

**VONPENDE HOLDINGS P.L.C.**  
**REPORT AND FINANCIAL STATEMENTS**  
Period from 1 January 2019 to 30 June 2019

**C.EFSTATHIOU**  
AUDIT LTD

Εγκριμένοι Λογιστές

Certified Public Accountants

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# VONPENDE HOLDINGS P.L.C.

## REPORT AND FINANCIAL STATEMENTS

Period from 1 January 2019 to 30 June 2019

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# VONPENDE HOLDINGS P.L.C.

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## BOARD OF DIRECTORS AND OTHER OFFICERS

<b>Board of Directors:</b>	Stella Koukounis Georgios Koufaris Marina Tsoy
<b>Company Secretary:</b>	Stella Koukounis
<b>Independent Auditors:</b>	C. Efstathiou Audit Ltd Certified Public Accountants and Registered Auditors 8 Kennedy Avenue Athienitis Building 2nd floor, Office 201 1087 Nicosia
<b>Business address:</b>	Akamantis Business Center Egypt street, 10 3rd floor, P.C. 1097, Nicosia, Cyprus
<b>Registered office:</b>	Chrysanthou Mylona, 2 Dali, P.C. 2540, Nicosia, Cyprus
<b>Bankers:</b>	Credit Suisse AG, Zurich EcommbX Limited
<b>Registration number:</b>	HE216944

# VONPENDE HOLDINGS P.L.C.

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## MANAGEMENT REPORT

The Board of Directors of Vonpende Holdings P.L.C. (the "Company") presents to the members its Management Report and audited financial statements of the Company for the period from 1 January 2019 to 30 June 2019.

### **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, the ownership and leasing of residential property, the trading in financial instruments and the receiving and granting of loans.

### **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 period are set out on page 7.

### **Dividends**

The Board of Directors does not recommend the payment of an interim dividend and the net profit for the period is retained (2018: EUR1.809.980).

The Board of Directors does not recommend the payment of a final dividend and the net profit for the period is retained (2018: EUR1.850.000).

### **Share capital**

There were no changes in the share capital of the Company during the period under review.

### **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.

### **Board of Directors**

The members of the Company's Board of Directors as at 30 June 2019 and at the date of this report are presented on page 1. All of them were members of the Board of Directors throughout the period from 1 January 2019 to 30 June 2019.

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.

# VONPENDE HOLDINGS P.L.C.

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## MANAGEMENT REPORT

### **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 Koukouris  
Director

Nicosia, 27 September, 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 34 and comprise the statement of financial position as at 30 June 2019, and the statements of profit or loss, comprehensive income, changes in equity and cash flows for the period from 1 January 2019 to 30 June 2019, 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 30 June 2019, and of its financial performance and its cash flows for the period from 1 January 2019 to 30 June 2019 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 35 to 41, 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.

## **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**

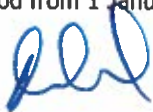
Pursuant to the additional requirements of the Auditors Law of 2017, we report the following:

- 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 period from 1 January 2019 to 30 June 2019.



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

Nicosia, 27 September, 2019



# VONPENDE HOLDINGS P.L.C.

## STATEMENT OF PROFIT OR LOSS

Period from 1 January 2019 to 30 June 2019

	Note	1.1.2019 to 30.6.2019 EUR	2018 EUR
<b>Revenue</b>	10	<b>2.400.805</b>	5.007.560
Cost of sales		<u>(17.102)</u>	<u>(53.024)</u>
<b>Gross profit</b>		<b>2.383.703</b>	4.954.536
Other operating income	11	<b>13.505</b>	16
Administration expenses		<u>(127.272)</u>	<u>(275.942)</u>
<b>Operating profit</b>	12	<b>2.269.936</b>	4.678.610
Net finance costs	14	<u>(2.823)</u>	<u>(11.236)</u>
<b>Profit before tax</b>		<b>2.267.113</b>	4.667.374
Tax	15	<u>(11.861)</u>	<u>(23.102)</u>
<b>Net profit for the period/year</b>		<b>2.255.252</b>	4.644.272
<b>Profit per share attributable to equity holders of the parent (EUR)</b>	16	<b>12,95</b>	26,66

The notes on pages 12 to 34 form an integral part of these financial statements.

