PARTIT NAZZJONALISTA

EO/22/16/E

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2025

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PARTIT NAZZJONALISTA

General information
For the year ended 31 December 2025

Governance of the Party

The Administrative Council presents its report of Partit Nazzjonalista (the "Party") for the year ended 31st December 2025

The statutory officials of the Administrative Council during the year are:

Dr Alex Borg (Leader of the Party) (appointed 7th September 2025)
Dr Bernard Grech (Leader of Party) (resigned 7th September 2025)
Dr Alex Perici Calascione (Deputy Leader)
Mr Charles Bonello (General Secretary) (appointed 13th March 2025)
Dr Michael Piccinino (General Secretary) (resigned 13th March 2025)
Ing. Mark Anthony Sammut (President General Council)
Dr Joseph Grech (President Executive Committee)
Mr Graham Bencini (President Administrative Council)
Mr Stefan Caruana (Executive Organising Secretary)
Prof Mary Anne Lauri (President Political Research)
Dr Chris Said (President Social Dialogue)
Dr Veronica Perici Calascione (Treasurer)
Mr Beppe Galea (International Secretary)
Mr Liam Sciberras (President College Local Councillors) (appointed 21 March 2025)
Mr Charles Bonello (President College Local Councillors) (resigned 13 March 2025)
Mr Robert Cutajar (Secretary Parliamentary Group)
Mr Paul Buttigieg (President Regional Committee Gozo)

Registered address

Dar Centrali
Triq Herbert Ganado
Pieta
Malta

Auditors

Ryan Borg
Certified Public Accountant
42, Ward L-Ghollieq,
Triq Bir Rikka,
Marsaxlokk

PARTIT NAZZJONALISTA

General information (continued)
For the year ended 31 December 2025

Structure of the Party

The Statute of Partit Nazzjonalista is the constituting document of the Party and lays down Its aims and principles, its governing and administrative structure and also the regulation of its membership.

The organisational structure of the Party is composed of the following bodies:

The General Council; The General Convention; The Executive Committee; The Administrative Council; The Parliamentary Group; The District Fora and The Sectional Committees, with the first four bodies being those providing the Party direction.

In accordance with the Party's statute, the Officials of the Party are elected to carry out their respective functions. The elected Officials of the Party who carried out their respective functions in accordance with the Statute during the year and the period up to the date of signing of these financial statements are those listed in Page 2 above.

The General Council is the highest body of the Party. It has the authority, inter alia, to approve the electoral manifesto; approve the annual report of the Secretary General; decide on any matter proposed by the Executive Committee; decide on any matter brought before it by a request of such number of members as is detailed in the Statute and to amend the Statute itself.

The General Convention is made up of all the registered members of the Party. It discusses matters of policy; elects the Party Leader and the two Deputy Leaders and is called upon to confirm or otherwise these three top officials within three months from the start of every Legislature.

The Executive Committee is the body of the Party which is charged with the general political debate of the Party and with the subsequent formulation and adoption of the policies of the Party and their implementation. The Executive Committee, inter alia, also convenes the General Council; decides on any matter concerning membership; approves the electoral manifesto; approves Party candidates for all elections; decides on all matters not specifically reserved for other bodies; and approves the statutes of all branches and sections of the Party.

The Administrative Council has the overall responsibility for the general administration of the Party. Its remit includes the approval of all Party employees; the appointment of representatives of the Party on any entity in which the Party has an interest; the general organisation of Party workings and activities; all matters connected with the Sectional Committees of the Party; the overseeing of cases of a disciplinary nature, the revaluation of the party property and the appointment of representatives of the Secretary General on the Sectional Committees.

Scope of the financial statements

The scope of the financial statements is to provide information regarding the financial performance of the party during the year and of its status at the end of the year. The Financial Statements include the results, cash flows and financial position of the Party.

Approved by the Administrative Council and signed on its behalf by:

Charles Bonello
Secretary General

Veronica Perici Calascione
Treasurer

PARTIT NAZZJONALISTA

General information (continued)
For the year ended 31 December 2025

The Administrative Council presents its report and the audited financial statements of Partit Nazzjonalista (the "Party") for the year ended 31 December 2025.

Principal Activities

The party's principal activity is to operate as a Political Organisation.

