is deemed to have an indefinite life. The depreciation method applied, the residual value and the useful life are reviewed, and adjusted if appropriate, at the end of each reporting period.

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# EDEN LEISURE GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2024

### 2. Material accounting policies (continued)

#### *Investment property*

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group, is classified as investment property. Investment property comprises freehold and leasehold land and buildings, and land and buildings held under long term operating leases.

Investment property is initially measured at cost, including transaction costs. Subsequent to initial recognition, investment property is stated at fair value at the end of the reporting period. Gains or losses arising from changes in the fair value of investment property are recognised in profit or loss in the period in which they arise. Fair value is based on active market prices, adjusted, if necessary, for difference in the nature, location or condition of the specific asset. If this information is not available, the Group uses alternative valuation methods such as recent prices on less active markets or discontinued cash flow projections. These valuations are reviewed periodically by the Group directors.

The fair value of investment property reflects, among other factors, rental income from current leases and assumptions about rental income from future leases in the light of current market conditions. The fair value also reflects, on a similar basis, any cash outflows that could be expected in respect of the property.

Subsequent expenditure is charged to the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the profit loss account during the financial period in which they are incurred.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment, and its fair value at the date of reclassification becomes its cost for accounting purposes. Property that is being constructed or developed for future use as investment property is classified as property, plant and equipment and is stated at cost until construction or development is complete, at which time it is reclassified and subsequently accounted for as investment property.

An item of property, plant and equipment becomes an investment property because its use has changed, any difference resulting between the carrying amount and the fair value of this item at the date of transfer is recognised in equity as a revaluation of property, plant and equipment under IAS 16. However, if a fair value gain reverses a previous impairment loss, the gain is recognised in the income statement.

Investment property is derecognised on disposal or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal. Gains or losses on derecognition represent the difference between the net disposal proceeds, if any, and the carrying amount and are recognised in profit or loss in the period of derecognition.

#### **Intangible assets**

##### *Trademarks, licences and customer contracts*

Separately acquired trademarks and licences are shown at historical cost. Trademarks, licences and customer contracts acquired in a business combination are recognised at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses.

The group amortises intangible assets with a finite useful life, using the straight-line method, over the 4 years.

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the group are recognised as intangible assets where the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use,
- management intends to complete the software and use or sell it,
- there is an ability to use or sell the software,

# EDEN LEISURE GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2024

### 2. Material accounting policies (continued)

#### *Intangible assets (continued)*

- it can be demonstrated how the software will generate probable future economic benefits,
- adequate technical, financial and other resources to complete the development and to use or sell
- the software are available, and
- the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads. Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use.

#### *Financial instruments*

##### *Financial assets*

###### Recognition and derecognition

The Group recognises a financial asset initially at fair value in its statement of financial position when it becomes a party to the contractual provisions of the instrument. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

###### Classification and subsequent measurement

###### *Debt instruments*

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. The Group's and the Company's debt instruments principally comprise loans and advances to other undertakings and investments.

The Group's debt instruments are subsequently measured at either amortised cost, at fair value through other comprehensive income, and at fair value through profit or loss.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

###### Financial assets measured at amortised cost

Debt instruments that meet the following conditions are subsequently measured at amortised cost when:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
  - The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- 
- The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance, measured in accordance with the Group's accounting policy 'Impairment of financial assets' further below.

# EDEN LEISURE GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2024

### 2. Material accounting policies (continued)

Changes in the carrying amount of financial assets carried at amortised cost, as a result of foreign exchange gains or losses, impairment gains or losses and interest income are recognised in profit or loss. On derecognition, any difference between the carrying amount and the consideration received is recognised in profit or loss and is presented separately in the line item 'Gains and losses arising from the derecognition of financial assets measured at amortised cost'.

#### Financial assets measured at fair value through other comprehensive income

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other operating income/(losses), and impairment expenses are presented as separate line item in the statement of profit or loss, when material.

#### Financial assets measured at fair value through profit or loss

Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in profit or loss and presented net within 'fair value gains/(losses) on financial instruments at FVTPL in the period in which it arises.

#### Impairment of financial assets

In terms of IFRS 9, the Group and the Company applies an expected credit loss ("ECL") model as opposed to an incurred credit loss model under IAS 39. The Group and the Company have to assess on a forward-looking basis the expected credit loss associated with its debt instruments carried at amortised cost and fair value through other comprehensive income.

For trade and other receivables, the Group and Company applies the simplified approach and recognises lifetime ECL. The ECLs on these financial assets are estimated using a provision matrix based on the respective Companies' historical credit loss experience based on the past due status of the debtors, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

For all other financial instruments, the Company uses the general approach, which requires an assessment as to whether the counterparty has experienced a significant increase in credit risk since initial recognition. This assessment forms the basis as to whether lifetime ECL should be recognised and is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring. See note 32 for further details.

# EDEN LEISURE GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2024

### 2. Material accounting policies (*continued*)

#### *Financial instruments (continued)*

##### **Financial liabilities**

The Group recognises a financial liability on its statement of financial position when it becomes a party to the contractual provision of the instrument. The Group's financial liabilities are classified as financial liabilities which are not at fair value through profit or loss. These financial liabilities are recognised initially at fair value, being the fair value of consideration received, net of transaction costs that are directly attributable to the acquisition or the issue of the financial liability. These liabilities are subsequently measured at amortised cost. The Group derecognises a financial liability from its statement of financial position when the obligation specified in the contract or arrangement is discharged, cancelled or expired.

Modifications to existing financial liabilities are accounted for as an extinguishment of the original liability and the recognition of a new financial liability if the modification represents a substantial modification. The Group considers that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid, is at least 10% different from the discounted present value of the remaining cash flow of the original financial liability.

Where modifications to financial liabilities are not substantial, the Group discounts the present value of the revised cash flows using the original effective interest rate. The difference between the revised present value and the carrying amount of the original financial liability is recognised in profit or loss at the date of the modification.

##### **Trade and other receivables**

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 90 days and therefore are all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. Details about the Group's impairment policies and the calculation of the loss allowance are provided in policy 'Impairment of financial assets' and note 32.

##### **Trade and other payables**

Trade payables are classified within current liabilities unless payment is not due within 12 months from the reporting period. They are initially recognised at fair value and are subsequently measured at amortised cost using the effective interest method.

##### **Borrowings**

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method unless the effect of discounting is immaterial.

Borrowings are classified as current liabilities unless the companies within the Group have an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Subsequent to initial recognition, interest-bearing bank overdrafts are carried at face value in view of their short-term maturities.

##### **Ordinary shares issued by the Company**

Ordinary shares issued by the Company are classified as equity instruments.

##### **Dividends**

Ordinary shares issued by the Company 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.

# EDEN LEISURE GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2024

### 2. Material accounting policies (*continued*)

#### ***Inventories***

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the weighted average method and comprises expenditure incurred in acquiring the inventories and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated price at which stocks can be sold in the course of business less anticipated costs of selling. Provision is made where necessary for obsolete, slow moving and defective stocks.

#### ***Cash and cash equivalents and bank deposits***

Cash and cash equivalents comprise cash on hand, demand deposits and short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows and are presented in current liabilities on the statement of financial position. Bank deposits that the directors do not consider a component of cash equivalents, are presented separately in the statement of financial position.

#### ***Provisions***

Provisions are recognised when the Group's Companies have a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the directors' best estimate of the expenditure required to settle the present obligation at the balance sheet date. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Provisions are not recognised for future operating losses.

#### ***Impairment of non-financial assets***

All non-financial assets are tested for impairment except for investment property measured at fair value through profit or loss. At each balance sheet date, the carrying amount of assets is reviewed to determine whether there is any indication or objective evidence of impairment, as appropriate, and if any such indication or objective evidence exists, the recoverable amount of the asset is estimated. An impairment loss is the amount by which the carrying amount of an asset exceeds its recoverable amount.

The recoverable amount is the higher of fair value (which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date) less costs of disposal and value in use (which is the present value of the future cash flows expected to be derived, discounted using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset). Where the recoverable amount is less than the carrying amount, the carrying amount of the asset is reduced to its recoverable amount, as calculated. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

Impairment losses are recognised immediately in the income statement, unless the asset is carried at a revalued amount, in which case, the impairment loss is recognised in other comprehensive income to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that asset.

An impairment loss recognised in a prior year is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised.

Where an impairment loss is subsequently reversed, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years.

# EDEN LEISURE GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2024

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### 2. Material accounting policies (*continued*)

#### *Revenue recognition*

##### *i. Hospitality*

Revenue from hospitality includes revenue from accommodation, food and beverage services, and other ancillary services. The substantial majority of services are provided to customers during their stays in one of the Group's hotels, and, depending on the type of booking, some services, would generally be amalgamated into one 'contract' (for example, bed and breakfast).

Each of the services rendered is assessed to be a distinct performance obligation, and if applicable, the Group allocates the transaction price to each of the services rendered to the customer on a relative basis, based on their stand-alone selling price. Revenue from such operations is recognised over time since the customer benefits as the Group is performing; the majority of revenue relates to accommodation (i.e. the amount allocated to such performance obligation is recognised over the customer's stay at the respective hotel).

##### *ii. Advertising*

The Group, primarily through its Bay Radio station, provides advertising and production services. Advertising services include allowing customers to air adverts on the station, and contracts are typically agreed for a fixed price per spot. Revenue from such services is recognised over time, as the spot is aired. Any deposits received upfront in order to secure spots are deferred within accrued income until aired.

##### *iii. Cinema tickets and kiosk*

The Group owns the Eden Cinemas complex which includes 9 cinema theatres and various kiosks. Revenue from the screening is recognised over the period of time of the screening. Customers have the ability to prepay for screening through online facilities, in which case, revenue is deferred until the service is provided. Goods sold from the kiosks are recognised as they are delivered to the customer.

##### *iv. Entertainment complex and other services*

Revenue for these services include revenue generated from the Group's Eden Superbowl complex, esports activities, and other ancillary services. Services provided from the Eden Superbowl complex, including use of bowling alleys and bar, are recognised over the period of use, or upon consumption, as applicable.

Revenue from esports services include revenue from sponsorship agreements and tickets providing admission to events organised by the Group. The transaction price for such services is fixed and revenue is recognised over time, as the event takes place.

##### *v. Car parking facilities*

The Group charges car parking entrance fees, which are either a fixed amount or calculated by the hour. Revenue is recognised over time in the amount in which the Group has a right to charge.

##### *vi. Health and fitness centre*

The Group is the owner of the Cynergi health and fitness club in St Julian's. Fees range from one-year membership fees to day entry fees. In all cases, revenue is recognised over the period of time that the customer can use the services provided. Any membership fees received in advance are recognised within deferred income upon receipt.

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# EDEN LEISURE GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2024

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### 2. Material accounting policies (*continued*)

#### *Revenue recognition (continued)*

##### *vii. Servicing of timeshare apartments*

The Group provides provision of management services of timeshare apartments owned by third parties. Contracts for such services are subject to a fixed fee and have a term of one year, although they may be renewed for further periods subject to renegotiation. The Group provides various distinct services when carrying out its obligations under such arrangements, however, views its obligation as one performance obligation satisfied over the term, in accordance with IFRS 15's series guidance. Revenue in relation to such arrangements is therefore recognised over time. Any amounts paid in advance are recognised within deferred income and released to profit or loss over time.

##### *viii. Management services*

The Company provides management services to its subsidiaries. Such services have been assessed to fall within scope of the IFRS 15 series guidance, such that they are recognised as one performance obligation over time during the contract term.

##### *ix. Sale of intellectual property*

Revenue from the sale of intellectual property, such as brand names, trademarks, and other identifiable intangible assets, is recognized in accordance with IFRS 15 *Revenue from Contracts with Customers* when control of the asset is transferred to the customer.

Control is deemed to have transferred when the Group has satisfied its performance obligation, typically upon the legal transfer of ownership and the customer obtains the ability to direct the use of and obtain substantially all of the remaining benefits from the asset.

The transaction price is measured at the fair value of the consideration received or receivable, taking into account any variable consideration in accordance with IFRS 15. Where consideration includes contingent payments, the Group estimates the amount of variable consideration using either the expected value or the most likely amount, and includes it in revenue only to the extent that it is highly probable that a significant reversal will not occur when the uncertainty is resolved.