# VONPENDE HOLDINGS P.L.C.

## STATEMENT OF COMPREHENSIVE INCOME

Period from 1 January 2019 to 30 June 2019

	<b>1.1.2019 to 30.6.2019</b>	<b>2018</b>
Note	<b>EUR</b>	<b>EUR</b>
<b>Net profit for the period/year</b>	<u><b>2.255.252</b></u>	<u>4.644.272</u>
<b>Other comprehensive income</b>		
Financial assets at fair value through other comprehensive income - Fair value gains/(losses)	20 <u><b>7.434.861</b></u>	<u>(7.015.446)</u>
<b>Other comprehensive income for the period after tax</b>	<u><b>7.434.861</b></u>	<u>(7.015.446)</u>
<b>Other comprehensive income for the period/year</b>	<u><b>9.690.113</b></u>	<u>(2.371.174)</u>

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The notes on pages 12 to 34 form an integral part of these financial statements.

# VONPENDE HOLDINGS P.L.C.

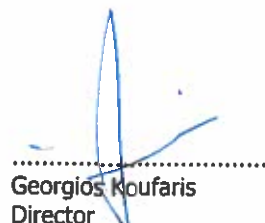
## STATEMENT OF FINANCIAL POSITION 30 June 2019

	Note	2019 EUR	2018 EUR
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	18	2.271	2.734
Investment properties	19	99.317	101.193
Investments in subsidiaries	20	54.188.504	45.884.478
Debt investments at amortised cost	21	14.401.201	14.397.141
Loans receivable	22	10.143.482	-
		<u>78.834.775</u>	<u>60.385.546</u>
<b>Current assets</b>			
Trade and other receivables	23	2.376	1.116.721
Cash and cash equivalents	24	49.073	54.571
		<u>51.449</u>	<u>1.171.292</u>
<b>Total assets</b>		<u><b>78.886.224</b></u>	<u><b>61.556.838</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	25	2.177.150	2.177.150
Share premium	26	1.546.784	1.546.784
Fair value reserve - Financial assets at fair value through other comprehensive income	26	28.338.844	20.903.983
Retained earnings		<u>39.092.492</u>	<u>36.837.240</u>
<b>Total equity</b>		<u><b>71.155.270</b></u>	<u><b>61.465.157</b></u>
<b>Non-current liabilities</b>			
Borrowings	27	<u>7.667.102</u>	-
		<u><b>7.667.102</b></u>	-
<b>Current liabilities</b>			
Trade and other payables	28	32.590	72.280
Current tax liabilities	29	<u>31.262</u>	<u>19.401</u>
		<u><b>63.852</b></u>	<u><b>91.681</b></u>
<b>Total liabilities</b>		<u><b>7.730.954</b></u>	<u><b>91.681</b></u>
<b>Total equity and liabilities</b>		<u><b>78.886.224</b></u>	<u><b>61.556.838</b></u>

On 27 September, 2019 the Board of Directors of Vonpende Holdings P.L.C. authorised these financial statements for issue.



Stella Koukounis  
Director



Georgios Koufaris  
Director

The notes on pages 12 to 34 form an integral part of these financial statements.

# VONPENDE HOLDINGS P.L.C.

## STATEMENT OF CHANGES IN EQUITY

Period from 1 January 2019 to 30 June 2019

	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
<b>Balance at 1 January 2018</b>		<b>100.000</b>	-	<b>27.919.429</b>	<b>35.852.948</b>	<b>63.872.377</b>
<b>Comprehensive income</b>						
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)
<b>Transactions with owners</b>						
Issue of share capital	25	2.077.150	1.546.784	-	-	3.623.934
Dividends	17	-	-	-	(3.659.980)	(3.659.980)
Total transactions with owners		2.077.150	1.546.784	-	(3.659.980)	(36.046)
<b>Balance at 31 December 2018/ 1 January 2019</b>		<b>2.177.150</b>	<b>1.546.784</b>	<b>20.903.983</b>	<b>36.837.240</b>	<b>61.465.157</b>
<b>Comprehensive income</b>						
Net profit for the period		-	-	-	2.255.252	2.255.252
Other comprehensive income for the period		-	-	7.434.861	-	7.434.861
<b>Balance at 30 June 2019</b>		<b>2.177.150</b>	<b>1.546.784</b>	<b>28.338.844</b>	<b>39.092.492</b>	<b>71.155.270</b>

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.

