VONPENDE HOLDINGS P.L.C.
REPORT AND FINANCIAL STATEMENTS
31 December 2018

C.EFSTATHIOU
AUDIT LTD

Εγκεκριμένοι Λογιστές

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Year ended 31 December 2018

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BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors:	Marina Tsoy Stella Koukounis Georgios Koufaris (appointed on 4 April, 2018) Andri Michael (resigned on 4 April, 2018)
Company Secretary:	Stella Koukounis
Independent Auditors:	C. Efstathiou Audit Ltd Certified Public Accountants and Registered Auditors 8 Kennedy Avenue Athienitis Building 2nd floor, Office 201 1087 Nicosia
Registered office:	Chrysanthou Mylona, 2 Dali, P.C. 2540, Nicosia, Cyprus
Business address:	Akamantis Business Center Egypt street, 10 3rd floor, P.C. 1097, Nicosia, Cyprus
Bankers:	Hellenic Bank Public Company Ltd (closed in 2018) AstroBank Limited (closed in 2018) EcommBX Limited Promsvyazbank PJSC, Cyprus Branch (closed in 2018) Credit Suisse AG, Zurich
Registration number:	HE216944

MANAGEMENT REPORT

The Board of Directors presents its report and audited financial statements of the Company for the year ended 31 December 2018.

Incorporation
The Company Vonpende Holdings P.L.C. was incorporated in Cyprus on 20 December, 2007 as a private limited liability company under the Cyprus Companies Law, Cap. 113, with registration number HE216944. On 8 February, 2016 the Company's share capital was listed to the Cyprus Stock Exchange Emerging Companies Market.

Principal activity and nature of operations of the Company
The principal activities of the Company comprise the holding of investments and the ownership and leasing of residential property.

Review of current position, future developments and performance of the Company's business
The Company's development to date, financial results and position as presented in the financial statements are considered satisfactory.

Principal risks and uncertainties
The principal risks and uncertainties faced by the Company are disclosed in notes 6 and 7 of the financial statements.

Results
The Company's results for the year are set out on page 7.

Dividends
On 22 February, 2018 and on 4 June, 2018 the Board of Directors approved the total payment of an interim dividend of EUR1.809.980 (2017: EUR -).

On 4 October, 2018 the Company in a General Meeting declared the payment of a final dividend of EUR1.850.000 (2017: EUR -).

Share capital
Authorised capital
On 22 February, 2018 the authorised share capital of the Company was increased by 24.800 ordinary shares of nominal value of EUR 12,50 each.

On 4 June, 2018 the authorised share capital of the Company was increased by 120.800 ordinary shares of nominal value of EUR 12,50 each.

On 25 October, 2018 the authorised share capital of the Company was increased by 30.000 ordinary shares of nominal value of EUR 12,50 each.
Issued capital
On 16 March, 2018 the Company issued 18.789 ordinary shares of nominal value of EUR 12,50 each, at a premium of EUR 4,00 each.

On 4 June, 2018 the Company issued 74.132 ordinary shares of nominal value of EUR 12,50 each, at a premium of EUR 7,50 each.

On 25 October, 2018 the Company issued 73.251 ordinary shares of nominal value of EUR 12,50 each, at a premium of EUR 12,50 each.

Implementation and compliance to the Code of Corporate Governance
The Company recognises the importance of implementing sound corporate governance policies, practices and procedures. As a company listed on the Cyprus Stock Exchange (CSE), Vonpende Holdings P.L.C. has adopted CSE's Corporate Governance Code and applies its principles.

In March 2006 the CSE issued a revised Code of Corporate Governance. The Company complies with all the provisions of the revised Code.

MANAGEMENT REPORT

Board of Directors
The members of the Company's Board of Directors as at 31 December 2018 and at the date of this report are presented on page 1.

In accordance with the Company's Articles of Association all Directors presently members of the Board continue in office.

There were no significant changes in the assignment of responsibilities and remuneration of the Board of Directors.

Events after the reporting period
Any significant events that occurred after the end of the reporting period are described in note 33 to the financial statements.

Independent Auditors
The Independent Auditors, C. Efstathiou Audit Ltd, have expressed their willingness to continue in office and a resolution giving authority to the Board of Directors to fix their remuneration will be proposed at the Annual General Meeting.

By order of the Board of Directors,

Stella Koukounis
Director

Nicosia, 23 April, 2019

Independent Auditor's Report

To the Members of Vonpende Holdings P.L.C.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of parent company Vonpende Holdings P.L.C. (the "Company"), which are presented in pages 7 to 37 and comprise the statement of financial position as at 31 December 2018, and the statements of profit or loss, comprehensive income, changes in equity and 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 parent company Vonpende Holdings P.L.C. as at 31 December 2018, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the "International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants" (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Cyprus, 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.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the management report and the additional information to the statement of profit or loss in pages 38 to 44, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information 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 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.

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Independent Auditor's Report (continued)

To the Members of Vonpende Holdings P.L.C.

Responsibilities of the Board of Directors for the Financial Statements

The Board of Directors is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of 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 a true and fair view.

We communicate with the Board of 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.

Independent Auditor's Report (continued)

To the Members of Vonpende Holdings P.L.C.

Report on Other Legal Requirements

Pursuant to the additional requirements of the Auditors Law of 2017, we report the following:

- In our opinion, the Management Report has been prepared in accordance with the requirements of the Cyprus Companies Law, Cap 113, and the information given is consistent with the financial statements.
- In our opinion, and in the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Management Report.

Other Matters

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 69 of the Auditors Law of 2017 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.

We have reported separately on the consolidated financial statements of the Company and its subsidiaries for the year ended 31 December 2018.

Costas Efstathiou
Certified Public Accountant and Registered Auditor
for and on behalf of
C. Efstathiou Audit Ltd
Certified Public Accountants and Registered Auditors

Nicosia, 23 April, 2019

STATEMENT OF PROFIT OR LOSS
Year ended 31 December 2018

	Note	**2018 EUR**	2017 EUR
Revenue	10	**5.007.560**	9.803.444
Cost of sales		**(53.024)**	(1.035)
Gross profit		**4.954.536**	9.802.409
Other operating income	11	**16**	1.922
Administration expenses		**(275.942)**	(152.956)
Other expenses	12	**-**	(29)
Operating profit	13	**4.678.610**	9.651.346
Net finance costs	15	**(11.236)**	(4.544)
Profit before tax		**4.667.374**	9.646.802
Tax	16	**(23.102)**	(8.745)
Net profit for the year		**4.644.272**	9.638.057
Profit per share attributable to equity holders of the parent (EUR)	17	**26,66**	1.204,76

The notes on pages 12 to 37 form an integral part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME
Year ended 31 December 2018

	Note	2018 EUR	2017 EUR
Net profit for the year		**4.644.272**	9.638.057
Other comprehensive income			
Items that may be classified subsequently to profit or loss:			
Financial assets at fair value through other comprehensive income - Fair value (losses)/gains	21	**(7.015.446)**	4.218.930
Other comprehensive income for the year after tax		**(7.015.446)**	4.218.930
Other comprehensive income for the year		**(2.371.174)**	13.856.987