Review of Business

During the year, the Party registered a surplus of €778,683 (2024: surplus of €295,226) before taking into account the impairment of €689,263 (2024: €1,062,882) on amounts advanced to its controlled entities and related parties and the fair value movement on equity shares which amount to a gain of €13,203 (2024: gain of €29,923). The surplus for the year amounted to €102,623 (2024: deficit of €737,733).

Future Developments

Following a change in the Leadership of the Party new posts which also include the financial sector have been set up to strengthen the present financial position of the Party and its subsidiaries. These posts are intended to address the party's financial challenges. The financial controls introduced by the previous administration, with a renewed focus on reducing expenditure both within the Party and its subsidiaries, will be maintained and reinforced and thereby strengthening the party's economic foundation.

Administrative Council

The statutory officials of the Administrative Council are as listed on Page 2 under General Information.

Approved by the Administrative Council and signed on its behalf by:

Charles Bonello
Secretary General

Veronica Perici Calascione
Treasurer

PARTIT NAZZJONALISTA

Statement of Responsibilities of the Administrators
For the year ended 31 December 2025

The Administrative Council is required by the Financing of the Political Parties Act (Cap.544) ('the Act') to prepare annual financial statements of Partit Nazzjonalista presenting the Party's finances in accordance with Article 13(3) of the Act.

In preparing the financial statements, the administrators are responsible for:

- ensuring that the financial statements have been drawn up in accordance with the provisions of the Financing of Political Parties Act (Cap. 544) enacted in Malta, the guidelines issued by the Electoral Commission and in accordance with the Accountancy Profession (General Principles for Small and Medium-Sized Entities) Regulations (S.L. 281.03) and the Schedule accompanying and forming an integral part of those Regulations as amended by the notes in these financial statements;
- selecting and applying appropriate accounting policies;
- making accounting estimates that are reasonable in the circumstances;
- ensuring that the financial statements are prepared on the going concern basis unless it is inappropriate to presume that the Party will continue as a going concern.

The administrators are also responsible for designing, implementing and maintaining internal control as the administrators determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and that comply with the Act. They are also responsible for safeguarding the assets of the Party and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The financial statements of the Party for the year ended 31 December 2025 are included in the Annual Report 2025, which is published in hard-copy printed form and may be made available on the Party's website. The administrators are responsible for the maintenance and integrity of the Annual Report on the website in view of their responsibility for the controls over, and the security of, the website. Access to information published on the Party's website is available in other countries and jurisdictions, where legislation governing the preparation and dissemination of financial statements may differ from requirements or practice in Malta.

PARTIT NAZZJONALISTA

Statement of Income and Expenditure
For the year ended 31 December 2025

	Note	2025 €	2024 €
Income			
Membership and subscriptions	2	**177,687**	97,588
Monetary donations	3	**1,667,011**	1,455,446
Income from fundraising activities	3/4	**227,564**	174,445
Interest income		**7**	7
Other income	5	**74,207**	178,924
Rental income		**279,566**	206,397
Total Income		**2,426,042**	2,112,807
Expenditure			
Staff costs	8	**478,811**	419,583
Administrative expenses	9	**299,827**	409,094
Cost of fundraising activities and public events	4	**189,729**	217,959
Campaign and election costs	10	**134,380**	251,369
Depreciation	11	**111,333**	109,220
Interest expense	17	**428,279**	395,673
Local council elections		**5,000**	14,683
Total Expenditure		**1,647,359**	1,817,581
Surplus from operations for the financial year		**778,683**	295,226
Impairment expense	12	**(689,263)**	(1,062,882)
Fair value movement on equity shares	13	**13,203**	29,923
Surplus / (deficit) for the year	7	**102,623**	(737,733)

The notes on pages 10 to 24 form an integral part of these financial statements.