The notes on pages 12 to 34 form an integral part of these financial statements.

# VONPENDE HOLDINGS P.L.C.

## STATEMENT OF CASH FLOWS

Period from 1 January 2019 to 30 June 2019

	Note	1.1.2019 to 30.6.2019 EUR	2018 EUR
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Profit before tax</b>		<b>2.267.113</b>	4.667.374
Adjustments for:			
Depreciation of property, plant and equipment and investment properties		2.339	4.502
Dividend income	10	(2.212.303)	(4.665.000)
	10 &		
Interest income	14	(184.992)	(337.589)
Interest expense	14	17.219	9
		(110.624)	(330.704)
<b>Changes in working capital:</b>			
Decrease/(increase) in trade and other receivables		1.114.345	(548.654)
Decrease in bank deposits		-	3.150
Decrease in trade and other payables		(39.690)	(4.582.637)
<b>Cash generated from/(used in) operations</b>		<b>964.031</b>	(5.458.845)
Interest received		157.450	314.813
Dividends received		2.212.303	4.665.000
Tax paid		-	(12.446)
<b>Net cash generated from/(used in) operating activities</b>		<b>3.333.784</b>	(491.478)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payment for purchase of property, plant and equipment	18	-	(1.760)
Payment for purchase of investments in subsidiaries	20	(869.165)	(131.000)
Payment for purchase of financial assets at amortised cost	21	-	(4.325.200)
Loans granted		(10.120.000)	-
Proceeds from sale of financial assets at amortised cost		-	4.785.000
Interest received		-	16
<b>Net cash (used in)/generated from investing activities</b>		<b>(10.989.165)</b>	327.056
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of share capital		-	3.623.934
Proceeds from borrowings		7.650.000	-
Interest paid		(117)	(9)
Dividends paid		-	(3.659.980)
<b>Net cash generated from/(used in) financing activities</b>		<b>7.649.883</b>	(36.055)
<b>Net decrease in cash and cash equivalents</b>		<b>(5.498)</b>	(200.477)
Cash and cash equivalents at beginning of the period/year		54.571	255.048
<b>Cash and cash equivalents at end of the period/year</b>	24	<b>49.073</b>	54.571

The notes on pages 12 to 34 form an integral part of these financial statements.

# VONPENDE HOLDINGS P.L.C.

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## NOTES TO THE FINANCIAL STATEMENTS

Period from 1 January 2019 to 30 June 2019

### 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 Chrysanthou Mylona, 2, Dali, P.C. 2540, Nicosia, Cyprus.

#### Principal activity

The principal activities of the Company comprise the holding of investments, the ownership and leasing of residential property, the trading in financial instruments and the receiving and granting of loans.

### 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 as modified by the revaluation of investments in subsidiaries which are classified as financial assets at fair value through other comprehensive income.

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 Office no. 306, Vesper floor 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 period from 1 January 2019 to 30 June 2019 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 period 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 2019. 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. These policies have been consistently applied to all years presented in these financial statements unless otherwise stated.

#### 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 financial assets at fair value through other comprehensive income and are measured at fair value. Gains or losses on investments in subsidiary companies are recognised directly in equity, through the statement of other comprehensive income.

# VONPENDE HOLDINGS P.L.C.

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## NOTES TO THE FINANCIAL STATEMENTS

Period from 1 January 2019 to 30 June 2019

### 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

- **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 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.

#### 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.

#### 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.

# VONPENDE HOLDINGS P.L.C.

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## NOTES TO THE FINANCIAL STATEMENTS

Period from 1 January 2019 to 30 June 2019

### 4. Significant accounting policies (continued)

#### 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.

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.