STATEMENT OF FINANCIAL POSITION
31 December 2018

	Note	2018 EUR	2017 EUR
ASSETS			
Non-current assets			
Property, plant and equipment	19	**2.734**	1.724
Investment properties	20	**101.193**	104.945
Investments in subsidiaries	21	**45.884.478**	52.768.924
Debt investments at amortised cost	22	**14.397.141**	14.834.181
		60.385.546	67.709.774
Current assets			
Trade and other receivables	23	**1.116.721**	568.067
Cash and cash equivalents	24	**54.571**	258.198
		1.171.292	826.265
Total assets		**61.556.838**	68.536.039
EQUITY AND LIABILITIES			
Equity			
Share capital	25	**2.177.150**	100.000
Share premium	26	**1.546.784**	-
Fair value reserve - Financial assets at fair value through other comprehensive income	26	**20.903.983**	27.919.429
Retained earnings		**36.837.240**	35.852.948
Total equity		**61.465.157**	63.872.377
Current liabilities			
Trade and other payables	27	**72.280**	4.654.917
Current tax liabilities	28	**19.401**	8.745
		91.681	4.663.662
Total equity and liabilities		**61.556.838**	68.536.039

On 23 April, 2019 the Board of Directors of Vonpende Holdings P.L.C. authorised these financial statements for issue.

....	....
Stella Koukounis	Georgios Koufaris
Director	Director

The notes on pages 12 to 37 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
Year ended 31 December 2018

	Note	Share capital EUR	Share premium EUR	Fair value reserve - Financial assets at fair value through other comprehensive income EUR	Retained earnings EUR	Total EUR
Balance at 1 January 2017		**100.000**	**-**	**23.700.499**	**26.214.891**	**50.015.390**
Comprehensive income						
Net profit for the year		-	-	-	9.638.057	9.638.057
Other comprehensive income for the year		-	-	4.218.930	-	4.218.930
Balance at 31 December 2017/ 1 January 2018		**100.000**	**-**	**27.919.429**	**35.852.948**	**63.872.377**
Comprehensive income						
Net profit for the year		-	-	-	4.644.272	4.644.272
Other comprehensive income for the year		-	-	(7.015.446)	-	(7.015.446)
Total comprehensive income for the year		-	-	(7.015.446)	4.644.272	(2.371.174)
Transactions with owners						
Issue of share capital	25	2.077.150	1.546.784	-	-	3.623.934
Dividends	18	-	-	-	(3.659.980)	(3.659.980)
Total transactions with owners		2.077.150	1.546.784	-	(3.659.980)	(36.046)
Balance at 31 December 2018		**2.177.150**	**1.546.784**	**20.903.983**	**36.837.240**	**61.465.157**

Companies which do not distribute 70% of their profits after tax, as defined by the relevant tax law, within two years after the end of the relevant tax year, will be deemed to have distributed as dividends 70% of these profits. Special contribution for defence at 17% will be payable on such deemed dividends to the extent that the ultimate shareholders are both Cyprus tax resident and Cyprus domiciled. The amount of deemed distribution is reduced by any actual dividends paid out of the profits of the relevant year at any time. This special contribution for defence is payable by the Company for the account of the shareholders.

STATEMENT OF CASH FLOWS
Year ended 31 December 2018

	Note	2018 EUR	2017 EUR
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		**4.667.374**	9.646.802
Adjustments for:			
Depreciation of property, plant and equipment and investment properties		**4.502**	7.963
Loss from the sale of investments in subsidiaries		**-**	301.462
Dividend income	10	**(4.665.000)**	(10.000.000)
Interest income	10 & 15	**(337.589)**	(99.766)
Interest expense	15	**9**	11
		(330.704)	(143.528)
Changes in working capital:			
(Increase)/decrease in trade and other receivables		**(548.654)**	3.413.382
Decrease/(increase) in bank deposits		**3.150**	(3.150)
(Decrease)/increase in trade and other payables		**(4.582.637)**	4.648.058
Cash (used in)/generated from operations		**(5.458.845)**	7.914.762
Interest received		**314.813**	99.766
Dividends received		**4.665.000**	10.000.000
Tax paid		**(12.446)**	(3.256)
Net cash (used in)/generated from operating activities		**(491.478)**	18.011.272
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for purchase of property, plant and equipment	19	**(1.760)**	-
Payment for purchase of investment property	20	**-**	(2.333)
Payment for purchase of investments in subsidiaries	21	**(131.000)**	(4.634.289)
Payment for purchase of financial assets at amortised cost	22	**(4.325.200)**	(13.749.181)
Proceeds from sale of investments in subsidiary undertakings		**-**	550.000
Proceeds from sale of financial assets at amortised cost		**4.785.000**	-
Interest received		**16**	-
Net cash generated from/(used in) investing activities		**327.056**	(17.835.803)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of share capital		**3.623.934**	-
Interest paid		**(9)**	(11)
Dividends paid		**(3.659.980)**	-
Net cash used in financing activities		**(36.055)**	(11)
Net (decrease)/increase in cash and cash equivalents		**(200.477)**	175.458
Cash and cash equivalents at beginning of the year		**255.048**	79.590
Cash and cash equivalents at end of the year	24	**54.571**	255.048

The notes on pages 12 to 37 form an integral part of these financial statements.

1. Incorporation and principal activities

Country of incorporation

The Company Vonpende Holdings P.L.C. (the "Company") was incorporated in Cyprus on 20 December, 2007 as a private limited liability company under the provisions of the Cyprus Companies Law, Cap. 113. Its registered office is at Akamantis Business Center, Egypt street, 10, 3rd floor, P.C. 1097, Nicosia, Cyprus.

Principal activity

The principal activities of the Company comprise the holding of investments and the ownership and leasing of residential property.

2. Basis of preparation

The Company has prepared these parent's separate financial statements for compliance with the requirements of the Cyprus Income Tax Law.

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) and the requirements of the Cyprus Companies Law, Cap.113. The financial statements have been prepared under the historical cost convention, except for the investments in subsidiaries which are measured at fair value.

The Company has also prepared consolidated financial statements in accordance with IFRSs for the Company and its subsidiaries (the "Group"). The consolidated financial statements can be obtained from Akamantis business center, Egypt 10, 3rd floor, P.C. 1097, Nicosia, Cyprus.

Users of these parent's separate financial statements should read them together with the Group's consolidated financial statements as at and for the year ended 31 December 2018 in order to obtain a proper understanding of the financial position, the financial performance and the cash flows of the Company and the Group.

3. Adoption of new or revised standards and interpretations

During the current year the Company adopted all the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning on 1 January 2018. This adoption did not have a material effect on the accounting policies of the Company.

4. Significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. Apart from the accounting policy changes resulting from the adoption of IFRS 9 and IFRS 15 effective from 1 January 2018, these policies have been consistently applied to all the years presented, unless otherwise stated. The principal accounting policies in respect of financial instruments and revenue recognition applied till 31 December 2017 are presented in note 32.