PARTIT NAZZJONALISTA

Statement of Financial Position
For the year ended 31 December 2025

	Note	2025 €	2024 €
ASSETS			
Non-current assets			
Property and equipment	11	**14,375,392**	14,453,800
Investment in controlled entities	12	**-**	-
Financial investments	13	**356,005**	342,802
Total non-current assets		**14,731,397**	14,796,602
Current assets			
Other receivables	14	**452,939**	445,509
Cash and cash equivalents	15	**1,150,523**	973,629
Total current assets		**1,603,462**	1,419,138
TOTAL ASSETS		**16,334,859**	16,215,740
EQUITY AND LIABILITIES			
Equity			
Accumulated fund		**(9,751,898)**	(9,854,521)
Revaluation reserve	16	**14,361,266**	14,361,266
Total equity		**4,609,368**	4,506,745
Liabilities			
Non-current liabilities			
Borrowings	17	**5,861,780**	9,095,240
Total non-current liabilities		**5,861,780**	9,095,240
Current liabilities			
Borrowings	17	**4,298,463**	1,182,363
Payables	18	**1,565,248**	1,431,392
Total current liabilities		**5,863,711**	2,613,755
Total liabilities		**11,725,491**	11,708,995
TOTAL EQUITY AND LIABILITIES		**16,334,859**	16,215,740

The notes on pages 10 to 24 form an integral part of these financial statements.

The financial statements on pages 6 to 24 were approved by the Administrative Council on 17 September 2026 and were signed on its behalf by:

Charles Bonello
Secretary General

Veronica Perici Calascione
Treasurer

PARTIT NAZZJONALISTA

Statement of Changes in Equity
For the year ended 31 December 2025

	Accumulated Fund	Revaluation Reserve	Total
	€	€	€
Balance as at 1 January 2024	(9,116,788)	14,361,266	5,244,478
Deficit for the year	(737,733)	-	(737,733)
Balance as at 31 December 2024	(9,854,521)	14,361,266	4,506,745

	Accumulated Fund	Revaluation Reserve	Total
	€	€	€
Balance as at 1 January 2025	**(9,854,521)**	**14,361,266**	**4,506,745**
Surplus for the year	**102,623**	**-**	**102,623**
Balance as at 31 December 2025	**(9,751,898)**	**14,361,266**	**4,609,368**

The notes on pages 10 to 24 form an integral part of these financial statements.

PARTIT NAZZJONALISTA

Statement of Cash Flows
For the year ended 31 December 2025

	Note	2025	2024
		€	€
Cash flows from operating activities:			
Surplus / (deficit) for the year		**102,623**	(737,733)
Adjustment for:			
Depreciation		**111,333**	109,220
Fair value movement in equity shares		**(13,203)**	(29,923)
Impairment		**689,263**	1,062,882
Surplus before working capital changes		**890,016**	800,119
Movement in receivables		**(7,430)**	(164,853)
Movement in payables		**133,856**	236,788
Net cash generated from operating activities		**1,016,442**	476,381
Cash flows from investing activities:			
Contribution advanced to controlled entities		**(689,263)**	(1,062,882)
Purchase of property and equipment		**(32,925)**	(12,122)
Net cash used in investing activities		**(722,188)**	(1,075,004)
Cash flows from financing activities:			
Repayment of bank loans		**(136,860)**	(201,984)
Proceeds from borrowings, net		**19,500**	296,000
Net cash (used in) generated from financing activities		**(117,360)**	94,016
Net change in cash and cash equivalents		**176,894**	(504,607)
Cash and cash equivalents at beginning of year		**973,629**	1,478,236
Cash and cash equivalents at end of year	**15**	**1,150,523**	973,629

The notes on pages 10 to 24 are an integral part of these financial statements.

PARTIT NAZZJONALISTA

Notes to the financial statements
For the year ended 31 December 2025

1 Summary of significant accounting policies

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

1.1 Basis of preparation

These financial statements are prepared in accordance with the provisions of the Financing of Political Parties Act (Cap. 544) enacted in Malta, the guidelines issued by the Electoral Commission and also in accordance with the Accountancy Profession (General Principles for Small and Medium-Sized Entities) Regulations (S.L. 281.03) and the Schedule accompanying and forming an integral part of those Regulations as amended by the notes in these financial statements.

1.2 Functional and presentation currency

(a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in euro, which is the Party's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in income and expenditure.

1.3 Property and equipment

All property and equipment are initially recorded at historical cost. Land and buildings are shown at fair value based on periodic, valuations by external independent valuers, less subsequent depreciation for buildings. Valuations are carried out on a regular basis 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 revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset. All other property, plant and equipment is stated at historical cost less depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Party and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to income and expenditure during the financial period in which they are incurred.