##### *x. Cancellation of Emphyteusis*

Revenue arising from the cancellation or early termination of an emphyteutic grant is recognized when the Group satisfies its performance obligation by releasing the counterparty from their rights and obligations under the emphyteutic agreement.

In accordance with IFRS 15 *Revenue from Contracts with Customers*, revenue is recognized when control over the related rights is transferred to the counterparty, typically when the cancellation agreement becomes legally effective and enforceable, and the Group no longer retains continuing involvement in the underlying asset.

The transaction price is measured at the fair value of the consideration received or receivable and recognized as revenue if the cancellation falls within the scope of the Group's ordinary operating activities. If the cancellation is not part of ordinary activities, the resulting gain or income is recognized in accordance with IAS 16 or IAS 38, depending on the nature of the underlying asset, and presented under "Other income" in the statement of profit or loss.

# EDEN LEISURE GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2024

### 2. Material accounting policies (*continued*)

#### ***Borrowing costs***

Borrowing costs include the costs incurred in obtaining external financing. Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised from the time that expenditure for these assets and borrowing costs are being incurred and activities that are necessary to prepare these assets for their intended use or sale are in progress. Borrowing costs are capitalised until such time as the assets are substantially ready for their intended use or sale. Borrowing costs are suspended during extended periods in which active development is interrupted. All other borrowing costs are recognised as an expense in profit or loss in the period in which they are incurred.

#### ***Leases***

Where the Group is a lessee, with the exception of short-term leases and leases of low value assets, the Group recognises a right-of-use asset and a corresponding liability at the date at which a leased asset is available for use by the Group. Further details on the Group's accounting policy, and a summary of its leasing arrangements as a lessee is described in note 15.

Lease income from operating leases where the Group or the Company is a lessor is recognised in income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective assets leased out under operating leases are included in investment property in the balance sheet.

Modifications to operating leases where the Group is the lessor are accounted for as a new lease from the effective date of the modification, considering any prepaid or accrued payments relating to the original lease as part of the lease payments for the new lease.

#### ***Business Combinations***

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises:

- the fair values of the assets transferred,
- the liabilities incurred by the former owners of the acquired business,
- the equity interests issued by the group,
- the fair value of any asset or liability resulting from a contingent consideration arrangement, and
- the fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of:

- the consideration transferred ,
- the amount of any non-controlling interest in the acquired entity, and
- the acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

# EDEN LEISURE GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2024

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### 2. Material accounting policies (*continued*)

#### *Business Combinations (continued)*

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or as a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value, with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

#### *Taxation*

Current and deferred tax is recognised in profit or loss, except when it relates to items recognised in other comprehensive income or directly in equity, in which case the current and deferred tax is also dealt with in other comprehensive income or in equity, as appropriate.

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 non-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 end of the reporting period.

Deferred tax is accounted for using the balance sheet liability method in respect of 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. However, deferred tax is not accounted for if it arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

The deferred tax liability in relation to investment property that is measured at fair value is determined assuming the property will be recovered entirely through sale.

Deferred tax in relation to the revaluation of land and buildings is charged or credited to other comprehensive income (to the extent that the revaluation is recognised in other comprehensive income). For buildings, deferred tax is recognised on the basis that the tax will be recovered through use (i.e. the corporate rate of tax in Malta), whilst land is expected to be recovered through sale. Deferred income tax on the difference between the actual depreciation on the property and the equivalent depreciation based on the historical cost of the property is realised through the income statement.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets, including deferred tax assets for unused tax losses and unused tax credits carried forward, are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences (or the unused tax losses and unused tax credits) can be utilised to the period when the asset is realised or the liability is settled based on the tax rates that have been enacted by the balance sheet date. Deferred tax assets and liabilities are offset when the Group's Companies have a legally enforceable right to settle its current tax assets and liabilities on a net basis.

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# EDEN LEISURE GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2024

### 2. Material accounting policies (*continued*)

#### **Foreign currencies**

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Euro, which is the Company's functional and presentation currency. Transactions denominated in currencies other than the functional currency are translated at the exchange rates ruling on the date of transaction.

Monetary assets and liabilities denominated in currencies other than the functional currency are re-translated to the functional currency at the exchange rate ruling at year-end. Exchange differences arising on the settlement and on the re-translation of monetary items are recognised in profit or loss. Non-monetary assets and liabilities denominated in currencies other than the functional currency that are measured at fair value are re-translated using the exchange rate ruling on the date the fair value was determined. Non-monetary assets and liabilities denominated in currencies other than the functional currency that are measured in terms of historical cost are not re-translated. Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period.

#### **Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker ("CODM").

The board of Eden Leisure Group plc, with the guidance of the Chief Executive Officer and Chief Financial Officer, (collectively, "the Board"), assesses the financial performance and position of the Group and make strategic decisions. The Board has been identified as being the CODM.

#### **Related parties**

Related parties are those persons or bodies of persons having relationships with the Company as defined in International Accounting Standard No. 24.

### 3. Critical accounting estimates and judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will likely differ from the actual results. Management also needs to exercise judgement in applying the group's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to final outcomes deviating from estimates and assumptions made.

#### Fair value of property, plant and equipment and investment property

Determining the fair value of PPE involves significant estimates and assumptions, particularly when market-based evidence is not readily available, and the valuation relies on discounted cash flow (DCF) techniques. In such cases, the Group considers:

- Future cash flows expected to be derived from the continued use of the asset
- Estimated useful life and residual value of the asset
- Replacement cost or depreciated replacement cost (for non-income-generating assets)
- Market-based inputs, where available (e.g., comparable sales or rental yields)
- Discount rates reflecting current market assessments of the time value of money and asset-specific risks

Independent professional valuers may be engaged to perform or assist with revaluations.

# EDEN LEISURE GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2024

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### 3. Critical accounting estimates and judgements (continued)

Management exercises judgment in selecting the appropriate valuation technique for each class of asset and in determining the frequency of revaluation. The selection of inputs—such as future price trends, production output, or usage assumptions—can significantly influence the valuation outcome. These estimates are reviewed regularly and revised as necessary.

Changes in assumptions, market conditions, or economic environment could result in significant adjustments to the carrying values of PPE.

Information about assumptions and estimation uncertainties with respect to the fair values of the Group's property, plant and equipment, and investment property, is included in note 13.

#### Expected credit loss allowances on loans and advances.

The Group applies the expected credit loss (ECL) model in accordance with IFRS 9 *Financial Instruments* to measure impairment losses on financial assets carried at amortized cost, including trade and other receivables, intercompany balances, and related party loans.

The ECL model requires management to make complex judgments and estimates about the credit risk of counterparties and the expected future recoverability of financial assets. The model incorporates a forward-looking view of credit losses, using historical data, current conditions, and reasonable and supportable forecasts of future economic conditions.

ECLs are measured on either a 12-month or lifetime basis depending on whether there has been a significant increase in credit risk since initial recognition. The assessment involves:

- Evaluating the financial health and repayment ability of counterparties
- Considering historical loss experience
- Incorporating macroeconomic indicators such as GDP growth, interest rates, and industry outlook
- Applying probability-weighted scenarios where appropriate

Where balances are with related parties, additional qualitative factors are considered, including:

- The related party's financial position and liquidity
- Strategic or operational importance of the relationship
- Any indications of restructuring, dispute, or repayment delays

During the year, the Company recognized an expected credit loss of €329,263 in relation to a balance due from a related party. This estimate involves significant judgment and is sensitive to changes in the related party's circumstances. Any improvement or deterioration in the related party's financial condition may result in future adjustments to the ECL provision.

#### Sale price of Intellectual property

The sale of brand-related intellectual property involves significant management judgment in determining the fair value of the consideration received. The Group recognizes revenue or a gain on disposal in accordance with IFRS 15 *Revenue from Contracts with Customers* and IAS 38 *Intangible Assets*, when control of the asset is transferred, and the consideration can be measured reliably.

In determining the fair value of the brand at the point of sale, the Group applies a discounted cash flow (DCF) valuation model, which involves estimating the future cash inflows expected to be generated by the brand and discounting them to their present value. Key inputs and assumptions include:

- Forecasted brand-related revenue streams over a relevant projection period
  - Growth rate reflecting long-term expectations
  - Discount rate reflecting the brand-specific risk profile and market conditions
  - Assumptions about the buyer's ability to meet payment terms, particularly for deferred or contingent consideration
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# **EDEN LEISURE GROUP LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS** **FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2024**

### **3. Critical accounting estimates and judgements (continued)**

The DCF model requires management to make forward-looking estimates based on historical performance, market trends, and strategic expectations. These estimates are inherently uncertain, and changes in assumptions could materially affect the fair value assigned to the brand and, consequently, the gain or revenue recognized on disposal.

Where consideration includes variable or contingent elements, the Group includes such amounts in the transaction price only to the extent that it is highly probable that a significant reversal will not occur, in accordance with IFRS 15.

### **4. Segment information and revenue from contracts with customers**

#### **4.1 Segment information**

This note discloses information regarding the Group's reportable segments. The Company is not required to and does not present segment information. However, it presents the information on its revenue from contracts with customers in note 4.2.

The standard requires a "management approach" under which segment information is presented on the same basis as that used for internal reporting purposes. The Group's CODM, consisting of the board of directors and the chief executive officers and chief financial officer examine the Group's performance namely from an industry/product perspective and has identified two reportable segments – hospitality and entertainment and other related operations.

The CODM assesses performance based on the measure of EBITDA (earnings before interest, tax, depreciation and amortisation) and revenue of the operating segments.

The Group is not required to report a measure of total assets and liabilities for each reportable segment since such amounts are not regularly provided to the CODM. Additionally, since all of the Group's non-current assets are located in Malta, the geographical information that would have otherwise been required by IFRS 8, is not presented in these consolidated financial statements.

# EDEN LEISURE GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2024

### 4. Segment information and revenue from contracts with customers (continued)

#### 4.1 Segment information (continued)

2024	Entertainment & other related Operations	Hospitality Operations	Unallocated	Total
	€	€	€	€
Revenue	13,348,973	32,596,544	-	45,945,517
Less: inter-segment sales	(386,258)	-	-	(386,258)
	<b>12,962,715</b>	<b>32,596,544</b>	-	<b>45,559,259</b>
<b>Segment profit</b>	<b>1,873,857</b>	<b>8,375,343</b>	-	<b>10,249,200</b>
Royalty fee	(1,580,677)	-	-	(1,580,677)
<b>Segment profit after Royalty fee</b>	<b>293,180</b>	<b>8,375,343</b>	-	<b>8,668,523</b>
Other operating income	-	-	1,142,708	1,142,708
Loss on sale of fixed assets	-	-	11,229	11,229
Sale of intellectual property	10,700,000	-	-	10,700,000
Other income	-	-	1,200,000	1,200,000
<b>Group EBITDA</b>	<b>10,993,180</b>	<b>8,375,343</b>	<b>2,353,937</b>	<b>21,722,460</b>
Depreciation and amortisation	-	-	(3,551,406)	(3,551,406)
Share of losses of associates	-	(1,170)	-	(1,170)
Gain on sale of financial instruments			5,500	5,500
Finance costs	-	-	(2,159,560)	(2,159,560)
<b>Profit before tax</b>	<b>10,993,180</b>	<b>8,374,173</b>	<b>(3,351,529)</b>	<b>16,015,824</b>
Tax charge	-	-	(1,209,709)	(1,209,709)
<b>Profit/(Loss) for the year</b>	<b>10,993,180</b>	<b>8,374,173</b>	<b>(4,561,238)</b>	<b>14,806,115</b>
<b>Other comprehensive income</b>				
Gain on F1 through OCI net of deferred tax	-	-	21,392,926	21,392,926
<b>Total other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>21,392,926</b>	<b>21,392,926</b>
<b>Total comprehensive income</b>	<b>10,993,180</b>	<b>8,374,173</b>	<b>16,831,688</b>	<b>36,199,041</b>
<b>Segment assets non-current</b>	<b>82,337,502</b>	<b>102,468,802</b>	<b>81,637,773</b>	<b>266,444,077</b>
<b>Segment assets current</b>	<b>3,713,432</b>	<b>3,629,542</b>	<b>7,530,143</b>	<b>14,873,117</b>
	<b>86,050,934</b>	<b>106,098,344</b>	<b>89,167,916</b>	<b>281,317,194</b>
<b>Segment liabilities non-current</b>	<b>-</b>	<b>1,941,919</b>	<b>90,140,132</b>	<b>92,082,051</b>
<b>Segment liabilities current</b>	<b>9,209,817</b>	<b>7,544,034</b>	<b>2,924,908</b>	<b>19,678,759</b>
	<b>9,209,817</b>	<b>9,485,953</b>	<b>93,065,040</b>	<b>111,760,810</b>