Subsidiary companies

Subsidiaries are entities controlled by the Company. Control exists where 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.

Investments in subsidiary companies are classified as available-for-sale investments and are measured at fair value. Gains or losses on investments in subsidiary companies are recognised directly in equity, through the statement of recognised income and expense except for impairment losses.

4. Significant accounting policies (continued)

Segmental reporting

The Company is organised by business segments and this is the primary format for segmental reporting. Each business segment provides products or services which are subject to risks and returns that are different from those of other business segments. The Company operates only in Cyprus and for this reason operations are not analysed by geographical segment.

Revenue

Recognition and measurement

- **Income from investments in securities**

  Dividend from investments in securities is recognised when the right to receive payment is established. Withheld taxes are transferred to profit or loss. Interest from investments in securities is recognised on an accruals basis.

  Profits or losses from the sale of investments in securities represent the difference between the net proceeds and the carrying amount of the investments sold and is transferred to profit or loss.

  The difference between the fair value of investments at fair value through profit or loss as at 31 December 2018 and the mid cost price represents unrealised gains and losses and is included in profit or loss in the period in which it arises. Unrealised gains and losses arising from changes in the fair value of financial assets at fair value through other comprehensive income (2017: available-for-sale financial assets) are recognised in equity. When financial assets at fair value through other comprehensive income (2017: available-for-sale financial assets) are sold or impaired, the accumulated fair value adjustments are included in profit or loss as fair value gains or losses on investments, taking into account any amounts charged or credited to profit or loss in previous periods.

- **Rental income**

  Rental income is recognised on an accruals basis in accordance with the substance of the relevant agreements.

- **Interest income**

  Interest income is recognised on a time-proportion basis using the effective interest rate method.

- **Dividend income**

  Dividends are received from financial assets measured at fair value through profit or loss (FVTPL) and at fair value through other comprehensive income (FVOCI). Dividends are recognised as other income in profit or loss when the right to receive payment is established. This applies even if they are paid out of pre-acquisition profits, unless the dividend clearly represents a recovery of part of the cost of an investment. In this case, the dividend is recognised in OCI if it relates to an investment measured at FVOCI.

Employee benefits

The Company and its employees contribute to the Government Social Insurance Fund based on employees' salaries. The Company's contributions are expensed as incurred and are included in staff costs. The Company has no legal or constructive obligations to pay further contributions if the scheme does not hold sufficient assets to pay all employees benefits relating to employee service in the current and prior periods.

4. Significant accounting policies (continued)

Finance income

Interest income is recognised on a time-proportion basis using the effective method.

Finance costs

Interest expense and other borrowing costs are charged to profit or loss as incurred.

Foreign currency translation

(1) Functional and presentation currency
Items included in the Company's 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 (EUR), which is the Company's functional and presentation currency.

(2) Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. 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 profit or loss.

Tax

Current tax liabilities and assets are measured at the amount expected to be paid to or recovered from the taxation authorities, using the tax rates and laws that have been enacted, or substantively enacted, by the reporting date.

Dividends

Interim dividends are recognised in equity in the year in which they are approved by the Company's Directors. Dividend distribution to the Company's shareholders is recognised in the Company's financial statements in the year in which they are approved by the Company's shareholders.

Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated on the straight-line method so as to write off the cost of each asset to its residual value over its estimated useful life. The annual depreciation rates used are as follows:

	%
Computer hardware and operating systems	20

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Where the carrying amount of an asset is greater than its estimated recoverable amount, the asset is written down immediately to its recoverable amount.

Expenditure for repairs and maintenance of property, plant and equipment is charged to profit or loss of the year in which it is incurred. The cost of major renovations and other subsequent expenditure are included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Company. Major renovations are depreciated over the remaining useful life of the related asset.

4. Significant accounting policies (continued)

Property, plant and equipment (continued)

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Investment properties

Investment property is held for long-term rental yields and/or for capital appreciation and is not occupied by the Company. Investment property is treated as a non-current asset and is stated at historical cost less depreciation. Depreciation is calculated on the straight-line method so as to write off the cost of each asset to its residual value over its estimated useful life. The annual depreciation rates used are 3% for flat and 10% for furnitures they are included within.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the continued use of the asset. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non financial assets, other than goodwill, that have suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

Financial assets - Classification

From 1 January 2018, the Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

The classification and subsequent measurement of debt financial assets depends on: (i) the Company's business model for managing the related assets portfolio and (ii) the cash flow characteristics of the asset. On initial recognition, the Company may irrevocably designate a debt financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

For investments in equity instruments that are not held for trading, classification will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI). This election is made on an investment-by-investment basis.

All other financial assets are classified as measured at FVTPL.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

4. Significant accounting policies (continued)

Financial assets - Recognition and derecognition

All purchases and sales of financial assets that require delivery within the time frame established by regulation or market convention ("regular way" purchases and sales) are recorded at trade date, which is the date when the Company commits to deliver a financial instrument. All other purchases and sales are recognized when the entity 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 Company has transferred substantially all the risks and rewards of ownership.

Financial assets - Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. Fair value at initial recognition is best evidenced by the transaction price. A gain or loss on initial recognition is only recorded if there is a difference between fair value and transaction price which can be evidenced by other observable current market transactions in the same instrument or by a valuation technique whose inputs include only data from observable markets.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in 'other income'. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss. Financial assets measured at amortised cost (AC) comprise: cash and cash equivalents, bank deposits with original maturity over 3 months, trade receivables and financial assets at amortised cost.

FVOCI: 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 "other income". Foreign exchange gains and losses are presented in "other gains/(losses)" and impairment expenses are presented as separate line item in the statement of profit or loss.

FVTPL: 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 "other gains/(losses)" in the period in which it arises.

4. Significant accounting policies (continued)

Financial assets - Measurement (continued)

Equity instruments

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment, any related balance within the FVOCI reserve is reclassified to retained earnings. The Company's policy is to designate equity investments as FVOCI when those investments are held for strategic purposes other than solely to generate investment returns. Dividends from such investments continue to be recognised in profit or loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at FVTPL are recognised in "other gains/(losses)" in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Financial assets - impairment - credit loss allowance for ECL

From 1 January 2018, the Company assesses on a forward-looking basis the ECL for debt instruments (including loans) measured at AC and FVOCI and with the exposure arising from loan commitments and financial guarantee contracts. The Company measures ECL and recognises credit loss allowance at each reporting date. The measurement of ECL reflects: (i) an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes, (ii) time value of money and (iii) all reasonable and supportable information that is available without undue cost and effort at the end of each reporting period about past events, current conditions and forecasts of future conditions.

The carrying amount of the financial assets is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of profit or loss within "net impairment losses on financial and contract assets".

Debt instruments measured at AC are presented in the statement of financial position net of the allowance for ECL. For loan commitments and financial guarantee contracts, a separate provision for ECL is recognised as a liability in the statement of financial position.

For debt instruments at FVOCI, an allowance for ECL is recognised in profit or loss and it affects fair value gains or losses recognised in OCI rather than the carrying amount of those instruments.

Expected losses are recognized and measured according to one of two approaches: general approach or simplified approach.