PARTIT NAZZJONALISTA

Notes to the financial statements (continued)
for the year ended 31 December 2025

1 Summary of significant accounting policies (continued)

1.3 Property and equipment (continued)

Increases in the carrying amount arising on revaluation of land and buildings are credited directly to a revaluation reserve in equity. Decreases that offset previous increases of the same asset are charged against the revaluation reserve directly in equity; all other decreases are charged to income and expenditure. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to income and expenditure and depreciation based on the asset's original cost is transferred from the revaluation reserve to accumulated fund.

Land is not depreciated as it is deemed to have an indefinite life. Depreciation on other assets is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives, as follows:

	%
Land and buildings	2
Office fixtures and fittings	20

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with carrying amount and are recognised in income and expenditure. When revalued assets are sold, the amounts included in the revaluation reserve relating to the assets are transferred to accumulated fund.

1.4 Investments in controlled entities

1.4.1

Investments in controlled entities are accounted for by the equity method of accounting and are initially recognised at cost.

Equity accounting involves recognising in the statement of income and expenditure, the controlled entity's share of profit or loss for the year and the share of post-acquisition movements in reserves is recognised in equity. The cumulative post-acquisition movements are adjusted against the cost of the investment.

The Party's investment in controlled entities is carried in the balance sheet at an amount that reflects its share of the net assets of the associate and includes goodwill (net of any accumulated impairment loss) on acquisition. Equity accounting is discontinued when the carrying amount of an investment in a controlled entity reaches zero, unless the Party has incurred obligations or guaranteed obligations in respect of the controlled entity. On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the statement of income and expenditure.

PARTIT NAZZJONALISTA

Notes to the financial statements (continued) for the year ended 31 December 2025

1 Summary of significant accounting policies (continued)

1.4 Investments in controlled entities (continued)

1.4.2 Contributions

Contributions advanced by the Party to its controlled entities for which settlement is treated as an extension to the Party's Net investment in those controlled entities and included as part of the carrying amount of investments in controlled entities.

1.5 Financial instruments

Financial instruments, other than investments in controlled entities, are classified in the following categories: loans and receivables and available-for-sale. The classification depends on the purpose for which the financial assets were acquired. The Administrators determine the classification of its financial assets at initial recognition and re-evaluate this designation at every reporting date.

(a) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the reporting date. These are classified as non-current assets.

(b) Available-for-sale financial assets

Investments intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, are classified as available-for-sale. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the reporting date. In the latter instance, the investment is classified within current assets.

1.5.1 Recognition and measurement

All investment securities are initially recognised at cost. Available-for-sale securities are subsequently re-measured at fair value based on the price appearing to be the latest available dealing price based on market quotations. Gains and losses arising from changes in the fair value of securities classified as available-for-sale are recognised in the profit and loss. When the securities are disposed of or impaired, the related accumulated fair value adjustments, are included in the statement of income and expenditure as gains and losses from investment securities.

All purchases and sales of investments are recognised on the trade date, which is the date that the entity commits itself to purchase or sell the asset. Cost of purchase includes transaction costs. A financial asset is impaired if its carrying amount is greater than its estimated recoverable amount. The amount of the impairment loss for assets carried at fair value is calculated as the difference between the asset's carrying amount and the present value of expected future cash flows discounted at the current market rate of interest of similar financial assets.

PARTIT NAZZJONALISTA

Notes to the financial statements (continued) for the year ended 31 December 2025

1 Summary of significant accounting policies (continued)

1.5 Financial instruments (continued)

1.5.2 Impairment of financial assets

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

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

If there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses shall not be reversed.

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the asset is impaired, the cumulative loss that had been recognised directly in equity shall be reclassified from equity to the statement of income and expenditure as a reclassification adjustment even though the financial asset has not been derecognised.

The amount of the cumulative loss that is removed from equity and recognised in the statement of income and expenditure shall be the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss on that financial asset previously recognised in the statement of income and expenditure.