# EDEN LEISURE GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2024

### 4. Segment information and revenue from contracts with customers (continued)

#### 4.1 Segment information (continued)

2023	Entertainment & other related Operations	Hospitality Operations	Unallocated	Total
	€	€	€	€
Revenue	12,621,071	33,319,656	-	45,940,727
Less: inter-segment sales	(552,004)	-	-	(552,004)
	<b>12,069,067</b>	<b>33,319,656</b>	<b>-</b>	<b>45,388,723</b>
<b>Segment profit</b>	<b>2,248,989</b>	<b>9,745,381</b>	<b>-</b>	<b>11,994,370</b>
Royalty fee	(1,113,416)	-	-	(1,113,416)
	<b>1,135,573</b>	<b>9,745,381</b>	<b>-</b>	<b>10,880,954</b>
Other operating income	-	-	1,105,580	1,105,580
Loss on sale of fixed assets	-	-	(128,902)	(128,902)
<b>Group EBITDA</b>	<b>1,135,573</b>	<b>9,745,381</b>	<b>976,678</b>	<b>11,857,632</b>
Depreciation and amortisation	-	-	(4,021,407)	(4,021,407)
Share of losses of associates	-	(507)	-	(507)
Finance costs	-	-	(2,182,792)	(2,182,792)
<b>Profit/(Loss) before tax</b>	<b>1,135,573</b>	<b>9,744,874</b>	<b>(5,227,521)</b>	<b>5,652,926</b>
Tax charge			(1,839,571)	(1,839,571)
<b>Profit/(Loss) for the year</b>	<b>1,135,573</b>	<b>9,744,874</b>	<b>(7,067,092)</b>	<b>3,813,355</b>
<b>Other comprehensive income</b>				
Gain on FI through OCI net of deferred tax	-	-	7,918	7,918
<b>Total other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>7,918</b>	<b>7,918</b>
<b>Total comprehensive income</b>	<b>1,135,573</b>	<b>9,744,874</b>	<b>(7,059,174)</b>	<b>3,821,273</b>
<b>Segment assets non-current</b>	<b>51,572,116</b>	<b>103,145,288</b>	<b>54,827,716</b>	<b>209,545,120</b>
<b>Segment assets current</b>	<b>5,933,791</b>	<b>3,282,986</b>	<b>4,593,391</b>	<b>13,810,168</b>
	<b>57,505,907</b>	<b>106,428,274</b>	<b>59,421,107</b>	<b>223,355,288</b>
<b>Segment liabilities non-current</b>	<b>-</b>	<b>2,379,038</b>	<b>67,463,946</b>	<b>69,842,984</b>
<b>Segment liabilities current</b>	<b>5,025,309</b>	<b>6,724,854</b>	<b>5,020,137</b>	<b>16,770,300</b>
	<b>5,025,309</b>	<b>9,103,892</b>	<b>72,484,083</b>	<b>86,613,284</b>

# EDEN LEISURE GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2024

### 4. Segment information and revenue from contracts with customers (continued)

#### 4.2 Revenue from contracts with customers

##### (i) Disaggregation of revenue from contracts with customers

	Group		Company	
	2024	2023	2024	2023
	€	€	€	€
<i>Entertainment and related operations segment</i>				
- Advertising and sponsorship agreements	3,123,398	3,669,754	-	-
- Entertainment and related services	9,263,566	8,076,621	-	-
<i>Hospitality segment</i>				
- Accommodation and related services	31,038,627	31,862,526	-	-
- Other services	1,710,073	1,457,130	-	-
Operating fees charged to subsidiaries	-	-	9,400,000	10,300,000
Other sundry services	423,595	322,692	484,031	360,117
	45,559,259	45,388,723	9,884,031	10,660,117

##### (ii) Liabilities related to contracts with customers

The Group has recognised the following liabilities relating to contracts with customers:

	Group		Company	
	2024	2023	2024	2023
	€	€	€	€
<i>Contract liabilities (note 24):</i>				
Advance deposits – accommodation and related services	527,125	758,660	-	-
Deferred income – entertainment and related services	2,002,849	731,252	527,125	731,252
<b>Total contract liabilities</b>	<b>2,529,974</b>	<b>1,489,912</b>	<b>527,125</b>	<b>731,252</b>

##### (iii) Revenue recognised that was included in the deferred income balance at the beginning of the period

	Group		Company	
	2024	2023	2024	2023
	€	€	€	€
<i>Hotel operations</i>				
	542,741	1,414,570	-	-
<i>Entertainment and related services</i>	<b>759,082</b>	<b>1,651,573</b>	<b>38,949</b>	<b>29,223</b>
	<b>1,301,823</b>	<b>3,066,143</b>	<b>38,949</b>	<b>29,223</b>

# EDEN LEISURE GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2024

### 5. Other operating income

	Group		Company	
	2024	2023	2024	2023
	€	€	€	€
Rental Income – Note 14	1,108,243	1,067,611	1,808,243	968,048
Interest income	34,465	37,969	34,465	37,969
	<hr/> 1,142,708	<hr/> 1,105,580	<hr/> 1,842,708	<hr/> 1,006,017

### 6. Sale of intellectual property

With effect from 30 October 2024, the Group and the Company completed the sale of certain intellectual property, specifically brand names, to a related party outside the Group; EIP Limited, for a total consideration of €10,700,000. The intellectual property sold includes the brand names '*The Eden*', '*Eden Superbowl*', and '*Eden Cinemas*'.

Following the sale, the Group entered into a royalty agreement with the related party, under which it retains the right to continue using the brand names in its operations. In accordance with the agreement, the Group is required to pay a royalty fee to the related party. The terms of the royalty payments are based on sole and exclusive use of the brand names and are considered to be at arm's length. This transaction was conducted in the normal course of business and was approved by the Board of Directors. These related party transactions are disclosed in note 32.

### 7. Other income

On 31 December 2024, the Group entered into an agreement for the cancellation of emphyteusis regarding one of the Group's properties. The original emphyteusis arrangement, which granted the counter party long-term rights over the property was terminated effective 31 December 2024. The agreement was cancelled after mutual consent between the parties, in accordance with the terms of the original contract.

As a result of the cancellation, the Group and the Company recognized a gain of €1,200,000, which is reflected in the Income Statement under the category 'other income'.

### 8. Finance costs

	Group		Company	
	2024	2023	2024	2023
	€	€	€	€
Interest on bank overdraft and borrowings	425,596	438,529	417,113	438,510
Interest on other loans	1,600,000	1,600,000	1,680,000	1,680,000
Borrowing transaction costs	47,124	47,126	47,124	47,126
Interest on lease liability – note 15	86,840	97,137	-	-
	<hr/> 2,159,560	<hr/> 2,182,792	<hr/> 2,144,237	<hr/> 2,165,636

# EDEN LEISURE GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2024

### 9. Expenses by nature

	Group		Company	
	2024	2023	2024	2023
	€	€	€	€
Cost of sales (F&B)	3,379,417	3,545,021	—	—
Wages and salaries	15,666,907	14,217,042	—	—
Directors' remuneration and fees	1,080,652	1,000,125	373,367	341,930
Directors' fees	32,500	6,000	—	—
Utility expenses	1,848,458	1,851,029	240,509	198,736
Marketing and promotional expenses	1,234,937	990,194	—	—
Repairs and maintenance	1,522,011	1,320,863	31,947	40,266
Royalty fee	1,580,677	1,113,416	—	—
Legal and professional fees	563,105	496,595	448,514	306,755
Bank charges & credit card commissions	492,885	391,308	67,605	44,413
Agency Commissions	1,334,496	1,333,984	—	—
Insurance	340,926	356,514	150,264	211,341
Other expenses	7,813,765	7,885,700	281,168	140,720
	36,890,736	34,507,791	1,593,374	1,284,161

Profit before tax for the Group is stated after charging the following fees in relation to services provided by the external auditors of the Group.

	Group		Company	
	2024	2023	2024	2023
	€	€	€	€
Total remuneration payable to the company's auditors for:				
- Audit services	41,626	36,711	8,153	8,153
- Other services	10,000	10,000	5,100	5,100
	51,626	46,711	13,253	13,253

### 10. Staff costs and employee information

	Group		Company	
	2024	2023	2024	2023
	€	€	€	€
Gross wages, salaries and directors' fees	15,810,189	14,394,343	4,888,572	3,858,949
Social security costs	937,370	822,824	252,144	178,337
	16,747,559	15,217,167	5,140,716	4,037,286
Recharged to subsidiaries	—	—	(4,767,349)	(3,695,356)
	16,747,559	14,951,101	373,367	341,930

# EDEN LEISURE GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2024

### 10. Staff costs and employee information (continued)

The average number of people employed during the year, including non-executive directors, was made up as follows:

	Group		Company	
	2024 Number	2023 Number	2024 Number	2023 Number
Administrative	80	76	34	33
Operational	506	509	108	96
Directors	9	9	4	4
	<b>595</b>	<b>594</b>	<b>146</b>	<b>133</b>

### 11. Tax charge

	Group		Company	
	2024 €	2023 €	2024 €	2023 €
<u>Tax charge recorded on Profit and Loss</u>				
Deferred tax charge	<b>389,804</b>	597,677	<b>3,095,651</b>	352,921
Current tax charge	<b>819,905</b>	1,241,894	<b>819,643</b>	1,102,593
	<b>1,209,709</b>	1,839,571	<b>3,915,294</b>	1,455,514
<u>Tax charge recorded on statement of comprehensive income</u>				
Deferred tax charge	<b>2,371,965</b>	-	-	-

# EDEN LEISURE GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2024

### 11. Tax charge (continued)

	Group		Company	
	2024 €	2023 €	2024 €	2023 €
The tax expense and the tax charge using the statutory income tax rate of 35% are reconciled as follows				
Profit before taxation	16,015,824	5,652,904	40,265,982	4,383,087
Tax charge at 35%	5,605,538	1,978,516	14,093,094	1,534,080
Depreciation charges not deductible for tax purposes by way of capital allowances	56,872	23,315	52,210	36,556
Expenditure disallowed for tax purposes	880	2,243	880	869
Tax effect of non-taxable income	(4,200,129)	7,149	(4,200,129)	7,149
Provision from prior years	(20,507)	-	(20,917)	-
Effect of movement in fair value on investment property	-	-	(5,929,914)	-
Impairment on related party balance	-	-	115,242	-
Deferred tax movement not recognised in prior year	(37,773)	177	-	-
Income taxed at a reduced tax rate	(97,017)	(77,161)	(97,017)	(77,161)
Additional allowable deductions	(98,155)	(94,668)	(98,155)	(45,979)
Tax charge	1,209,709	1,839,571	3,915,294	1,455,514

### 12. Intangible assets

	Group		Company	
	2024 €	2023 €	2024 €	2023 €
<b>Cost</b>				
At 1 January	-	-	-	-
Acquired upon business combinations – Note 18	822,160	-	-	-
<b>At 31 December</b>	<b>822,160</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Accumulated amortisation</b>				
At 1 January	-	-	-	-
Acquired upon business combinations – Note 18	(440,996)	-	-	-
<b>At 31 December</b>	<b>(440,996)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net book values</b>				
<b>At 31 December</b>	<b>381,164</b>	<b>-</b>	<b>-</b>	<b>-</b>