For trade receivables including trade receivables with a significant financing component and contract assets and lease receivables the Company applies the simplified approach permitted by IFRS 9, which uses lifetime expected losses to be recognised from initial recognition of the financial assets.

For all other financial asset that are subject to impairment under IFRS 9, the Company applies general approach - three stage model for impairment. The Company applies a three stage model for impairment, based on changes in credit quality since initial recognition. A financial instrument that is not credit-impaired on initial recognition is classified in Stage 1.

4. Significant accounting policies (continued)

Financial assets - impairment - credit loss allowance for ECL (continued)

Financial assets in Stage 1 have their ECL measured at an amount equal to the portion of lifetime ECL that results from default events possible within the next 12 months or until contractual maturity, if shorter ("12 Months ECL"). If the Company identifies a significant increase in credit risk ("SICR") since initial recognition, the asset is transferred to Stage 2 and its ECL is measured based on ECL on a lifetime basis, that is, up until contractual maturity but considering expected prepayments, if any ("Lifetime ECL"). Refer to note 6, Credit risk section, for a description of how the Company determines when a SICR has occurred. If the Company determines that a financial asset is credit-impaired, the asset is transferred to Stage 3 and its ECL is measured as a Lifetime ECL. The Company's definition of credit impaired assets and definition of default is explained in note 6, Credit risk section.

Additionally the Company has decided to use the low credit risk assessment exemption for investment grade financial assets. Refer to note 6, Credit risk section for a description of how the Company determines low credit risk financial assets.

Financial assets -Reclassification

Financial instruments are reclassified only when the business model for managing those assets changes. The reclassification has a prospective effect and takes place from the start of the first reporting period following the change.

Financial assets - write-off

Financial assets are written-off, in whole or in part, when the Company exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. The write-off represents a derecognition event. The Company may write-off financial assets that are still subject to enforcement activity when the Company seeks to recover amounts that are contractually due, however, there is no reasonable expectation of recovery.

Financial assets - modification

The Company sometimes renegotiates or otherwise modifies the contractual terms of the financial assets. The Company assesses whether the modification of contractual cash flows is substantial considering, among other, the following factors: any new contractual terms that substantially affect the risk profile of the asset (eg profit share or equity-based return), significant change in interest rate, change in the currency denomination, new collateral or credit enhancement that significantly affects the credit risk associated with the asset or a significant extension of a loan when the borrower is not in financial difficulties.

If the modified terms are substantially different, the rights to cash flows from the original asset expire and the Company derecognises the original financial asset and recognises a new asset at its fair value. The date of renegotiation is considered to be the date of initial recognition for subsequent impairment calculation purposes, including determining whether a SICR has occurred. The Company also assesses whether the new loan or debt instrument meets the SPPI criterion. Any difference between the carrying amount of the original asset derecognised and fair value of the new substantially modified asset is recognised in profit or loss, unless the substance of the difference is attributed to a capital transaction with owners.

In a situation where the renegotiation was driven by financial difficulties of the counterparty and inability to make the originally agreed payments, the Company compares the original and revised expected cash flows to assets whether the risks and rewards of the asset are substantially different as a result of the contractual modification. If the risks and rewards do not change, the modified asset is not substantially different from the original asset and the modification does not result in derecognition. The Company recalculates the gross carrying amount by discounting the modified contractual cash flows by the original effective interest rate, and recognises a modification gain or loss in profit or loss.

4. Significant accounting policies (continued)

Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash at bank, cash with brokers and cash in hand.Cash and cash equivalents are carried at AC because: (i) they are held for collection of contractual cash flows and those cash flows represent SPPI, and (ii) they are not designated at FVTPL.

Financial assets at amortised cost

These amounts generally arise from transactions outside the usual operating activities of the Company. These are held with the objective to collect their contractual cash flows and their cash flows represent solely payments of principal and interest. Accordingly, these are measured at amortised cost using the effective interest method, less provision for impairment. Financial assets at amortised cost are classified as current assets if they are due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current assets.

Borrowings

Borrowings are recorded initially at the proceeds received, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

Trade payables

Trade payables are initially measured at fair value and are subsequently measured at amortised cost, using the effective interest rate method.

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the statement of financial position.

Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. 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. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less loss allowance.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, in which case they are recognised at fair value. The Company 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.

Trade receivables are also subject to the impairment requirements of IFRS 9.The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. See Note 6 Credit risk section.

Trade receivables 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 Company, and a failure to make contractual payments for a period of greater than 180 days past due.

4. Significant accounting policies (continued)

Share capital

Ordinary shares are classified as equity. The difference between the fair value of the consideration received by the Company and the nominal value of the share capital being issued is taken to the share premium account.

Comparatives

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

5. New accounting pronouncements

At the date of approval of these financial statements, standards and interpretations were issued by the International Accounting Standards Board which were not yet effective. Some of them were adopted by the European Union and others not yet. The Board of Directors expects that the adoption of these accounting standards in future periods will not have a material effect on the financial statements of the Company.

6. Financial risk management

Financial risk factors
The Company is exposed to interest rate risk, credit risk, liquidity risk, currency risk and capital risk management arising from the financial instruments it holds. The risk management policies employed by the Company to manage these risks are discussed below:

6.1 Interest rate risk
Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The Company is exposed to interest rate risk in relation to its non-current borrowings. Borrowings issued at variable rates expose the Company to cash flow interest rate risk. Borrowings issued at fixed rates expose the Company to fair value interest rate risk. The Company's Management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

6.2 Credit risk
Credit risk arises from cash and cash equivalents, contractual cash flows of debt investments carried at amortised cost, at fair value through other comprehensive income (FVOCI) and at fair value through profit or loss (FVTPL), favourable derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables and contract assets.

(i) Risk management

Credit risk is managed on a group basis.

For banks and financial institutions, only independently rated parties with a minimum rating of 'C' are accepted. If customers are independently rated, these ratings are used.

Otherwise, if there is no independent rating, management assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual credit limits and credit terms are set based on the credit quality of the customer in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored.

(ii) Impairment of financial assets

The Company has the following types of financial assets that are subject to the expected credit loss model:
- trade receivables
- financial assets at amortised cost
- financial assets carried at FVOCI

6. Financial risk management (continued)

6.2 Credit risk (continued)

(ii) Impairment of financial assets (continued)

- cash and cash equivalents

Trade receivables and contract assets

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables (including those with a significant financing component, lease contracts and contract assets.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The Company defines default as a situation when the debtor is more than 90 days past due on its contractual payments. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Company has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The expected loss rates are based on the payment profiles of sales over a period of 36 months before 31 December 2018 or 1 January 2018 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. The Company has identified the GDP and the unemployment rate of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

Trade receivables and contract assets 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 Company, and a failure to make contractual payments for a period of greater than 180 days past due.

Impairment losses on trade receivables and contract assets are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

Previous accounting policy for impairment of trade receivables

In the prior year, the impairment of trade receivables was assessed based on the incurred loss model. A provision for impairment of trade receivables was established when there was objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or delinquency in payments (more than 120 days overdue) were considered indicators that the trade receivable was impaired. The amount of the provision was the difference between the carrying amount and the recoverable amount, being the present value of estimated future cash flows, discounted at the effective interest rate.