Impairment losses recognised in the statement of income and expenditure for an investment in an equity instrument classified as available-for-sale shall not be reversed through the statement of income and expenditure. If, in a subsequent period, the fair value of a debt instrument classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in the statement of income and expenditure, the impairment loss shall be reversed, with the amount of the reversal recognised in the statement of income and expenditure.

PARTIT NAZZJONALISTA

Notes to the financial statements (continued)
for the year ended 31 December 2025

1 Summary of significant accounting policies (continued)

1.6 Receivables and loan to controlled entities

Receivables comprise amounts due for merchandise sold or services performed in the ordinary course of operations. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Receivables and the loan to controlled entities are recognised initially at cost. After initial recognition, these are accounted for at amortised cost and remeasured to take cognisance of impairment losses. Amortised cost is the initial measurement amount adjusted for the amortisation of any difference between the initial and maturity amounts using the effective interest method.

A provision for impairment is established when there is objective evidence that the party will not be able to collect all amounts due according to the original terms of the receivables.

Significant financial difficulties of the debtor, the probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in income and expenditure. When a receivable is uncollectible, it is written off against the allowance account for trade and other receivables. Subsequent recoveries of amounts previously written off are credited against income and expenditure.

1.7 Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term investments that are held to meet short-term cash commitments rather than for investment or other purposes. Bank overdrafts, which are repayable on demand and form an integral part of the Party's cash management, are a component of cash and cash equivalents.

1.8 Financial liabilities

The Party recognises a financial liability in its statement of financial position when it becomes a party to the contractual provisions of the instrument. Financial liabilities are recognised initially at cost, net of transaction costs. These liabilities are subsequently measured at amortised cost. The Party derecognises a financial liability from its statement of financial position when the obligation specified in the contract or arrangement is discharged, is cancelled or expires.

1.9 Other payables

Payables are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the operations if longer). If not, they are presented as non-current liabilities.

PARTIT NAZZJONALISTA

Notes to the financial statements (continued)
for the year ended 31 December 2025

1 Summary of significant accounting policies (continued)

1.9 Other payables (continued)

Trade and other payables are recognised initially at cost, net of transaction costs incurred, and subsequently measured in accordance with the policy described above. On derecognition, any difference between the carrying amount and the redemption or settlement amount is recognised in income and expenditure.

1.10 Borrowings

Borrowings are recognised initially at cost, net of transaction costs incurred, and subsequently measured in accordance with the policy described in note Financial Liabilities. On derecognition, any difference between the carrying amount and the redemption or settlement amount is recognised in the statement of income and expenditure.

Borrowings are classified as current liabilities unless the Party has an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period.

1.11 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a currently legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

1.12 Leases

1.12.1 The Party is the lessee

Leases of assets in which a significant portion of the risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of income and expenditure on a straight-line basis over the period of the lease.

1.12.2 The Party is the lessor

Assets leased out under operating leases are included in property, plant and equipment in the statement of financial position and are accounted for in accordance with accounting policy Property Plant and Equipment. These are depreciated over their expected useful lives on a basis consistent with similar owned property, plant and equipment. Rental income from operating leases is recognised in the statement of income and expenditure on a straight-line basis over the lease term.

PARTIT NAZZJONALISTA

Notes to the financial statements (continued)
for the year ended 31 December 2025

1 Summary of significant accounting policies (continued)

1.13 Borrowing costs

Borrowing costs which are incurred for the purpose of acquiring or constructing qualifying property, plant and equipment, investment property or property held for development and resale are capitalised as part of its cost. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Borrowing costs are capitalised while acquisition or construction is actively underway, during the period of time that is required to complete and prepare the asset for its intended use. Capitalisation of borrowing costs is ceased once the asset is substantially ready for its intended use or sale is complete and is suspended if the development of the asset is suspended. All other borrowing costs are expensed. Borrowing costs are recognised for all interest-bearing instruments on an accrual basis using the effective interest method. Interest costs include the effect of amortising any difference between initial net proceeds and redemption value in respect of the Party's interest-bearing borrowings.

1.14 Income recognition

Income is recognised in the financial statements when there is reasonable certainty that particular resource is receivable, the Party's right to it becomes legally enforceable and when its monetary value can be determined.

Monetary donations and membership income are accounted for when the funds are received which, in view of the nature of such income, is determined by the Party to be the point in time when there is a probability that the economic benefits associated with the revenue will flow to the entity.