# EDEN LEISURE GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2024

### 13. Property, plant and equipment Group

	Land and Buildings €	Furniture, Fixtures & Fittings €	Equipment €	Computer Equipment €	Motor Vehicles €	Other Fixed Assets €	Total €
<b>Valuation</b>							
As at 1 <sup>st</sup> January 2023	173,591,797	23,503,940	17,599,038	2,458,418	355,285	13,954,870	231,463,348
Additions	190,795	568,817	745,963	91,093	4,873	377,471	1,979,012
Disposals	(64,030)	(108,677)	(385,338)	(3,221)	(26,663)	(4,475)	(592,404)
As at 1 <sup>st</sup> January 2024	173,718,562	23,964,080	17,959,663	2,546,290	333,495	14,327,866	232,849,956
Transfer from PPE under development – note i	1,015,200	-	-	-	-	-	1,015,200
Additions	-	1,965,913	2,182,042	1,434,338	-	1,358,616	6,940,909
Disposals	(11,612)	(44,235)	(1,571,834)	(33,945)	(4,873)	(319,652)	(1,986,151)
Revaluation surplus – Note iii	23,719,649	-	-	-	-	-	23,719,649
As at 31 <sup>st</sup> December 2024	<b>198,441,799</b>	<b>25,885,758</b>	<b>18,569,871</b>	<b>3,946,683</b>	<b>328,622</b>	<b>15,366,830</b>	<b>262,539,563</b>
<b>Depreciation</b>							
As at 1 <sup>st</sup> January 2023	7,222,540	16,632,112	15,893,099	2,334,812	347,356	12,068,563	54,498,482
Depreciation charge Eliminated on disposals	721,351 (4,146)	1,413,901 (78,895)	886,471 (340,824)	111,098 (3,221)	975 (18,723)	685,077 (3,728)	3,818,873 (449,537)
As at 1 <sup>st</sup> January 2024	7,939,745	17,967,118	16,438,746	2,442,689	329,608	12,749,912	57,867,818
Depreciation charge Eliminated on disposals	654,750 (5,558)	1,463,749 (53,831)	612,794 (1,561,855)	112,113 (33,033)	- (986)	365,094 (326,814)	3,208,500 (1,982,077)
As at 31 <sup>st</sup> December 2024	<b>8,588,937</b>	<b>19,377,036</b>	<b>15,489,685</b>	<b>2,521,769</b>	<b>328,622</b>	<b>12,788,192</b>	<b>59,094,241</b>
<b>Net Book Value</b>							
As at 31 <sup>st</sup> December 2024	<b>189,852,862</b>	<b>6,508,722</b>	<b>3,080,186</b>	<b>1,424,914</b>	-	<b>2,578,638</b>	<b>203,445,322</b>
As at 1 <sup>st</sup> January 2024	165,778,817	5,996,962	1,520,917	103,601	3,887	1,577,954	174,982,138

# EDEN LEISURE GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2024

### 13. Property, plant and equipment (continued)

#### Company

	Land and Buildings €	Furniture, Fixtures & Fittings €	Equipment €	Computer Equipment €	Motor Vehicles €	Other Fixed Assets €	Total €
<b>Valuation</b>							
As at 1 <sup>st</sup> January 2023	159,111,797	23,049,554	17,304,683	2,374,028	314,462	13,950,400	216,104,924
Additions	190,795	567,853	745,963	75,247	—	119	1,579,977
Disposals	(64,030)	(62,723)	(135,017)	(3,221)	—	—	(264,991)
As at 1 <sup>st</sup> January 2024	<b>159,238,562</b>	<b>23,554,684</b>	<b>17,915,629</b>	<b>2,446,054</b>	<b>314,462</b>	<b>13,950,519</b>	<b>217,419,910</b>
Additions	—	1,084,054	1,608,311	1,188,804	—	349,254	4,230,423
Disposals	(11,612)	(44,235)	(1,571,834)	(33,945)	—	(319,818)	(1,981,444)
Reallocation to investment property – Note (ii)	(5,499,000)	—	—	—	—	—	(5,499,000)
Acquired upon legal merger Note 18	14,415,107	—	—	—	—	—	14,415,107
<b>As at 31<sup>st</sup> December 2024</b>	<b>168,143,057</b>	<b>24,594,503</b>	<b>17,952,106</b>	<b>3,600,913</b>	<b>314,462</b>	<b>13,979,955</b>	<b>228,584,996</b>
<b>Depreciation</b>							
As at 1 <sup>st</sup> January 2023	6,674,925	16,218,341	15,628,503	2,252,908	314,462	12,065,089	53,154,228
Depreciation charge	642,067	1,413,624	886,471	105,180	—	678,980	3,726,322
Eliminated on disposals	(4,146)	(36,867)	(116,677)	(3,221)	—	—	(160,911)
As at 1 <sup>st</sup> January 2024	7,312,846	17,595,098	16,398,297	2,354,867	314,462	12,744,069	56,719,639
Depreciation charge	650,311	1,419,283	565,204	77,501	—	306,555	3,018,854
Eliminated on disposals	(5,558)	(53,831)	(1,561,855)	(33,033)	—	(326,989)	(1,981,266)
<b>As at 31<sup>st</sup> December 2024</b>	<b>7,957,599</b>	<b>18,960,550</b>	<b>15,401,646</b>	<b>2,399,335</b>	<b>314,462</b>	<b>12,723,635</b>	<b>57,757,227</b>
<b>Net Book Value</b>							
<b>As at 31<sup>st</sup> December 2024</b>	<b>160,185,458</b>	<b>5,633,953</b>	<b>2,550,460</b>	<b>1,201,578</b>	—	<b>1,256,320</b>	<b>170,827,769</b>
As at 1 <sup>st</sup> January 2024	151,925,716	5,959,586	1,517,332	91,187	—	1,206,450	160,700,271

Land and buildings held by the Group and the Company, with a carrying amount of €97,745,009 (2023: €91,968,274) are pledged as security for current and non-current borrowings.

# EDEN LEISURE GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2024

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### 13. Property, Plant and equipment (continued)

#### **Note i: Transfer from PPE under development (Group)**

During the year, the Group completed the construction of its new Family Entertainment Centre – ‘The Eden’, which had previously been classified under Property, Plant and Equipment under development (note 14). Upon completion in July 2024, the related costs were transferred to the relevant classes within Property, Plant and Equipment and the Group commenced operations at the new facility from that date.

The total cost transferred amounted to €1,015,200 representing capitalised construction and fit-out costs directly attributable to the development of the centre.

The Family Entertainment Centre owned by the Company is being leased to its subsidiary, Eden Entertainment Limited. As the property is held to earn rental income, it has been classified as Investment Property in accordance with IAS 40 – Investment Property.

Accordingly, the property was transferred from Property, Plant and Equipment under development to Investment Property during the year. The transfer is reflected within Note 16 – Investment Property.

#### **Note ii: Relocation to investment property (Company)**

The reallocation from Property, Plant and Equipment of €5,499,000, represents the fair valued land and airspace relating to the Family Entertainment Centre. The land and airspace were revalued in FY 2022 by an independent external valuer using the comparative method approach. These components have similarly been reclassified to Investment Property as part of the overall asset reallocation.

Further details of the rental arrangement with the related party are disclosed in Note 32 – Related Party Transactions.

#### **Note iii: Valuation of Land and airspace**

During the year, the Directors carried out a revaluation of the land and airspace relating to the Family Entertainment Centre.

- At the Group level, the property is classified within Property, Plant and Equipment (PPE) and, accordingly, the revaluation surplus was recognised in the Revaluation Reserve (refer to Note 28), in line with the revaluation model under IAS 16.
- At the Company level, the same asset is classified as Investment Property, since it is leased to a subsidiary. In accordance with IAS 40, the revaluation surplus was recorded in the Fair Value Reserve (refer to Note 29).

The revaluation was performed using the Discounted Cash Flow (DCF) method. Refer to note 17 for the inputs and methodology used.

#### **Capitalized borrowing costs**

During the year, the Group and the Company continued the works on the mixed use development project and completed the works on the Family Entertainment Centre in July 2024. This project is financed through bank borrowings. The amount of borrowing cost capitalized during the year end is €915,250. Details on the rates used to determine the amount of borrowing cost eligible for capitalized are found in note 26

# EDEN LEISURE GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2024

### 14. Property, plant and equipment under development

	Group		Company	
	2024	2023	2024	2023
	€	€	€	€
<b>As at 1<sup>st</sup> January</b>	<b>11,893,053</b>	<b>4,641,204</b>	<b>11,893,053</b>	<b>4,641,204</b>
Additions	16,366,824	7,251,849	16,366,824	7,251,849
Reallocation to PPE/investment property (note 13,16)	(1,015,200)	–	(1,015,200)	–
<b>As at 31<sup>st</sup> December</b>	<b>27,244,677</b>	<b>11,893,053</b>	<b>27,244,677</b>	<b>11,893,053</b>

### 15. Leases

This note provides information for leases where the Group is a lessee. For leases where the Group is a lessor, see note 16.

#### (i) Amounts recognised in the balance sheet

The balance sheet shows the following amounts relating to leases:

	Group	
	2024	2023
	€	€
<b>Right-of-use assets</b>		
Land and buildings	1,477,932	1,681,235
Motor vehicles	6,534	19,082
	<b>1,484,466</b>	<b>1,700,317</b>
<b>Lease liabilities</b>		
Current	199,997	187,565
Non-current	1,486,738	1,686,735
	<b>1,686,735</b>	<b>1,874,300</b>

There were additions to the right-of-use assets during the financial year of Nil (2023: €479,432).

# EDEN LEISURE GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2024

### 15. Leases (continued)

#### (ii) Amounts recognised in the statement of profit or loss

The statement of profit or loss shows the following amounts relating to leases:

	Group	
	2024	2023
	€	€
<b>Depreciation charge of right-of-use assets</b>		
Land and buildings	203,304	189,987
Motor vehicles	12,547	12,547
	<hr/>	<hr/>
<b>Interest expense (included in finance cost)</b>	<b>215,851</b>	<b>202,534</b>
Interest expense (included in finance cost)	86,840	97,137

The total cash outflow for leases in 2024 was €274,405 (2023: €265,405).

#### (iii) The Group's leasing activities and how these are accounted for

The Group leases land, buildings and vehicles. The Group's rental contracts are for fixed periods of 3 to 50 years but may have extension options as described in (v) below.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable by the Group under residual value guarantees;
- The exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is the case for leases in the Group except for motor vehicle leases, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

# EDEN LEISURE GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2024

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### 15. Leases (continued)

To determine the incremental borrowing rate, the Group:

- Where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received; and
- Makes adjustments specific to the lease, e.g. term and security.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate, take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentives received;
- Any initial direct costs, and
- Restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. While the Group revalues its land and buildings that are presented within property, plant and equipment, it has chosen not to do so for the right-of-use land and buildings held by the Group.

Payments associated with short-term leases of vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise photo copying and printing equipment.

#### *(iv) Variable lease payments*

The Group's leases do not contain variable payment terms.

#### *(v) Extension and termination options*

Extension and termination options are included in the Group's property leases. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The extension and termination options held are exercisable only by the Group and not by the respective lessor.

# EDEN LEISURE GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2024

### 16. Investment property

	Group		Company	
	2024	2023	2024	2023
<u>At fair value</u>	€	€	€	€
<b>As at 1<sup>st</sup> January</b>	<b>16,750,000</b>	<b>16,750,000</b>	<b>16,750,000</b>	<b>16,750,000</b>
Additions	3,150,000	–	3,150,000	–
Reallocation from Property, Plant & Equipment & PPE under development (note 13)	–	–	6,514,200	–
Revaluation surplus (note 13, 17)	–	–	23,719,649	–
<b>As at 31<sup>st</sup> December</b>	<b>19,900,000</b>	<b>16,750,000</b>	<b>50,133,849</b>	<b>16,750,000</b>

#### Investment property pledged as security.

Investment property held by the Group and the Company, with a carrying amount of €14,000,000 (2023: €14,000,000) are pledged as security for current and non-current borrowings.

#### Measuring investment property at fair value

Investment properties principally land and buildings, are held for long-term rental yields and are not occupied by the Group. These are valued annually on 31 December at fair value comprising open market value approved by the directors on the basis of a professional valuation prepared by an independent architect. Changes in fair values are presented in profit and loss. Revaluation during the current year in relation to 'The Eden' was carried out by the Directors using DCF methodology. Refer to note 17 for the details of the inputs and key assumptions used.

#### Significant estimate – Fair value of investment property

Information about the valuation of investment properties is provided in note 17.

#### Presenting cash flows

The Group and the Company classifies cash outflows to acquire or construct investment property as investing cashflows and rental inflows as operating cashflows.

#### Amounts recognised in profit or loss for investment properties.

	Group		Company	
	2024	2023	2024	2023
Rental income from operating leases	€ 756,881	€ 744,065	€ 1,456,881	€ 744,065

#### Leasing arrangements

The Group and the Company's investment properties are leased to tenants under operating leases with rentals payable on a monthly or quarterly basis. Lease payments for some contracts include fixed annual increases, but there are no variable lease payments that depend on an index. The Company leases one of its properties as disclosed in note 16 to its subsidiary. Refer to note 32 for details of the related party transactions.