Debt investments

All of the entity's debt investments at FVOCI are considered to have low credit risk, and the loss allowance recognised during the period was therefore limited to 12 months expected losses. Management consider 'low credit risk' for listed bonds to be an investment grade credit rating with at least one major rating agency. Other instruments are considered to be low credit risk when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.

Debt investments at fair value through other comprehensive income

Debt investments at fair value through other comprehensive income (FVOCI) include listed debt securities. The loss allowance for debt investments at FVOCI is recognised in profit or loss and reduces the fair value loss otherwise recognised in OCI.

6. Financial risk management (continued)

6.2 Credit risk (continued)

(ii) Impairment of financial assets (continued)

Other financial assets at amortised cost

Other financial assets at amortised cost include bonds receivable from related party.

Loans to related parties, receivables from related parties, other receivables and debt investments at amortised cost and FVOCI

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:

- internal credit rating
- external credit rating (as far as available)
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations
- actual or expected significant changes in the operating results of the borrower/counterparty
- significant increases in credit risk on other financial instruments of the same borrower/counterparty
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements
- significant changes in the expected performance and behaviour of the borrower/counterparty, including changes in the payment status of counterparty in the Company and changes in the operating results of the borrower.

Macroeconomic information (such as market interest rates or growth rates) is incorporated as part of the internal rating model. 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. The Company has identified the GDP and the unemployment rate of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment.

A default on a financial asset is when the counterparty fails to make contractual payments within 90 days of when they fall due.

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Company. The Company categorises a loan or receivable for write off when a debtor fails to make contractual payments greater than 180 days past due. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

The Company uses three categories for loans, receivables,other receivables, debt securities at FVOCI which reflect their credit risk and how the loss provision is determined for each of those categories. These internal credit risk ratings are aligned to external credit rating companies, such as Standard and Poor, Moody's and Fitch.

6. Financial risk management (continued)

6.2 Credit risk (continued)

(ii) Impairment of financial assets (continued)

A summary of the assumptions underpinning the Company's expected credit loss model is as follows:

Category	Company definition of category	Basis for recognition of expected credit loss provision	Basis for calculation of interest revenue
Performing	Counterparties have a low risk of default and a strong capacity to meet contractual cash flows	Stage 1: 12 month expected losses. Where the expected lifetime of an asset is less than 12 months, expected losses are measured at its expected lifetime.	Gross carrying amount
Underperforming	Counterparties for which there is a significant increase in credit risk; as significant increase in credit risk is presumed if interest and/or principal repayments are 30 days past due (see above in more detail)	Stage 2: Lifetime expected losses	Gross carrying amount
Non-performing	Interest and/or principal repayments are 90 days past due	Stage 3: Lifetime expected losses	Amortised cost carrying amount (net of credit allowance)
Write-off	Interest and/or principal repayments are 180 days past due and there is no reasonable expectation of recovery.	Asset is written off	None

The Company has no financial assets which are subject to the impairment requirements of IFRS 9 and which have had modifications to their contractual cash flows.

Over the term of the loans, receivables and other receivables, and debt securities the Company accounts for its credit risk by appropriately providing for expected credit losses on a timely basis. In calculating the expected credit loss rates, the Company considers historical loss rates for each category of customers, and adjusts for forward looking macroeconomic data.

The Company provides for credit losses against loans to related parties, receivables, other receivables, debt securities at FVOCI and cash and cash equivalents. The following tables contains an analysis of the credit risk exposure of each class of financial instruments for which an ECL allowance is recognised. The gross carrying amounts below also represents the Company's maximum exposure to credit risk on these assets as at 31 December 2018.

6.3 Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The Company has procedures with the object of minimising such losses such as maintaining sufficient cash and other highly liquid current assets and by having available an adequate amount of committed credit facilities.

6. Financial risk management (continued)

6.4 Currency risk
Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Company's measurement currency. The Company is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the US Dollar and the Russian Ruble. The Company's Management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

6.5 Capital risk management
Capital includes equity shares and share premium.

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Company's overall strategy remains unchanged from last year.

Fair value estimation

The fair values of the Company's financial assets and liabilities approximate their carrying amounts at the reporting date.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Company uses a variety of methods, such as estimated discounted cash flows, and makes assumptions that are based on market conditions existing at the reporting date.

7. Critical accounting estimates, judgments and assumptions

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

- **Income taxes**

  Significant judgment is required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Critical judgements in applying the Company's accounting policies

- **Impairment of investments in subsidiaries**

  The Company periodically evaluates the recoverability of investments in subsidiaries whenever indicators of impairment are present. Indicators of impairment include such items as declines in revenues, earnings or cash flows or material adverse changes in the economic or political stability of a particular country, which may indicate that the carrying amount of an asset is not recoverable. If facts and circumstances indicate that investment in subsidiaries may be impaired, the estimated future discounted cash flows associated with these subsidiaries would be compared to their carrying amounts to determine if a write-down to fair value is necessary.

7. Critical accounting estimates, judgments and assumptions (continued)

- **Impairment of financial assets**

  The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in note 6, Credit risk section.

- **Impairment of non-financial assets**

  The impairment test is performed using the discounted cash flows expected to be generated through the use of non-financial assets, using a discount rate that reflects the current market estimations and the risks associated with the asset. When it is impractical to estimate the recoverable amount of an asset, the Company estimates the recoverable amount of the cash generating unit in which the asset belongs to.

- **Valuation of non-listed investments**

  The Company uses various valuation methods to value non-listed investments. These methods are based on assumptions made by the Board of Directors which are based on market information at the reporting date.

8. Fair value measurement

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - inputs 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).
- Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

31 December 2018	Level 1 EUR	Level 2 EUR	Level 3 EUR	Total EUR
Assets measured at fair value				
Financial assets at fair value through other comprehensive income (Note 21)				
Investments in subsidiaries	-	-	45.884.478	45.884.478
Total	**-**	**-**	**45.884.478**	**45.884.478**

31 December 2017	Level 1 EUR	Level 2 EUR	Level 3 EUR	Total EUR
Assets measured at fair value				
Financial assets at fair value through other comprehensive income (Note 21)				
Investments in subsidiaries	-	-	52.768.924	52.768.924
Total	-	-	52.768.924	52.768.924

Transfers between levels

There have been no transfers between different levels during the year.

8. Fair value measurement (continued)

Valuation techniques

Non-listed investments

The fair values of non-listed securities are determined in accordance with Net Asset Value (NAV) method using unobservable inputs. The Company classifies the fair value of these investments as Level 3.