When the risk and rewards pertaining to events of a fundraising nature do not attach to the Party, only the net surplus or deficit is accounted under the respective title in the financial statements.

Legacies are accounted for as income, during the period when the right to the asset transferred to the party by way of legacy becomes enforceable by the Party.

Loans payable that are waived are accounted for as donations in the period when such waiver becomes effective and enforceable by the party.

When a third party bears the cost or refrains from charging part or all the fees connected to a commercial supply of a good or service that the Party would otherwise been liable for, the fair value attached to the commercial transaction which does not constitute an obligation for payment to the Party, is deemed as notional income and accounted under income in the Statement of Income and Expenditure. Services of volunteers and party members who provide the services free of charge is not treated as notional income, and accordingly not accounted for.

Interest income is recognised on a time-proportion basis using the effective interest method. Dividend income is recognised when the right to receive payment is established.

PARTIT NAZZJONALISTA

Notes to the financial statements (continued) for the year ended 31 December 2025

2 Membership and subscriptions

Membership and subscriptions is made of:	**2025**	2024
	€	€
Individual subscriptions	**177,687**	97,588

3 Donations

Total donations reported comprise of monetary donations and income from fundraising events:	**2025**	2024
	€	€
Corporate donations	**345,580**	220,932
Individual donations	**1,548,995**	1,408,959
	1,894,575	1,629,891

All donations, including donations in kind, are subject to further reporting requirements as described in the Financing of Political Parties Act (Cap. 544)

4 Income/expenditure from fundraising activities

Total main sources of fundraising income in the year were as follows:

	2025	2024
	€	€
Income:		
Fund raising events	**227,564**	174,445
Expenditure:		
Fund raising events and public events	**189,729**	217,959

Fundraising activities are principally organised with the objective of promulgating Party campaigns, and as a result, losses may be incurred on several organised events.

PARTIT NAZZJONALISTA

Notes to the financial statements (continued) for the year ended 31 December 2025

5 Commercial Activities

	2025	2024
	€	€
Income:		
Commercial income	**74,207**	178,924

Income other consists of the sale of merchandise, books and other related materials.

6 Interest Income

	2025	2024
	€	€
Interest receivable on bank deposits	**7**	7

7 Expenses

The surplus/(deficit) is stated after charging:

	2025	2024
	€	€
Staff costs (Note 8)	**478,811**	419,583
Depreciation of property and equipment (Note 11)	**111,333**	109,220
	590,144	528,803

8 Staff costs

The staff costs incurred during the year were as follows:

	2025	2024
	€	€
Wages and salaries	**441,984**	384,383
Social security costs	**36,827**	35,200
	478,811	419,583

The average number of persons employed by the Party during the year was 15 (2024:15)

PARTIT NAZZJONALISTA

Notes to the financial statements (continued) for the year ended 31 December 2025

9 Administrative expenses

	2025	2024
	€	€
Administrative expenses:		
Auditor's remuneration	**7,054**	5,000
Bank charges	**5,941**	6,406
Communication expenses	**27,453**	41,563
IT costs	**55,045**	42,539
Legal and professional expenses	**6,593**	3,540
Other administrative expenses	**66,337**	101,092
Postages, printing and stationery	**5,786**	5,616
Rental charges	**9,968**	19,801
Repairs and maintenance	**38,236**	93,896
Subscription fees	**18,005**	14,039
Travelling and entertainment	**15,567**	4,804
Water and electricity	**43,842**	70,798
	299,827	409,094

10 Campaign and election costs

Campaign costs include election expenses and other expenses incurred in relation to elections or referendum campaigns, or party/policy promotion, and comprise:

	2025	2024
	€	€
Campaign costs	**134,380**	251,369

PARTIT NAZZJONALISTA

Notes to the financial statements (continued) for the year ended 31 December 2025