# EDEN LEISURE GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2024

### 16. Investment property (continued)

#### Leasing arrangement (continued)

The future minimum operating lease payments under non-cancellable operating leases are as follows:

	Group		Company	
	2024	2023	2024	2023
	€	€	€	€
Within 1 year	924,257	898,026	2,366,257	898,026
Between 1 and 2 years	220,718	879,090	1,705,978	879,090
Between 2 and 3 years	174,111	173,743	1,703,929	173,743
Between 3 and 4 years	120,368	130,487	1,696,080	130,487
Between 4 and 5 years	14,181	78,501	1,637,165	78,501
	1,453,635	2,159,847	9,109,409	2,159,847

### 17. Fair value measurements

The Group is required to analyse non-financial assets carried at fair value by level of the fair value hierarchy within which, the recurring fair value measurements are categorised in their entirety (Level 1, 2 or 3). The different levels of the fair value hierarchy have been defined as fair value measurements using:

- Quoted prices (unadjusted) in active markets for identical assets (Level 1);
- Inputs other than quoted prices included within Level 1 that are observable for the asset, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2); and
- Inputs for the asset that are not based on observable market data (that is, unobservable inputs) (Level 3).

All the recurring property fair value measurements at 31 December 2024 and 2023, as applicable, use significant unobservable inputs and are accordingly categorised within Level 3 of the fair valuation hierarchy.

The Group's policy is to recognise transfers into and out of fair value hierarchy levels as of the beginning of the reporting period. There were no transfers between different levels of the fair value hierarchy during the current and preceding financial years.

#### ***Valuation techniques***

The Group's land and buildings, within property, plant and equipment, consist of two hotel properties, one cinema complex, health and fitness club, a car park and an entertainment centre as from July 2024, that are owned and managed by the Group companies. The Group obtains independent valuations for its freehold land and buildings at least every five years. In addition to the revaluations carried out on Group's properties, the Group's investment properties, which comprise three properties that are held for long-term rental yields or for capital appreciation or both, are measured at fair value on an annual basis as required by IAS 40.

At the end of each reporting period, the directors update their assessment of the fair value of each property, considering the most recent independent valuations. The directors determine a property's value within a range of reasonable fair value estimates. The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available, the directors consider information from a variety of sources.

The Group's properties were valued using the discounted cash flow approach. When using this technique, the significant unobservable inputs include:

# EDEN LEISURE GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2024

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### 17. Fair value measurements (continued)

Earnings before interest, tax, depreciation, and amortisation (EBITDA)	Based on projected income streams taking into consideration historical results and market expectations;
Growth rate	Based on management's estimated average growth of the company's EBITDA, mainly determined by projected growth in income streams;
Discount rate	Reflecting the current market assessment of the uncertainty in the amount and timing of projected cash flows. The discount rate reflects the estimated weighted average cost of capital that would be available to a Reasonably Efficient Operator (REO) for financing such an operation. The discount rate is based on an assumed debt to equity ratio; estimation of cost of equity is based on risk free interest rates adjusted for country risk and equity risk premium; estimation of cost of debt is based on risk free interest rates adjusted for country risk and assumed credit spread.

Investment properties were valued using a capitalisation rate approach, whereby the rental price per square meter is used.

#### ***Valuation processes***

The Group and the Company's property (land and buildings together with all other integral assets) were revalued on 31 December 2022 by an independent professional qualified valuer. This valuation was based on potential development and discounted cashflow.

During the current financial year, the Group and the Company revalued their land and airspace property, namely '*The Eden*'.

This asset is classified as Property, Plant and Equipment (PPE) in the consolidated Group financial statements and as an Investment Property in the Company's individual financial statements.

The revaluation was carried out by the Directors as at 31 December 2024 using the Discounted Cash Flow (DCF) method. The valuation was based on projected future cash flows expected to be generated by the property, discounted at a rate that reflects current market assessments of the time value of money and the risks specific to the asset.

The revaluation resulted in an increase in the carrying amount of the property by €23,719,649, which has been recognised in:

- Other comprehensive income in the Group's consolidated results, in accordance with the revaluation model under IAS 16 (for PPE), and
- Profit or loss in the Company's individual results, in accordance with the fair value model under IAS 40 (for investment property).

The Directors are of the opinion that the revalued amount represents a fair estimate of the property's value as at the reporting date.

Where management, through its assessment, concludes that the fair value of its properties differs materially from its carrying amount, and at least every 5 years, an independent valuation report prepared by third party qualified valuers, is performed. The report is based on information provided by the Group. The information provided to the valuers, together with the assumptions and the valuation models used by the valuers, are reviewed by the directors. This includes a review of the fair value movement over the period. The directors consider whether the valuation report is appropriate to revalue the Company's property.

# EDEN LEISURE GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2024

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### 17. Fair value measurements (continued)

For investment properties, the Group engages external, independent and qualified valuers to determine the fair value of the property at the end of every financial year. The Group's investment property comprises a commercial property and Casino Malta, leased out on non-cancellable leases that have remaining lease terms ranging between one to two years.

#### *Valuation inputs and relationships to fair value*

The determination of the fair value of land and buildings and investment properties use future discounted cash flows ("DCF") projections based on significant unobservable inputs (categorised within Level 3 of the fair value hierarchy). These inputs include:

\*These inputs represent the range of inputs used in the external valuation carried out as at 31 December 2022.

Group and Company	Fair value at				Range of inputs	Relationship of unobservable inputs to fair value
	31 Dec 2024	31 Dec 2023	Unobservable Inputs	31 Dec 2024	31 Dec 2023	
Description	€	€				
<i>Property, plant and Equipment</i>						
Hotel and other entertainment properties	171,339,512	128,174,007	Discount rate Growth rate EBITDA	7.52%-7.8%* 2% - 5%* €17m-€22m*	7.52%* 2% - 5%* €17m-€22m*	The higher the discount rate, the lower the fair value The higher the growth rate, the higher the fair value The higher the EBITDA, the higher the fair value
Developable land for mixed use	32,105,810	37,604,810	Comparative method Investment method	€5k - €22k per sqm 7%	€5k - €22k per sqm 7%	
<i>Investment properties</i>						
Leased buildings	19,900,000	16,750,000	Rental price per square Metre Capitalisation rate	€320- €380 7.5%	€320- €380 7.5%	The higher the rental price per square metre, the higher the fair value The higher the capitalisation rate, the lower the fair value

# EDEN LEISURE GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2024

### 18. Interest in subsidiaries and other entities

#### Company

	Shares in subsidiaries	Shares in associates and joint venture	Total
	€	€	€
At 1 <sup>st</sup> January 2023	2,676,130	225,642	2,901,772
At 31 <sup>st</sup> December 2023	<u>2,676,130</u>	<u>225,642</u>	<u>2,901,772</u>

The net book value as at 31<sup>st</sup> December 2023 comprises:

	€	€	€
Cost	2,676,130	575,048	3,251,178
Impairment	–	(349,406)	(349,406)
At 31 <sup>st</sup> December 2023	<u>2,676,130</u>	<u>225,642</u>	<u>2,901,772</u>

#### Company

	Shares in subsidiaries	Shares in associates and joint venture	Total
	€	€	€
At 1 <sup>st</sup> January 2024	2,676,130	225,642	2,901,772
Additions	200,000	–	200,000
Cancellation of investment upon merger	(1,176,334)	–	(1,176,334)
At 31 <sup>st</sup> December 2024	<u>1,699,796</u>	<u>225,642</u>	<u>1,925,438</u>

The net book value as at 31<sup>st</sup> December 2024 comprises:

	€	€	€
Cost	1,699,796	575,048	2,274,844
Impairment	–	(349,406)	(349,406)
At 31 <sup>st</sup> December 2024	<u>1,699,796</u>	<u>225,642</u>	<u>1,925,438</u>

All subsidiary undertakings are included in the consolidation, whilst investments in associates and joint ventures are accounted for using the equity method in the consolidated financial statements, as disclosed in the Group's accounting policies.

# EDEN LEISURE GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2024

### 18. Interests in subsidiaries and other entities (continued)

Shares in Group and associated undertakings represent the following investments:

	Registered address	Principal activity	2024 % holding	2023 % holding
<b>Group</b>				
Eden Finance p.l.c.	Eden Place St. Augustine Street St. George's Bay	Finance Company	99.99	99.99
Eden Entertainment Limited	Eden Place St. Augustine Street St. George's Bay	Entertainment operating company	99.99	99.99
Eden Super Bowl Limited	Eden Place St. Augustine Street St. George's Bay	Entertainment operating company	—	99.99
Eden Hospitality Limited	Eden Place St. Augustine Street St. George's Bay	Hotel management company	99.99	99.99
Eden Esports Limited	Eden Place St. Augustine Street St. George's Bay	Entertainment operating company	99.82	99.82
The Esports Network Limited	Eden Place St. Augustine Street St. George's Bay	Digital platform for business opportunities within the esports space	70.00	—
<b>Associates</b>				
Axis Limited	St. George's Road, St. Julian's Eden Place	Management property company	50.00	50.00
Sunny Resorts Limited	St. Augustine Street St. George's Bay	Management property company	33.33	33.33

Summarised financial information in respect of the Group's associates is set out below:

	Group	
	2024	2023
	€	€
<b>Opening net book value</b>	<b>716,084</b>	<b>716,591</b>
Share of losses of associated and undertakings (after tax)	(1,170)	(507)
	<b>714,914</b>	<b>716,084</b>
Net assets	<b>2,144,766</b>	<b>2,148,276</b>
<b>Group share of net assets</b>	<b>714,914</b>	<b>716,084</b>

# EDEN LEISURE GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2024

### 18. Interests in subsidiaries and other entities (continued)

#### Business Combination

On 2 January 2024, Eden Leisure Group Limited acquired 70% of the issued share capital of The Esports Network Limited, a company operating a platform for listing and finding esports and gaming-related services. The acquisition was accounted for as a business combination in accordance with IFRS 3 – *Business Combinations*.

Details of the purchase consideration, the net assets acquired, and goodwill are as follows:

	2024
	€
<b>Purchase consideration</b>	
Equity instruments issued at premium through capitalisation of loans	200,000
The assets and liabilities recognised as a result of the acquisition are as follows:	
Intangible asset: Intellectual property	508,217
Cash at Bank	577
Trade and other receivables	19,460
Trade and other payables	(6,875)
Amounts due to related parties	(706,043)
<b>Net identifiable liabilities acquired</b>	<b>(184,662)</b>
Effect of pre-existing relationships – Impact of impaired loan (Note)	329,263
Add: Non-controlling interest	55,399
<b>Net assets acquired</b>	<b>200,000</b>

There were no acquisitions in the year ended 31 December 2023.

#### Effect of pre-existing relationships – Impact of impaired loan

As part of the business combination, the Group held a loan receivable of €1,028,179 from the acquiree. The fair value of this receivable was assessed at €383,777 at the acquisition date, due to the financial situation of the acquiree. Accordingly, a loss of €329,263 was recognised in profit or loss in accordance with IFRS 3.52. This adjustment was separate from the goodwill recognised on acquisition.

#### Accounting policy choice for non-controlling interests

For the non-controlling interests in The Esports Network Limited, the group elected to recognise the non-controlling interests at their proportionate share of the acquired net identifiable assets. See note 3 for the group's accounting policies for business combinations.

#### Merger between Eden Superbowl Limited and Eden Leisure Group Limited

On 24 December 2024, Eden Superbowl Limited was legally merged into Eden Leisure Group Limited. As a result of the merger, all assets, liabilities, and operations of Eden Superbowl Limited were transferred to Eden Leisure Group Limited, and Eden Superbowl Limited ceased to exist as a separate legal entity as of the merger date.

This merger represents a legal reorganization within the group and does not constitute a business combination under IFRS 3, as it involved entities under common control. Accordingly, no fair value adjustments have been made, and the transactions of Eden Superbowl Limited have been included in the financial statements of Eden Leisure Group Limited on a continuity-of-interests basis.