Reconciliation of Level 3 fair value measurements

	Investments in subsidiaries	Total
	EUR	EUR
Balance at 1 January	**52.768.924**	**52.768.924**
Total gains or losses: in profit or loss in other comprehensive income	(7.015.446)	(7.015.446)
Additions	131.000	131.000
Balance at 31 December	**45.884.478**	**45.884.478**

Information about fair value measurements using significant unobservable inputs (Level 3)

Description	Fair value at 31 December 2018 EUR	Valuation technique
Investments in subsidiaries	45.884.478	Net Asset Value

Description	Fair value at 31 December 2017 EUR	Valuation technique
Investments in subsidiaries	52.768.924	Net Asset Value

9. Segmental analysis

2018	**Investment activities**	**Total**
	EUR	**EUR**
Revenue	**5.007.560**	**5.007.560**
Profit before tax	**4.667.374**	**4.667.374**
Assets	**61.556.838**	**61.556.838**
Liabilities	**91.681**	**91.681**
Capital expenditure	**1.760**	**1.760**
Depreciation	**750**	**750**

2017	Investment activities	Total
	EUR	EUR
Revenue	9.803.444	9.803.444
Profit before tax	9.646.802	9.646.802
Assets	68.536.039	68.536.039
Liabilities	4.663.662	4.663.662
Depreciation	575	575

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2018

10. Revenue

	2018 EUR	2017 EUR
Dividend income	4.665.000	10.000.000
Interest income	337.573	99.766
Net loss on trading in financial instruments	(53)	-
Loss from sale of investments in subsidiaries	-	(301.462)
Rental income	5.040	5.140
	5.007.560	9.803.444

11. Other operating income

	2018 EUR	2017 EUR
Amount payable written off	-	1.922
Net foreign exchange profit	16	-
	16	1.922

12. Other expenses

	2018 EUR	2017 EUR
Net foreign exchange loss	-	29
	-	29

13. Operating profit

	2018 EUR	2017 EUR
Operating profit is stated after charging the following items:		
Depreciation of property, plant and equipment (Note 19)	750	575
Depreciation of investment property (Note 20)	3.752	7.388
Directors' fees	27.000	30.000
Staff costs including Directors in their executive capacity (Note 14)	42.256	-
Auditors' remuneration - current year	21.260	17.400
Auditors' remuneration - prior years	9.500	8.500
Direct operating expenses arising from investment properties	1.983	1.035

14. Staff costs

	2018 EUR	2017 EUR
Salaries	39.831	-
Social security costs	2.003	-
Social cohesion fund	422	-
	42.256	-
Average number of employees (including Directors in their executive capacity)	4	-

15. Finance income/(costs)

	2018 EUR	2017 EUR
Interest income	16	-
Finance income	**16**	-
Interest expense	(9)	(11)
Sundry finance expenses	(11.243)	(4.533)
Finance costs	**(11.252)**	(4.544)
Net finance costs	**(11.236)**	(4.544)

16. Tax

	2018 EUR	2017 EUR
Corporation tax	19.288	8.629
Defence contribution	118	116
Defence on dividends payable	3.696	-
Charge for the year	**23.102**	8.745

The corporation tax rate is 12,5%. In addition, 75% of the gross rents receivable are subject to defence contribution at the rate of 3%.

Under certain conditions interest income may be subject to defence contribution at the rate of 30%. In such cases this interest will be exempt from corporation tax. In certain cases, dividends received from abroad may be subject to defence contribution at the rate of 17%.

Gains on disposal of qualifying titles (including shares, bonds, debentures, rights thereon etc) are exempt from Cyprus income tax.

17. Profit per share attributable to equity holders of the parent

	2018	2017
Profit attributable to shareholders (EUR)	**4.644.272**	9.638.057
Weighted average number of ordinary shares in issue during the year	174.172	8.000
Profit per share attributable to equity holders of the parent (EUR)	**26,66**	1.204,76

The Company's share price as at 31 December, 2018 in Cyprus Stock Exchange Emerging Companies Market was EUR 16,40 (31 December 2017: EUR 16,00).

18. Dividends

	2018 EUR	2017 EUR
Interim dividend paid	**1.809.980**	-
Final dividend paid	**1.850.000**	-
	3.659.980	-

On 22 February, 2018 and on 4 June, 2018 the Board of Directors approved the total payment of an interim dividend of EUR1.809.980 (2017: EUR -).

On 4 October, 2018 the Company in a General Meeting declared the payment of a final dividend of EUR1.850.000 (2017: EUR -).

Dividends are subject to a deduction of special contribution for defence at 17% for individual shareholders that are both Cyprus tax resident and Cyprus domiciled.

19. Property, plant and equipment

	Computer hardware and operating systems EUR	Total EUR
Cost		
Balance at 1 January 2017	2.874	2.874
Balance at 31 December 2017/ 1 January 2018	**2.874**	**2.874**
Additions	1.760	1.760
Balance at 31 December 2018	**4.634**	**4.634**
Depreciation		
Balance at 1 January 2017	575	575
Charge for the year	575	575
Balance at 31 December 2017/ 1 January 2018	**1.150**	**1.150**
Charge for the year	750	750
Balance at 31 December 2018	**1.900**	**1.900**
Net book amount		
Balance at 31 December 2018	**2.734**	**2.734**
Balance at 31 December 2017	**1.724**	**1.724**

20. Investment properties

	2018 EUR	2017 EUR
Cost		
Balance at 1 January	**112.333**	110.000
Additions	**-**	2.333
Balance at 31 December	**112.333**	112.333
Depreciation		
Balance at 1 January	**7.388**	-
Charge for the year	**3.752**	7.388
Balance at 31 December	**11.140**	7.388
Net book amount		
Balance at 31 December	**101.193**	104.945

Investment properties include an apartment situated at 55 Milou street, Archangelos, Nicosia, Cyprus.

21. Investments in subsidiaries

	2018 EUR	2017 EUR
Balance at 1 January	**52.768.924**	44.767.167
Additions	**131.000**	4.634.289
Disposals	**-**	(851.462)
Fair value adjustment (Note 26)	**(7.015.446)**	4.218.930
Balance at 31 December	**45.884.478**	52.768.924

The details of the subsidiaries are as follows:

Name	Country of incorporation	Principal activities	2018 Holding %	2017 Holding %
Wing Hang Enterprises (Cyprus) Limited	Cyprus	Trading in financial instruments and receiving and granting of loans	100	100
Eyestorn Enterprises Limited	Cyprus	Holding of investments and receiving and granting of loans	95,10	95,10
Kirnione Holdings Limited	Cyprus	Trading in investments and investment of its funds	95,10	95,10
Lebset Developments Limited	Cyprus	Holding of investments	95,10	95,10
Mezorex Enterprises Limited	Cyprus	Holding of investments and investment of its funds	95,08	95,08

In 2019 the Company became the 100% shareholder of Eyestorn Enterprises Limited, Kirnione Holdings Limited and Lebset Developments Limited.

22. Debt investments at amortised cost

	2018 EUR	2017 EUR
Balance at 1 January	**14.834.181**	1.085.000
Additions	**4.325.200**	13.700.000
Redemption	**(4.785.000)**	-
Interest charged	**337.573**	99.765
Interest repayments	**(314.813)**	(50.584)
Balance at 31 December	**14.397.141**	14.834.181

The Company's debt investments are subject to a floating interest rate equal to annual Euro Libor rate on a drawing date plus a margin of 2,40% to 2,80% per annum, and are repayable between 2025 and 2027.