11 Property and equipment

	Land and buildings €	Office fixtures and fittings €	Total €
Cost or valuation			
Opening balance	15,336,829	91,853	15,428,682
Additions	4,250	28,675	32,925
At 31 December 2025	15,341,079	120,528	15,461,607
Depreciation			
Opening balance	904,052	70,830	974,882
Charge for the year	92,825	18,508	111,333
At 31 December 2025	996,877	89,338	1,086,215
Net book value 2025	**14,344,202**	**31,190**	**14,375,392**
Cost or Valuation			
Opening balance	15,336,829	79,731	15,416,560
Additions	-	12,122	12,122
At 31 December 2024	15,336,829	91,853	15,428,682
Depreciation			
Opening balance	811,312	54,350	865,662
Charge for the year	92,740	16,480	109,220
At 31 December 2024	904,052	70,830	974,882
Net book value 2024	14,432,777	21,023	14,453,800

Certain Land and Buildings are subject to special hypothecs in favour of the lenders of the Party (see note 17 and its controlled entities (see note 12).

12 Investment in controlled entities

As of 31 December 2025, and 2024, the Party held the following investments in controlled entities.

Entity	Registration Number	Registered Office fittings	Class of Shares held	Percentage of shares held
Media Link Communications Company Limited	C 6170	Dar Centrali Triq Herbert Ganado, Pieta	Ordinary	99.99%
Euro Tours Company Limited (note 12)	C 9059	Dar Centrali Triq Herbert Ganado, Pieta	Ordinary	99.99% being indirectly held through Media.Link

PARTIT NAZZJONALISTA

Notes to the financial statements (continued) for the year ended 31 December 2025

12 Investment in controlled entities (continued)

Euro Tours Company Limited is controlled by the Party, but the shares are held through Media Link Communications Limited, with the latter being directly owned by the Party.

	2025	2024
	€	€
Carrying Amount		
At the beginning of the year	**-**	-
Contributions advanced during the year	**689,263**	1,062,882
Impairment charge for the year	**(689,263)**	(1,062,882)
At the end of the year	**-**	-
At 31st December		
Cost	**7,686,929**	7,686,929
Contribution by shareholder	**19,163,784**	18,474,521
Impairment of original investment	**(7,686,929)**	(7,686,929)
Impairment	**(19,163,784)**	(18,474,521)
Closing net book amount	**-**	-

The contributions are not subject to any restrictions or the fulfilment of any conditions or requirements on the part of the controlled entity.

In view of the fact that the controlled entity is loss-making and that the investment in the controlled entity has been fully impaired, no further share of losses are being recognised by the Party, beyond the actual contributions as shown above.

13 Financial Investments

	2025	2024
	€	€
Carrying amount		
At the beginning of the year	**342,802**	312,879
Net fair value movements	**13,203**	29,923
At the end of the year	**356,005**	342,802

Financial investments consist of shares held in listed companies traded on the Malta Stock Exchange.

PARTIT NAZZJONALISTA

Notes to the financial statements (continued) for the year ended 31 December 2025

14 Other receivables

	2025 €	2024 €
Accrued income	**116,245**	215,904
Other receivables	**336,694**	229,605
	452,939	445,509

15 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and balances with banks. Cash and cash equivalents reconcile to the amounts shown in the balance sheet as follows:

	2025 €	2024 €
Cash at bank and in hand	**1,150,523**	973,629

16 Reserves

Revaluation reserve

The revaluation reserve comprises net revaluation gains on the Party's property. The last property revaluation was carried out in 2019.

17 Borrowings

	2025 €	2024 €
Falling due within one year:		
Bank loan (Note-1)	**133,702**	138,363
Borrowings from third parties	**3,530,100**	414,000
Borrowings from other related parties	**630,000**	630,000
	4,293,802	1,182,363
Falling due after one year:		
Bank loan	**1,310,240**	1,442,440
Borrowings from third parties	**4,556,200**	7,652,800
	5,866,440	9,095,240

Note-1: The bank loan was primarily obtained to restructure facilities previously enjoyed by the controlled entity. The loan currently bears interest at 4.15% per annum and is secured by special hypothecs over a number of the Party's property and a general hypothec issued by the Party over all of its assets, present and future. It is repayable with monthly capital and interest repayments of €16,500. The loan is to be settled in 2034.

PARTIT NAZZJONALISTA

Notes to the financial statements (continued) for the year ended 31 December 2025

17 Borrowings (continued)

Other borrowings are analysed as follows:

- Borrowing from other related party amounting to 630,000 (2024: €630,000), bear interest at 5.6% per annum. Interest is payable annually whilst the principal is payable in one bullet payment in 2025. These borrowings are secured through a hypothec over a number of properties owned by the Party.