# EDEN LEISURE GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2024

### 19. Trade and other receivables

	Group		Company	
	2024	2023	2024	2023
	€	€	€	€
<b>Non-current</b>				
Amounts owed by associates and joint venture (ii)	60,037	59,737	60,037	59,737
Amounts owed by commonly controlled entities (ii)	—	361,639	540,722	361,639
Other receivables due from commonly controlled entity (iii)	13,105,713	2,892,774	13,105,713	2,892,773
	<b>13,165,750</b>	<b>3,314,150</b>	<b>13,706,472</b>	<b>3,314,149</b>

	Group		Company	
	2024	2023	2024	2023
	€	€	€	€
<b>Current</b>				
Trade receivables	2,742,710	1,858,464	183,309	103,948
Amounts owed by subsidiaries (i)	—	—	5,402,183	2,734,779
Amounts owed by associates and joint venture (ii)	16,178	16,932	7,702	8,456
Amounts owed by commonly controlled entities (ii)	24,733	19,109	20,025	15,773
Other receivables due from commonly controlled entity (iii)	2,505,985	1,091,940	2,505,985	1,091,940
Other receivables	773,742	759,947	246,440	164,711
Advance deposits on capital expenditure (iv)	528,756	1,562,390	528,756	1,562,390
Prepayments and accrued income	846,639	696,658	684,877	2,592,205
Amounts due from third parties	—	907,244	—	907,244
	<b>7,438,743</b>	<b>6,912,684</b>	<b>9,579,277</b>	<b>9,181,446</b>

- (i) Amounts owed by subsidiaries relate to operating fees charged by the Company. These are unsecured, interest free and repayable based on the credit terms agreed between the parties.
- (ii) Amounts owed by associates, joint venture and commonly controlled entities are unsecured, interest free and are repayable on demand. These amounts are net of a provision of €349,059 (2023: €349,059).
- (iii) These amounts are unsecured, interest free and repayable in accordance with terms agreed by the parties.
- (iv) In 2023, €1,262,390 of this amount represented deposits paid on works carried out on the mixed-use project held as PPE under development within these financial statements – note 14. The remaining €300,000 represented deposit on promise of sale of a property.

The Group and Company assess whether any loss allowance is required on its financial assets as set out in the accounting policies and note 35.

# EDEN LEISURE GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2024

### 20. Inventories

	Group		Company	
	2024	2023	2024	2023
	€	€	€	€
Food, beverage and consumables	517,953	467,083	99,113	99,113
Crockery and linen	2,053,155	1,869,680	1,880,987	1,857,801
Other inventories	72,465	21,460	—	—
	<b>2,643,573</b>	<b>2,358,223</b>	<b>1,980,100</b>	<b>1,956,914</b>

Inventories recognised as an expense during the year ended 31<sup>st</sup> December 2024 amounted to €1,335,757 (2023: €1,462,401). These were included in direct costs.

### 21. Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income (FVOCI) comprise:

- Debt securities where the contractual cash flows are solely principal, and interest and the objective of the Group's business model is achieved both by collecting contractual cash flows and selling financial assets.
- Equity securities which are not held for trading and which the Group has irrevocably elected at initial recognition to recognise the category. These are strategic investments, and the Group considers the classification to be more relevant.

#### (i) Debt investments at fair value through other comprehensive income

These comprise investments in listed bonds in the local market. On disposal of these debt investments, any related balance within the FVOCI reserve is reclassified to profit or loss within 'Gains/(losses) reclassified to profit or loss' upon derecognition of financial.

	Group		Company	
	2024	2023	2024	2023
	€	€	€	€
<b>Non-current assets</b>				
At 1 <sup>st</sup> January	985,861	973,362	985,861	973,362
Disposals	(494,500)	—	(494,500)	—
Fair value movements recognised in other comprehensive income	47,502	12,499	47,502	12,499
<b>At 31<sup>st</sup> December</b>	<b>538,863</b>	<b>985,861</b>	<b>538,863</b>	<b>985,861</b>

#### (ii) Equity investments at fair value through other comprehensive income

Equity investments at FVOCI comprise an investment in Roundhill Bitkraft Esports & Digital Enter Etf and Roundhill Sports Betting & IGaming Etf and has a carrying amount of €189,757 (2023: €149,415).

On disposal of these equity investments, any related balance within FVOCI reserve is reclassified to retained earnings.

The Group's and Company's exposure to financial risks on this instrument is provided in note 35.

# EDEN LEISURE GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2024

### 22. Deposits

The amounts included within deposits represent fixed-term deposits having a maturity of three to six months from the acquisition date. They have been classified with current assets in the balance sheet.

### 23. Deferred Taxation

Deferred taxes are calculated on all temporary differences under the liability method using a principal tax rate of 35% / 10% (2022: 35% / 10%). The movement in the deferred tax account is as follows:

	Group		Company	
	2024 €	2023 €	2024 €	2023 €
At the beginning of the year	(18,550,133)	(17,948,192)	(17,354,896)	(17,043,443)
<i>Recognised in profit or loss:</i>				
Movement in absorbed tax losses and capital allowances	29,799	(796,451)	–	(491,498)
Movement in effect of provisions	(4,164)	(8,160)	–	–
Movement in the excess of capital allowances over depreciation	(430,683)	194,941	(314,478)	184,309
Movement in fair value of debt instrument recognised at FVTOCI	(15,835)	(4,264)	(15,835)	(4,264)
Movement in right-of-use asset	9,900	11,993	–	–
Deferred tax upon merger	–	–	(1,399,511)	–
Effect due to revaluation of assets	(2,371,965)	–	(2,371,965)	–
At the end of the year	<u>(21,333,081)</u>	<u>(18,550,133)</u>	<u>(21,456,685)</u>	<u>(17,354,896)</u>

	Group		Company	
	2024 €	2023 €	2024 €	2023 €
<i>Effect recognised in:</i>				
Deferred tax movement recognised in profit or loss (note 11)	395,148	597,677	3,095,651	307,189
Deferred tax movement recognised in other comprehensive income (note 11)	2,387,800	4,264	15,835	4,264
Transfer of loss in statement of financial statement	–	–	–	45,732
	<u>2,782,948</u>	<u>601,941</u>	<u>739,521</u>	<u>357,185</u>

# EDEN LEISURE GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2024

### 23. Deferred Taxation (continued)

The following amounts are shown in the balance sheet:

	Group		Company	
	2024 €	2023 €	2024 €	2023 €
<i>Deferred tax assets</i>				
Unabsorbed tax losses and capital allowances	151,355	121,556	—	—
Effect of provisions	309,341	329,338	—	—
Right-of-use asset	70,794	60,894	—	—
	<b>531,490</b>	<b>511,788</b>	<b>—</b>	<b>—</b>

### Deferred tax liabilities

	2024 €	2023 €	2024 €	2023 €
Effect of provisions	—	—	288,261	304,095
Effect of excess of capital allowances over depreciation	(944,180)	(529,313)	(824,555)	(510,074)
Effect due to fair value movement of investment property	(1,675,000)	(1,675,000)	(1,675,000)	(1,675,000)
Effect due to revaluation of property, plant and equipment	(19,245,391)	(16,857,608)	(17,845,881)	(15,473,917)
Deferred tax transferred upon merger	—	—	(1,399,510)	—
	<b>(21,864,571)</b>	<b>(19,061,921)</b>	<b>(21,456,685)</b>	<b>(17,354,896)</b>
	<b>(21,333,081)</b>	<b>(18,550,133)</b>	<b>(21,456,685)</b>	<b>(17,354,896)</b>

Reflected in the balance sheet as follows:

	Group		Company	
	2024 €	2023 €	2024 €	2023 €
<i>Deferred tax asset</i>				
Deferred tax asset	107,784	189,378	—	—
Deferred tax liability	(21,440,865)	(18,739,511)	(21,456,685)	(17,354,896)
	<b>(21,333,081)</b>	<b>(18,550,133)</b>	<b>(21,456,685)</b>	<b>(17,354,896)</b>

# EDEN LEISURE GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2024

### 24. Trade and other payables

	Group		Company	
	2024	2023	2024	2023
	€	€	€	€
<b>Falling due within one year</b>				
Trade payables	5,723,986	5,181,419	380,376	242,397
Capital payables	1,458,058	897,193	1,458,058	897,193
Amounts owed to subsidiaries and other related entities (i)	608,968	107,108	1,007,242	1,662,271
Accruals	3,406,084	3,236,783	1,186,316	1,255,186
Advanced deposits and deferred income (note 4)	2,074,793	797,609	71,944	38,949
Amounts due by shareholders	557,637	39,401	557,637	39,401
Other payables	2,924,325	1,989,286	1,740,239	980,071
	16,753,851	12,248,799	6,401,812	5,115,468
<b>Falling due after more than one year</b>				
Advanced deposits and deferred income (note 4)	455,181	692,303	455,181	692,303

(i) Amounts owed to subsidiaries and other related entities are unsecured, interest free and are repayable on demand

The carrying amounts of liabilities under the supplier finance arrangement are considered to be reasonable approximations of their fair values, due to their short-term nature. There were no material business combinations or non-cash transfers under this arrangement.

### 25. Current income tax liability

	Group		Company	
	2024	2023	2024	2023
	€	€	€	€
<b>Opening balance</b>				
Opening balance	1,236,645	56,192	1,097,344	55,480
Tax charge for the year	819,905	1,241,894	819,643	1,102,593
Tax payment	(1,243,041)	(61,441)	(1,099,854)	(60,729)
<b>Closing balance</b>	<b>813,509</b>	<b>1,236,645</b>	<b>817,133</b>	<b>1,097,344</b>

### 26. Borrowings

	Group		Company	
	2024	2023	2024	2023
	€	€	€	€
<b>Falling due within one year</b>				
Bank overdraft (i)	–	404,088	–	404,088
Bank loans (i)	1,716,959	2,442,743	1,716,959	2,442,743
Third party loans	194,444	250,460	–	–
	1,911,403	3,097,291	1,716,959	2,846,831

# EDEN LEISURE GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2024

### 26. Borrowings (continued)

	Group		Company	
	2024	2023	2024	2023
	€	€	€	€
<b>Falling due after more than one year</b>				
Bank loans (i)	28,434,106	8,881,521	28,434,106	8,881,521
Related company loans (ii)	—	—	39,890,039	39,842,914
Bonds (iii)	39,890,041	39,842,914	—	—
Third party loans	375,120	—	—	—
	68,699,267	48,724,435	68,324,145	48,724,435
<b>Total borrowings</b>	<b>70,610,670</b>	<b>51,821,726</b>	<b>70,041,104</b>	<b>51,571,266</b>

The bank loans and the debts securities/related company loans are disclosed at the value of the proceeds less the net book amount of the transaction costs as follows:

	Group		Company	
	2024	2023	2024	2023
	€	€	€	€
<b>Face value of bonds/related company loans</b>				
Bonds/Related company loans	40,000,000	40,000,000	40,000,000	40,000,000
Issue costs	(471,258)	(471,258)	(471,258)	(471,258)
Accumulated amortisation	361,299	314,172	361,297	314,172
Net book amount	(109,959)	(157,086)	(109,961)	(157,086)
Amortised cost	39,890,041	39,842,914	39,890,039	39,842,914

- (i) The bank overdraft and bank loans are secured by general hypothecs and a special privilege over the Group's assets. The Group's and Company's overdraft banking facilities as at 31<sup>st</sup> December 2024 amounted to €5,678,790 (2023: €5,678,790) for the Group, and €2,000,000 (2023: €2,000,000) for the Company.
- (ii) These represent funds raised by the Company's subsidiary through a bond issue, which have been advanced to Eden Leisure Group Limited at an annual interest rate of 4.2% (2023: 4.2%) per annum. The loan is due for repayment in full on the 28<sup>th</sup> April 2027. This loan is unsecured.
- (iii) By virtue of the Prospectus dated 27 March 2017, Eden Finance p.l.c. issued for subscription by the general public 400,000 unsecured bonds having a nominal value of €100 each for an aggregate principal amount of €40,000,000. These bonds have been issued at par.

The bonds are subject to a fixed interest rate of 4% per annum payable on the 28 April of each year up to redemption date. All bonds, unless previously purchased and cancelled, will be redeemed on 28 April 2027.