23. Trade and other receivables

	2018 EUR	2017 EUR
Trade receivables	**1.226**	550.481
Receivables from own subsidiaries (Note 29.2)	**1.115.000**	-
Shareholders' current accounts - debit balances (Note 29.3)	**-**	17.078
Deposits and prepayments	**495**	508
	1.116.721	568.067

The fair values of trade and other receivables due within one year approximate to their carrying amounts as presented above.

24. Cash and cash equivalents

	2018 EUR	2017 EUR
Hellenic Bank Public Company Ltd		
– EUR Current account	**-**	19.131
– USD Current account	**-**	79
– EUR Bank deposit	**-**	3.150
AstroBank Limited		
– EUR Current account	**-**	6.835
Promsvyazbank PJSC, Cyprus Branch		
– EUR Current account	**-**	229.003
EcommBX Limited		
– EUR Current account	**53.496**	-
	53.496	258.198

For the purposes of the statement of cash flows, the cash and cash equivalents include the following:

	2018 EUR	2017 EUR
Cash in hand	**1.075**	-
Cash at FinTech corporation	**53.496**	-
Cash at bank	**-**	255.048
Bank deposits	**-**	3.150
	54.571	258.198

24. Cash and cash equivalents (continued)

The exposure of the Company to credit risk and impairment losses in relation to cash and cash equivalents is reported in note 6 of the financial statements.

25. Share capital

	2018 Number of shares	**2018 EUR**	2017 Number of shares	2017 EUR
Authorised				
Ordinary shares of EUR 12,50 each	**183.600**	**2.295.000**	8.000	100.000
	183.600	**2.295.000**	8.000	100.000
		EUR		EUR
Issued and fully paid				
Balance at 1 January	**8.000**	**100.000**	400.000	100.000
Converted to 8.000 ordinary shares of EUR 12,50 each	-	-	(392.000)	-
Issue of shares	**166.172**	**2.077.150**	-	-
Balance at 31 December	**174.172**	**2.177.150**	8.000	100.000

Authorised capital

On 22 February, 2018 the authorised share capital of the Company was increased by 24.800 ordinary shares of nominal value of EUR 12,50 each.

On 4 June, 2018 the authorised share capital of the Company was increased by 120.800 ordinary shares of nominal value of EUR 12,50 each.

On 25 October, 2018 the authorised share capital of the Company was increased by 30.000 ordinary shares of nominal value of EUR 12,50 each.

Issued capital

On 16 March, 2018 the Company issued 18.789 ordinary shares of nominal value of EUR 12,50 each, at a premium of EUR 4,00 each.

On 4 June, 2018 the Company issued 74.132 ordinary shares of nominal value of EUR 12,50 each, at a premium of EUR 7,50 each.

On 25 October, 2018 the Company issued 73.251 ordinary shares of nominal value of EUR 12,50 each, at a premium of EUR 12,50 each.

26. Other reserves

	Share premium EUR	Fair value reserve - Financial assets at fair value through other comprehensive income EUR	Total EUR
Balance at 1 January 2017	-	23.700.499	23.700.499
Fair value adjustment (Note 21)	-	4.218.930	4.218.930
Balance at 31 December 2017/ 1 January 2018	-	**27.919.429**	**27.919.429**
Fair value adjustment (Note 21)	-	(7.015.446)	(7.015.446)
Issue of share capital	1.546.784	-	1.546.784
Balance at 31 December 2018	**1.546.784**	**20.903.983**	**22.450.767**

27. Trade and other payables

	2018 EUR	2017 EUR
Trade payables	**1.585**	4.647.255
Prepayments from clients	-	900
Social insurance and other taxes	**1.197**	1.309
Tenants deposits	**1.170**	450
Accruals	**49.217**	5.050
Other creditors	**385**	-
Defence tax on payable dividends	**18.726**	-
Defence tax on rent payable	-	(47)
	72.280	4.654.917

The fair values of trade and other payables due within one year approximate to their carrying amounts as presented above.

28. Current tax liabilities

	2018 EUR	2017 EUR
Corporation tax	**19.288**	8.629
Special contribution for defence	**113**	116
	19.401	8.745

29. Related party balances and transactions

The Company is listed to the Cyprus Stock Exchange Emerging Companies Market and its shares are spread towards various foreign and Cyprus based legal entities and various Cyprus resident and non-resident individuals.

29. Related party balances and transactions (continued)

The related party balances and transactions are as follows:

29.1 Directors' remuneration

The remuneration of Directors and other members of key management was as follows:

	2018	2017
	EUR	EUR
Directors' fees	27.000	30.000
Directors' remuneration	18.750	-
	45.750	30.000

29.2 Receivables from own subsidiaries (Note 23)

Name	Nature of transactions	2018	2017
		EUR	EUR
Wing Hang Enterprises (Cyprus) Limited	Dividends receivable	1.100.000	-
Mezorex Enterprises Limited	Dividends receivable	15.000	-
		1.115.000	-

The receivables from own subsidiaries were provided interest free, and there is no specified repayment date.

29.3 Shareholders' current accounts - debit balances (Note 23)

	2018	2017
	EUR	EUR
Receivables from shareholders	-	17.078
	-	17.078

The shareholders' current accounts are interest free, and have no specified repayment date.

30. Contingent liabilities

The Company had no contingent liabilities as at 31 December 2018.

31. Commitments

The Company had no capital or other commitments as at 31 December 2018.

32. Accounting policies up to 31 December 2017

Accounting policies applicable to the comparative period ended 31 December 2017 that were amended by IFRS 9 and IFRS 15, are as follows.

Revenue recognition

Revenues earned by the Company are recognised on the following bases:

Financial instruments

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

32. Accounting policies up to 31 December 2017 (continued)

Financial instruments (continued)

Trade receivables

Trade receivables are measured at initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Prepayments from clients

Payments received in advance on sale contracts for which no revenue has been recognised yet, are recorded as prepayments from clients as at the reporting date and carried under liabilities.

Loans granted

Loans originated by the Company by providing money directly to the borrower are categorised as loans and are carried at amortised cost. The amortised cost is the amount at which the loan granted is measured at initial recognition minus principal repayments, plus or minus the cumulative amortization using the effective interest rate method of any difference between the initial amount and the maturity amount, and minus any reduction for impairment or uncollectibility. All loans are recognised when cash is advanced to the borrower.

The effective interest rate method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability.

Financial assets

(1) Classification

The Company classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available for-sale financial assets. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of financial assets at initial recognition.

- Financial assets at fair value through profit or loss

  This category has two sub-categories: financial assets held for trading and those designated at fair value through profit or loss at inception. A financial asset is classified as held for trading if acquired principally for the purpose of selling in the short term. Financial assets designated as at fair value through profit or loss at inception are those that are managed and their performance is evaluated on a fair value basis, in accordance with the Company's documented investment strategy. Information about these financial assets is provided internally on a fair value basis to the Company's key management personnel. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within twelve months from the reporting date.