- Other Borrowings amounting to 8,086,300 (2024: €8,066,800) are from other third parties. These bear interest at the rate of 4% and are repayable in full at the expiration date.

	2025	2024
	€	€
Maturity of Loans falling due after one year:		
Between 1 and 2 years	**929,054**	3,851,693
Later than 2 years but not later than 5 years	**2,576,891**	2,139,058
Later than 5 years	**2,360,498**	3,104,489
	5,866,440	9,095,240

Total interest expense for the year is €428,279 (2024: €395,673).

18 Payables

	2025	2024
	€	€
Falling due within one year:		
Trade payables	**720,767**	567,670
Accruals	**211,021**	221,564
Social security contributions and other taxes	**582,389**	582,389
Deferred income	**35,064**	35,064
Other Creditors	**16,007**	24,705
	1,565,248	1,431,392

PARTIT NAZZJONALISTA

Notes to the financial statements (continued) for the year ended 31 December 2025

19 Commitments and contingencies

As at 31 December 2025, the Party had no contractual commitments for the acquisition of property and equipment.

The Party provides the Bankers of the controlled entities (see note 12) with a first general hypothecary guarantee over all assets, present and future, of the Party up to an amount of € 5,347,158 (2024: € 7,554,371).

20 Related party transactions

The Party has a related party relationship with its controlled entities (see note 12) and with entities under common direction ('Other Related Parties'). During the year, the Party has contributed a net amount of €689,263 (2024: €1,062,882) to the directly controlled entity.

The outstanding amounts arising from transactions with controlled entities, and the terms relating to these balances are disclosed in Note 12 to these financial statements.

PARTIT NAZZJONALISTA

Independent auditor's report

To the Members of Partit Nazzjonalista.

Report on the Audit of the Financial Statements

Our Opinion

In our opinion, the Nationalist Party's (the "Party") financial statements give a true and fair view of the Party's financial position as at 31 December 2025, and the Party's financial performance and its cash flows for the year then ended in accordance with the Provisions of the Financing of Political Parties Act, 1995 (Chapter 544, Laws of Malta) (the 'Act'), the guidelines issued by the Electoral Commission and also in accordance with the Accountancy Profession (General Accounting Principles for Small and Medium-sized Entities) Regulations (S.L. 281.03) and the Schedule accompanying and forming an integral part of those Regulations as amended by the notes to the financial statements.

What we have audited

The Party's Financial statements, set out on pages 6 to 24, comprise:
- the statement of income and expenditure account for the year ended 31 December 2025;
- the statement of financial position as at 31 December 2025;
- statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended;
- the notes to the financial statements, which include the summary of significant policies.

Basis of 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.

Independence

We are independent of the Party 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, Laws of Malta), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the administrative council for the financial statements

The Council Members are responsible for the preparation of the financial statements that give a true and fair view in accordance with the Provisions of the Financing of Political Parties Act, 1995 (Chapter 544, Laws of Malta) (the "Act"), the guidelines issued by the Electoral Commission and also in accordance with the Accountancy Profession (General Principles for Small and Medium-Sized Entities) Regulations (S.L. 281.03) and the Schedule accompanying and forming an integral part of those Regulations as amended by the notes to the financial statements; and for such internal control as the Council Members 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 Council Members are responsible for assessing the Party'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 Council Members either intend to liquidate the Party or to cease operations; or have no realistic alternative but to do so.

The Council Members are responsible for overseeing the Party's financial reporting process.

PARTIT NAZZJONALISTA

Independent auditor's report (continued)

Other information

The Council members are responsible for the other information. The other information comprises the General Information, the Administrative Council's Report and the Statement of Responsibilities of the Administrators' Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover this 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 during the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

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 judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Party's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the council members.

- Conclude on the appropriateness of the Administrative Council's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Party'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 Party 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.

PARTIT NAZZJONALISTA

Independent auditor's report (continued)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

We communicate with the Council Members 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.

Ryan Borg
Certified Public Accountant

Marsaxlokk, Malta

17 September 2026