# EDEN LEISURE GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2024

### 26. Borrowings (continued)

	Group		Company	
	2024	2023	2024	2023
	€	€	€	€
Interest rate exposure				
At floating rates	<b>30,045,631</b>	11,575,226	<b>30,151,065</b>	11,324,264
Interest free	<b>675,000</b>	-	-	-
At fixed rates	<b>39,890,039</b>	39,842,412	<b>39,890,039</b>	39,842,914
<b>Total borrowings</b>	<b>70,610,670</b>	<b>51,417,638</b>	<b>70,041,104</b>	<b>51,167,178</b>

The bonds are subject to the terms and conditions in the prospectus and are listed on the Malta Stock Exchange. The quoted market price as at 31<sup>st</sup> December 2024 for the 4% unsecured Bonds was €99 (2023: €96.50). The directors are of the opinion that this price represents the fair value of these liabilities; as at balance sheet date, the fair value of the bonds therefore amounts to €39,600,000 (2023: €38,600,000). The fair value calculation is classified within Level 1 of IFRS 13's fair value hierarchy.

	Group		Company	
	2024	2023	2024	2023
	%	%	%	%
Weighted average effective interest rates at the balance date:				
Bank overdrafts	<b>5.98</b>	5.98	<b>5.98</b>	5.98
Bank loans – variable rate	<b>5.02</b>	5.70	<b>5.02</b>	5.70
Bonds/related party loan	<b>4.20</b>	4.20	<b>4.20</b>	4.20

	Group		Company	
	2024	2023	2024	2023
	€	€	€	€
Maturity of long-term borrowings:				
Between 1 and 5 years	<b>45,224,922</b>	44,821,636	<b>44,655,356</b>	44,821,636
Over 5 years	<b>25,385,748</b>	3,902,799	<b>25,385,748</b>	3,902,799
	<b>70,610,670</b>	<b>48,724,435</b>	<b>70,041,104</b>	<b>48,724,435</b>

#### Compliance with loan covenants

The Group and the Company have complied with the financial covenants of its bank loans during both periods presented. See note 36 for further information.

# EDEN LEISURE GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2024

### 27. Share capital

	Company	
	2024	2023
	€	€
<b>Issued share capital</b>		
12,057,600 "A" Ordinary shares of €2.50 each	30,144,000	30,144,000
11,942,400 "B" Ordinary shares of €2.50 each	29,856,000	29,856,000
	<b>60,000,000</b>	<b>60,000,000</b>
 <b>Authorised share capital</b>		
12,057,600 "A" Ordinary shares of €2.50 each	30,144,000	30,144,000
11,942,400 "B" Ordinary shares of €2.50 each	29,856,000	29,856,000
	<b>60,000,000</b>	<b>60,000,000</b>

The ordinary A shares and ordinary B shares issued by the Company rank *pari passu* in all respects.

### 28. Revaluation Reserve

	Group	Company	
	2024	2023	2024
	€	€	€
As at 1 <sup>st</sup> January	60,963,736	60,955,818	51,428,681
 <u>On fair value through OCI</u>			
Change in FV of debt and equity instrument at FVTOCI	45,242	7,918	45,242
Gain on revaluation of property	21,347,684	–	–
Reserves acquired upon merger	–	–	9,157,177
<b>As at 31<sup>st</sup> December</b>	<b>82,356,662</b>	<b>60,963,736</b>	<b>60,631,100</b>

The revaluation reserve was created on the revaluation of the Group's and Company's property plant and equipment. The revaluation reserve is a non-distributable reserve.

# EDEN LEISURE GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2024

### 29. Fair value gain reserve

This reserve represents changes in fair value, net of deferred tax, on the investment properties held by the Group for long-term rental yields. Movement in fair values are presented in profit or loss as part of 'fair value gains on investment property'. Information about the valuation process of the investment property is disclosed in note 11 to these financial statements.

	Group		Company	
	2024	2023	2024	2023
	€	€	€	€
As at 1 <sup>st</sup> January	4,539,734	4,539,734	4,539,734	4,539,734
Revaluation surplus net of deferred tax	–	–	21,347,684	–
<b>As at 31<sup>st</sup> December</b>	<b>4,539,734</b>	<b>4,539,734</b>	<b>25,887,418</b>	<b>4,539,734</b>

The reserve is considered to be a non-distributable reserve.

### 30. Dividend distribution

	Company	
	2024	2023
	€	€
Final dividend	–	–
Interim dividend	3,000,000	2,500,000
<b>Total net dividend</b>	<b>3,000,000</b>	<b>2,500,000</b>
 Euro per share (net)	 €0.125	 €0.104

A net interim dividend of €1,000,000 (2023: €1,000,000) was approved on 4<sup>th</sup> October 2024 (2023: 15<sup>th</sup> June 2023) and a second net interim dividend of €2,000,000 (2023: €1,500,000) was approved on 9<sup>th</sup> December 2024 (2023: 28<sup>th</sup> November 2023) out of which €500,000 was not yet paid as at year end.

### 31. Cash and cash equivalents

	Group		Company	
	2024	2023	2024	2023
	€	€	€	€
Cash in hand and bank	4,251,938	2,803,400	2,264,447	1,448,309
Bank overdraft	–	(404,088)	–	(404,088)
<b>4,251,938</b>	<b>2,399,312</b>	<b>2,264,447</b>	<b>1,044,221</b>	

The balances of cash and cash equivalents are available for use by the Group and Company in their entirety.

# EDEN LEISURE GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2024

### 32. Related party transactions

During the course of the year the Group and the Company entered into transactions with related parties. These transactions have been carried at arm's length. The related party transactions in question were:

	Group		Company	
	2024	2023	2024	2023
	€	€	€	€
<b>Revenue</b>				
<i>Subsidiaries</i>				
Operating fees	—	—	9,400,000	10,300,000
Other sundry services	—	—	69,881	69,881
Rental income			700,000	—
<i>Commonly controlled entity</i>				
Entertainment and related services	175,499	150,457	—	—
<b>Other operating income</b>				
<i>Commonly controlled entities</i>				
Rental income	689,714	650,591	689,714	650,591
	865,213	801,048	10,859,595	11,020,472
<b>Other operating expenses</b>				
<i>Commonly controlled entities</i>				
Royalty fee	1,580,677	1,113,416	—	—
<i>Related parties outside the group</i>				
Consultancy fee	150,000	150,000	150,000	150,000
<b>Finance costs</b>				
<i>Subsidiaries</i>				
Interest on other loans	—	—	1,680,000	1,680,000

Key management personnel include the Group CEO and CFO and directors on subsidiary entities. Key management compensation, consisting of directors' remuneration, has been disclosed in note 9 to the financial statements.

Amounts due from/to Group and related parties, in connection with advances, sales and purchases transactions, are disclosed in notes 19 and 24. In the Company's books, amounts due to a subsidiary in connection with Group financing activities are disclosed in note 26 to these financial statements.

# EDEN LEISURE GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2024

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### 33. Commitments

#### **Capital expenditure**

Commitments for capital expenditure not provided for in these financial statements are as follows:

	Group		Company	
	2024	2023	2024	2023
	€	€	€	€
Authorised but not contracted	—	7,157,846	—	7,157,846
Contracted but not provided for	5,229,358	16,692,779	5,229,358	16,692,779

The Company was granted €26 million in bank borrowings to finance the above capital commitments. As 31 December 2024 the amount of €22.5m has been utilised.

#### **Operating lease commitments where the Group company is a lessee**

The Group leases land and vehicles under non-cancellable operating leases expiring within 3 years to 50 years. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiated.

From 1 January 2019, the Group has recognised right-of-use assets for these leases, except for short-term and low-value leases, see note 13.

### 34. Contingent liabilities

At 31<sup>st</sup> December 2024, the Group and Company had contingent liabilities in respect of guarantees and performance bonds amounting to €23,336 (2023: €23,336) given to third parties.

At 31<sup>st</sup> December 2024 guarantees amounting to €5,528,779 (2023: €5,528,779) were given by the Company with regards to bank facilities of subsidiaries and other related parties.

# EDEN LEISURE GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2024

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### 35. Financial risk management

The Group's activities potentially expose it to a variety of financial risks on its financial assets and financial liabilities. The key components of financial risks to the Group are market risk (namely, cash flow interest rate risk and fair value interest rate risk), credit risk and liquidity risk. The Group's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

#### Market risk

Market risk is the risk that changes in market prices, such as interest rates, and quoted prices, will affect the Group's income or financial position. The objective of the Group's market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

#### Cash flow and fair value interest rate risk

The Group's interest rate risk arises on its interest-bearing borrowings, deposits held with banks, and debt investments. Borrowings issued at variable rates, comprising bank borrowings, expose the Group to cash flow interest rate risk. The Group's bank borrowings are subject to an interest rate that varies according to revisions made to the Bank's Base Rate and three-month Euribor. The directors monitor the level of floating rate borrowings as a measure of cash flow risk taken on.

The Group has adopted a cautious risk policy with regards to interest rate fluctuation through the issue of a €40,000,000 ten-year bond incurring interest of 4%. Debt securities issued at fixed rates, bank deposits and investments in FVOCI instruments (comprising debt investments) expose the Group to fair value interest rate risk.

Bank deposits and borrowings are carried at amortised cost. Accordingly, a shift in interest rates would not have an impact on profit or loss or other comprehensive income.

A shift in interest rates on borrowings at variable rates and FVOCI debt investments will however have an impact on profit or loss or other comprehensive income. The directors consider the potential impact on the Group's profit or loss of a defined interest rate shift of 1.5%, that is reasonably possible, at the end of the reporting period keeping all other variables constant, to amount to +/- €301,510 (2023: +/- €175,925). The impact of a reasonably possible shift in interest rates is not expected to impact the fair value of FVOCI financial assets materially and therefore the directors believe that the potential impact of such a shift on other comprehensive income is immaterial.

#### Price risk

The Group's exposure to equity securities price risk arises from investments held by the Group and classified at fair value through other comprehensive income in the balance sheet. The Group diversifies its portfolio to manage its price risk. The Group's investments are traded on the NYSEArca Stock Exchange.

A reasonable shift in the index in which the Group's investments are traded is not expected to result in material impact on the Group's equity.

# EDEN LEISURE GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2024

### 35. Financial risk management (continued)

#### Credit risk

Credit risk arises from cash and cash equivalents, deposits with banks, investments at FVOCI and FVPL, as well as credit risk exposures to customers, including outstanding receivables and committed transactions. The carrying amount of the financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Group		Company	
	2024	2023	2024	2023
	€	€	€	€
<b>Carrying amounts</b>				
Financial assets at amortised cost	15,712,646	5,349,374	21,327,228	8,072,341
Trade and other receivables	3,516,452	2,618,411	429,749	268,659
Deposits	–	750,000	–	750,000
Cash at hand and in bank	4,251,938	2,803,401	2,264,447	1,448,309
Debt investments at FVOCI	538,863	985,861	538,863	985,861
Deposits on capital expenditure	528,756	1,562,390	528,756	1,562,390
	<b>24,548,655</b>	<b>14,069,437</b>	<b>25,089,043</b>	<b>13,087,560</b>

Financial assets at amortised cost comprise of amounts owed by other related undertakings that do not form part of the Group as described in note 16. These loans are unsecured; therefore, the failure of the related undertakings could have an impact on the Group's results.

The Group's companies bank only with local financial institutions with high quality standing or rating. The Group has no concentration of credit risk that could materially impact on the sustainability of its operations. However, in common with similar business concerns, the failure of specific large customers could have a material impact on the Group's results.

The Group assesses the credit quality of its customers taking into account financial position, past experience and other factors. Standard credit terms are in place for individual clients, however, wherever possible, new corporate customers are analysed individually for creditworthiness before the Group's standard payment and service delivery terms and conditions are offered. The Group's review includes external credit worthiness databases when available.

#### *Impairment of financial assets*

The Group's and the Company's financial assets that are subject to the expected credit loss model include:

- Trade receivables and accrued income relating to the provision of services;
- Other financial assets at amortised cost, comprising loans receivable and amounts due from related parties and, in the case of the Company, subsidiary undertakings;
- Deposits on capital expenditure
- Debt investment carried at FVOCI;
- Deposits; and
- Cash and cash equivalents.

# EDEN LEISURE GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2024

### 35. Financial risk management (continued)

#### *Trade receivables and accrued income*

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and accrued income.

To measure the expected credit losses, trade receivables and accrued income have been grouped based on shared credit risk characteristics and the days past due. The Group has concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the accrued income since they have substantially the same characteristics.

The expected loss rates are based on the payment profiles of sales over a period of 12 months before 31 December 2024 and 31 December 2023 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 ability of the customers to settle the receivables.