- Loans and receivables

  Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and for which there is no intention of trading the receivable. They are included in current assets, except for maturities greater than twelve months after the reporting date. These are classified as non-current assets. The Company's loans and receivables comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

32. Accounting policies up to 31 December 2017 (continued)

Financial instruments (continued)

Financial assets (continued)

- Held-to-maturity investments

  Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's Management has the positive intention and ability to hold to maturity, that do not meet the definition of loans and receivables. During the year, the Company did not hold any investments in this category.

- Available-for-sale financial assets

  Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets, unless Management intends to dispose of the investment within twelve months of the reporting date.

(2) Recognition and measurement

Regular way purchases and sales of financial assets are recognised on trade-date which is the date on which the Company commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in profit or loss. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of the "financial assets at fair value through profit or loss" category are presented in profit or loss in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the profit or loss when the Company's right to receive payments is established.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Company establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same and discounted cash flow analysis, making maximum use of market inputs and relying as little as possible on entity specific inputs. Equity investments for which fair values cannot be measured reliably are recognised at cost less impairment.

Changes in the fair value of monetary securities denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. The translation differences on monetary securities are recognised in profit or loss, while translation differences on non-monetary securities are recognised in other comprehensive income. Changes in the fair value of monetary and non-monetary securities classified as available-for-sale are recognised in other comprehensive income.

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in other comprehensive income are included in profit or loss as gains and losses on available-for-sale financial assets.

Interest on available-for-sale securities calculated using the effective interest method is recognised in the profit or loss. Dividends on available-for-sale equity instruments are recognised in profit or loss when the Company's right to receive payments is established.

32. Accounting policies up to 31 December 2017 (continued)

Financial instruments (continued)

Financial assets (continued)

The Company assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale securities the cumulative loss which is measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss, is removed from equity and recognised in profit or loss.

For financial assets measured at amortised cost, if in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of available-for-sale equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. In respect of available-for-sale debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

Derecognition of financial assets and liabilities

Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired;
- the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- the Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

33. Events after the reporting period

In 2019 the Company became the 100% shareholder of Eyestorn Enterprises Limited, Kirnione Holdings Limited and Lebset Developments Limited.

DETAILED INCOME STATEMENT
Year ended 31 December 2018

	Page	2018 EUR	2017 EUR
Revenue			
Dividend income		**4.665.000**	10.000.000
Interest income		**337.573**	99.766
Net loss on trading in financial instruments		**(53)**	-
Loss from sale of investments in subsidiaries		**-**	(301.462)
Total revenue		**5.002.520**	9.798.304
Cost of sales	39	**(51.041)**	-
Gross profit		**4.951.479**	9.798.304
Net rent receivable	40	**3.057**	4.105
Gross profit		**4.954.536**	9.802.409
Other operating income			
Amount payable written off		**-**	1.922
Net foreign exchange profit		**16**	-
		4.954.552	9.804.331
Operating expenses			
Administration expenses	41	**(275.942)**	(152.956)
		4.678.610	9.651.375
Other operating expenses			
Net foreign exchange loss		**-**	(29)
Operating profit		**4.678.610**	9.651.346
Finance income	42	**16**	-
Finance costs	42	**(11.252)**	(4.544)
Net profit for the year before tax		**4.667.374**	9.646.802

COST OF SALES
Year ended 31 December 2018

	2018 EUR	2017 EUR
Cost of sales		
Direct costs		
Interest expense	51.041	-
	51.041	-

RENTAL INCOME
Year ended 31 December 2018

	2018 EUR	2017 EUR
Rental income		
Rent receivable	**5.040**	5.140
Rental expenses		
Sewage	**40**	59
Property rates and taxes	**16**	15
Water supply and cleaning	**18**	-
Sundry expenses	**1.909**	961
	1.983	1.035
Net rent receivable	**3.057**	4.105

ADMINISTRATIVE EXPENSES

Year ended 31 December 2018

	2018 EUR	2017 EUR
Administration expenses		
Directors' remuneration	**18.750**	-
Staff salaries	**21.081**	-
Social security costs	**2.003**	-
Social cohesion fund	**422**	-
Rent	**3.600**	3.600
Common expenses	**2.255**	2.255
Municipality taxes	**444**	471
Annual levy	**350**	350
Repairs and maintenance	**940**	-
Sundry expenses	**2.804**	1.283
Telephone and postage	**6.227**	5.592
Courier expenses	**140**	206
Stationery and printing	**113**	262
Subscriptions and contributions	**5.000**	-
Share capital issue costs	**16.810**	-
Recruitment expenses	**3.984**	-
IT Services	**1.823**	2.571
Auditors' remuneration - current year	**21.260**	17.400
Auditors' remuneration - prior years	**9.500**	8.500
Legal fees	**21.441**	-
Custody fees	**289**	-
Directors' fees	**27.000**	30.000
Travelling	**11.291**	5.650
Entertaining	**590**	149
Secretarial services	**17.628**	10.110
Professional fees	**11.073**	5.455
Services paid	**34.253**	12.331
Consulting fees	**29.988**	31.575
Advertising expenses	**381**	7.233
Depreciation	**4.502**	7.963
	275.942	152.956

FINANCE INCOME/COST
Year ended 31 December 2018

	2018 EUR	2017 EUR
Finance income		
Bank interest	16	-
	16	-

	2018 EUR	2017 EUR
Finance costs		
Interest expense		
Bank overdraft interest	-	11
Interest on taxes	9	-
Sundry finance expenses		
Bank charges	11.243	4.533
	11.252	4.544

COMPUTATION OF DEFENCE CONTRIBUTION
Year ended 31 December 2018

	Income EUR	Rate	Defence € c
INTEREST			
Interest that was subject to deduction at source	16		
	16	30%	4,80
Less: deductions at source			(4,80)
RENTS			
Rent income	5.040		
25% deduction on total rents	(1.260)		
	3.780	3%	113,40
DEFENCE CONTRIBUTION DUE TO IRD			113,40

COMPUTATION OF CORPORATION TAX
Year ended 31 December 2018

	Page	EUR	EUR
Net profit per income statement	38		4.667.374
Add:			
Salaries with no contributions to the Social Insurance Fund		3.750	
Depreciation		4.502	
Loss from sale of debt investments at amortised cost		53	
Annual levy		350	
Property rates and taxes		16	
Share capital issue costs		16.810	
Interest on taxes		9	
Subscriptions and contributions		5.000	
Services paid		34.253	
Administration expenses restricted - trading in investments		94.479	
			159.222
			4.826.596
Less:			
Annual wear and tear allowances		4.502	
Net foreign exchange profit		16	
Dividends received		4.665.000	
Interest income		16	
			(4.669.534)
Chargeable income for the year			157.062
Losses surrendered to Company from Group companies			
Tax loss surrendered from Lebset Developments Limited			(16.783)
Chargeable income			140.279

Calculation of corporation tax	Income €	Rate %	Total € c
Tax at normal rates:			
Chargeable income as above	140.279	12,50	17.534,88
10% additional charge			1.753,49
TAX PAYABLE			19.288,37