Based on the assessment carried out in accordance with the above methodology, the identified expected credit loss allowance on trade receivables and accrued income was deemed immaterial. The movement in loss allowances as at 31 December 2024 and 2023 is also deemed immaterial by management. On this basis, the information pertaining to loss rates and loss allowances in the Group's provisions matrix, which would have otherwise been required by IFRS 7, is not presented as at 31 December 2024 and 2023.

Separately from the above methodology, the Group has also identified that a provision of €60,229 was required as at 31 December 2024 (2023: €72,125) with respect to counterparties which have been placed into liquidation or are in a difficult economic situation. The assessment on these individual counterparties did not have an impact on the identified loss rates and expected credit losses identified on the rest of the Group's trade receivables and accrued income.

Trade receivables and accrued income are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 1 year past due.

#### *Other financial assets at amortised cost*

The Group's and the Company's other financial assets at amortised cost which are subject to IFRS 9's general impairment model include the following balances:

	Group		Company	
	2024	2023	2024	2023
	€	€	€	€
Amounts due from subsidiaries	—	—	5,402,183	2,734,779
Amounts due from associates and joint venture	76,215	76,669	67,739	68,193
Amounts due from commonly controlled entities	24,733	380,748	245,608	377,412
Other receivables from commonly controlled entities	15,611,698	3,984,713	15,611,698	3,984,713
Amounts due from third parties	—	907,244	—	907,244
	<b>15,712,646</b>	<b>5,349,374</b>	<b>21,327,228</b>	<b>8,072,341</b>

# EDEN LEISURE GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2024

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### 35. Financial risk management (continued)

The Group and the Company monitor intra-group credit exposures at individual entity level on a regular basis and ensure timely performance of these assets in the context of its overall liquidity management. The loss allowances for these financial assets are based on assumptions about risk of default and expected loss rates. The Company's management uses judgement in making these assumptions, based on the counterparty's past history, existing market conditions, as well as forward-looking estimates at the end of each reporting period.

As at 31 December 2024 and 2023, the majority of loans with related parties were on terms that allowed the Group to request repayment of the balance as at reporting date (i.e. repayable on demand). In such cases, when assessing the ECL, the directors base their assessment on the assumption that the loan is demanded at the reporting date.

Where the counterparties' financial position suggests that it does not have sufficient liquid assets at balance sheet date to repay the loan if this is demanded, the probability of default is deemed to be 100%. Given that most of the related party relationships of such balances are between entities under common control, the directors assess the loss given default of the balance by analysing recovery strategies that the Group would allow, taking cognisance of such related party relationship. These recovery strategies typically include a projection of the net cash flows emanating from allowing the counterparty to operate, incorporating multiple forward-looking scenarios that take into account all reasonable and supportable information available to the Group.

After making this analysis, the directors concluded that the resulting loss-given-default rates are low, such that when applied to the PD x LGD x EAD methodology to calculate the IFRS 9 ECL allowance, the resulting impairment charge to be recognised in the statement of profit and loss for the year was deemed to be immaterial.

#### *Financial assets at FVOCI*

The Company invests in listed debt and equity securities in the local and foreign market. The Company assesses the credit risk of each debt security individually on a regular basis and recognises any impairment required using IFRS 9's general approach. As at 31 December 2024, the Company's management have not identified any significant increases in credit risk pertaining to the bond issuers with which the Company has invested. Accordingly, the Company uses a 12-month probability of default to calculate the required provision. The default rates are based on information issued by known credit rating agencies.

The Company's management have concluded, based on their assessment, that the required provision on such debt investments is immaterial as at reporting date.

#### *Cash at bank and deposits*

The Group's cash, including both that classified as cash and cash equivalents, and as deposits, is placed with reputable financial institutions, such that management does not expect any institution to fail to meet repayments of amounts held in the name of the companies within the Group. While cash and cash equivalents and deposits are also subject to the impairment requirements of IFRS 9, the identified impairment loss was insignificant.

#### Liquidity risk

The Group is exposed to liquidity risk in relation to meeting future obligations associated with its financial liabilities, which comprise principally trade and other payables and interest-bearing borrowings disclosed in notes 20 and 22. Prudent liquidity risk management includes maintaining sufficient cash and committed credit lines to ensure the availability of an adequate amount of funding to meeting the Group's obligations.

# EDEN LEISURE GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2024

### 35. Financial risk management (continued)

The directors monitor liquidity risk by means of cash flow forecasts on the basis of expected cash flows over a twelve-month period, in order to ensure that adequate funding is in place in order for the Group to be in a position to meet its commitments as and when they will fall due.

As at 31 December 2024, the Group is in a net current liability position of €3.98m (2023: €2.96m). However, in light of the facilities in place, management believe that the Group has adequate resources to meet its obligations as and when they fall due for the foreseeable future. Accordingly, these financial statements are prepared on a going concern basis.

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

	Group		Company	
	2024 €	2023 €	2024 €	2023 €
<b>Within one year</b>				
Trade and other payables	<b>14,121,420</b>	11,411,789	<b>5,499,568</b>	5,037,115
Current income tax liability	<b>813,509</b>	1,236,645	—	1,097,344
Bank and other borrowings	<b>1,716,959</b>	2,984,558	<b>1,716,959</b>	2,984,558
Bonds	<b>1,600,000</b>	1,600,000	—	—
Lease liabilities	<b>274,753</b>	274,405	—	—
	<b>18,526,641</b>	17,507,397	<b>7,216,527</b>	9,119,017
<b>Between 2 and 5 years</b>				
Bank and other borrowings	<b>3,048,358</b>	6,519,109	<b>46,409,148</b>	46,362,024
Bonds	<b>43,200,000</b>	44,800,000	—	—
Lease liabilities	<b>357,201</b>	544,361	—	—
	<b>46,605,559</b>	51,863,470	<b>46,409,148</b>	46,362,024
<b>Over 5 years</b>				
Bank and other borrowings	<b>25,385,748</b>	6,391,219	<b>25,385,748</b>	6,391,219
Lease liabilities	<b>2,436,588</b>	2,524,182	—	—
	<b>27,822,336</b>	8,915,401	<b>25,385,748</b>	6,391,219
	<b>92,954,536</b>	78,286,268	<b>79,011,423</b>	61,872,260

# EDEN LEISURE GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2024

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### 35. Financial risk management (continued)

The amount of trade and other payables, for both the Group and Company, classified as repayable within one year in the table above, are contractually repayable on demand.

#### Financial instruments measured at fair value

The following table presents financial assets and liabilities measured at fair value in the balance sheet in accordance with the fair value hierarchy. This hierarchy groups financial assets and liabilities into three levels based on the significance of inputs used in measuring the fair value of the financial assets and liabilities. The fair value hierarchy has the following levels:

- **Level 1:** Based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- **Level 2:** Based on information other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- **Level 3:** Information for the asset or liability that is not based on observable market data (unobservable inputs).

The level within which the financial asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

The key financial assets and liabilities measured at fair value in the balance sheet are grouped into the fair value hierarchy as follows:

	Group and Company	
	2024	2023
	€	€
<b>Level 1</b>		
<i>Financial assets at fair value through other comprehensive income</i>		
- Listed Bonds	346,150	835,750
- Equity	192,713	150,111
	<hr/>	<hr/>
	538,863	985,861
<hr/>		

#### Financial instruments not measured at fair value

At 31<sup>st</sup> December 2024 and 31<sup>st</sup> December 2023, the carrying amounts of payables, receivables and short-term borrowings approximated their fair values due to the short-term maturities of these assets and liabilities. The fair values of long-term borrowings, together with the related fair value disclosures, are presented in note 23.

# EDEN LEISURE GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2024

### 36. Capital management

#### Risk management

The Group's objectives when managing capital are to

- Safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, and
- to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may issue new shares or adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. Consistent with others in the industry, the group monitors capital on the basis of the following gearing ratio:

- Net debt (borrowings as presented in note 26) divided by total equity (as shown in the statement of financial position, including non-controlling interest).

During the financial year 2024, the Group's and Company's strategy which was unchanged from 2023, was to maintain a gearing ratio within 30%-40%.

The Group monitors the capital structure on a monthly basis by monitoring the balances of assets and liabilities.

#### Loan Covenants

Under the terms of the Group's and the Company's bank loans, which have a carrying value of €30,151,065 (2023: €11,324,264), the Group is required to comply with the following financial covenant at the end of each reporting period:

- Leverage ratio must be 1.5x EBITDA or more as from FY 2025 when the project became fully operational.

The Group and the Company have complied with these covenants throughout the financial year.

There are no indications that the Group and the Company would have difficulties complying with the Covenants when they will be next tested.

### 37. Cash flow information

#### Reconciliation of liabilities arising from financing activities

The table below details changes in the Company's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Statement of Cash Flows as cash flows from financing activities.

Group	As at 1 January 2024	Cashflows	Other liability related changes	As at 31 <sup>st</sup> December 2024
				€
Bank borrowings	11,324,264	18,826,801	–	30,151,065
Bonds	39,842,914	–	47,127	39,890,041
Third party loans	250,460	319,104	–	569,564
Lease liability	1,874,300	(187,565)	–	1,686,735
	<b>53,291,938</b>	<b>18,958,340</b>	<b>47,127</b>	<b>72,297,405</b>

# EDEN LEISURE GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2024

### 37. Cash flow information (continued)

Group	As at 1 January 2023	Cashflows	Other liability related changes	As at 31 <sup>st</sup> December 2023
				€
Bank borrowings	8,920,175	2,404,089	—	11,324,264
Bonds	39,795,789	—	47,125	39,842,914
Third party loans	—	250,460	—	250,460
Lease liability	1,563,136	(172,726)	483,890	1,874,300
	<b>50,279,100</b>	<b>2,481,823</b>	<b>531,015</b>	<b>53,291,938</b>

Company	As at 1 January 2024	Cashflows	Other liability related changes	As at 31 <sup>st</sup> December 2024
				€
Bank borrowings	11,324,264	18,826,801	—	30,151,065
Related party loans	39,842,914	—	47,125	39,890,039
	<b>51,167,178</b>	<b>18,826,801</b>	<b>47,125</b>	<b>70,041,104</b>

Company	As at 1 January 2023	Cashflows	Other liability related changes	As at 31 <sup>st</sup> December 2023
				€
Bank borrowings	8,920,175	2,404,089	—	11,324,264
Related party loans	39,795,789	—	47,125	39,842,914
	<b>48,715,964</b>	<b>2,404,089</b>	<b>47,125</b>	<b>51,167,178</b>

### 38. Comparative figures

Certain comparative figures have been changed to comply with this year's presentations.

### 39. Statutory information

Eden Leisure Group Limited is a limited liability Company and is incorporated in Malta.



CERTIFIED PUBLIC ACCOUNTANTS

## INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF EDEN LEISURE GROUP LIMITED

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### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of Eden Leisure Group Limited, set out on pages 9 to 69, which comprise the Group's and the Company's statement of financial position as at 31 December 2024, and the statement of profit and loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU and have been prepared in accordance with the requirements of the Companies Act (Cap. 386), enacted in Malta.

#### 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Independence

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 that are relevant to our 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 we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

#### Other Information

The directors are responsible for the other information. The other information comprises the company information and the Report of the Directors but does not include the financial statements or our auditors' report thereon. Except for our opinion on the directors' report in accordance with the Maltese Companies Act (Cap. 386), our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If based on the work performed, we conclude that there is a material misstatement of this information, we are required to report that fact. We have nothing to report in this regard.

With respect to the Report of the Directors, we also considered whether the Report of the Directors includes the disclosures required by Article 177 of the Maltese Companies Act (Cap. 386).



CERTIFIED PUBLIC ACCOUNTANTS

## INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF EDEN LEISURE GROUP LIMITED

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### Other Information (Continued)

Based on the work undertaken in the course of the audit, in our opinion:

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

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

### Responsibilities of the Directors

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

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

### Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.



CERTIFIED PUBLIC ACCOUNTANTS

## INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF EDEN LEISURE GROUP LIMITED

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### **Auditor's Responsibilities for the Audit of the Financial Statements (Continued)**

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we 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.

### **Report on Other Legal and Regulatory Requirements**

Under the Maltese Companies Act (Cap. 386) we are required to report to you if, in our opinion:

- We have not received all the information and explanations we 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.

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

  
This copy of the audit report has been signed by:

**MICHAEL CURMI**

for and on behalf of

**VCA CERTIFIED PUBLIC ACCOUNTANTS**

**29 April 2025**