# VONPENDE HOLDINGS P.L.C.

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## NOTES TO THE FINANCIAL STATEMENTS

Period from 1 January 2019 to 30 June 2019

### 4. Significant accounting policies (continued)

#### 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).

#### 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.

# VONPENDE HOLDINGS P.L.C.

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## NOTES TO THE FINANCIAL STATEMENTS

Period from 1 January 2019 to 30 June 2019

### 4. Significant accounting policies (continued)

#### Financial assets - Measurement (continued)

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.

#### 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.

# VONPENDE HOLDINGS P.L.C.

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## NOTES TO THE FINANCIAL STATEMENTS

Period from 1 January 2019 to 30 June 2019

### 4. Significant accounting policies (continued)

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

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.

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.

# VONPENDE HOLDINGS P.L.C.

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## NOTES TO THE FINANCIAL STATEMENTS

Period from 1 January 2019 to 30 June 2019

### 4. Significant accounting policies (continued)

#### 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.

#### 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.

# VONPENDE HOLDINGS P.L.C.

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## NOTES TO THE FINANCIAL STATEMENTS

Period from 1 January 2019 to 30 June 2019

### 4. Significant accounting policies (continued)

#### 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 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.

#### 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.

#### Non-current liabilities

Non-current liabilities represent amounts that are due more than twelve months from the reporting date.

#### 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.

# VONPENDE HOLDINGS P.L.C.

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## NOTES TO THE FINANCIAL STATEMENTS

Period from 1 January 2019 to 30 June 2019

### 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 fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company's income and operating cash inflows are substantially independent of changes in market interest rates as the Company has no significant interest-bearing assets and liabilities.

#### 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 (loans and bonds from related parties and third parties, respectively)
- cash and cash equivalents

While trade receivables, financial assets at amortised cost and cash and cash equivalents are subject to impairment requirements of IFRS 9, the identified impairment loss was immaterial.

#### 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.

# VONPENDE HOLDINGS P.L.C.

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## NOTES TO THE FINANCIAL STATEMENTS

Period from 1 January 2019 to 30 June 2019

### 6. Financial risk management (continued)

#### 6.2 Credit risk (continued)

##### *(ii) Impairment of financial assets (continued)*

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 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.

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

Other financial assets at amortised cost include

##### *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

# VONPENDE HOLDINGS P.L.C.

## NOTES TO THE FINANCIAL STATEMENTS

Period from 1 January 2019 to 30 June 2019

### 6. Financial risk management (continued)

#### 6.2 Credit risk (continued)

##### (ii) Impairment of financial assets (continued)

- 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.

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 for a prolonged period of time. 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.

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



# VONPENDE HOLDINGS P.L.C.

## NOTES TO THE FINANCIAL STATEMENTS

Period from 1 January 2019 to 30 June 2019

### 6. Financial risk management (continued)

#### 6.2 Credit risk (continued)

##### (ii) Impairment of financial assets (continued)

Interest bearing loans are provided to related parties including key management personnel and directors. The Company does not require the related parties to pledge collateral as security against the loans.

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 30 June 2019.

#### Loans to related parties

##### Company internal credit rating

	Gross carrying amount EUR	(Loss allowance) EUR	Carrying amount (net of impairment provision) EUR
Performing	<u>10.143.482</u>	-	<u>10.143.482</u>
<b>Total loans to related parties</b>	<u>10.143.482</u>	-	<u>10.143.482</u>

#### Cash and cash equivalents

##### Company internal credit rating

	External credit rating	Gross carrying amount EUR	(Loss allowance) EUR	Carrying amount (net of impairment provision) EUR
Performing	AAA - A	<u>49.073</u>	-	<u>49.073</u>
<b>Total cash and cash equivalents</b>		<u>49.073</u>	-	<u>49.073</u>

#### 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.

#### 6.4 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.

# VONPENDE HOLDINGS P.L.C.

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## NOTES TO THE FINANCIAL STATEMENTS

Period from 1 January 2019 to 30 June 2019

### 6. Financial risk management (continued)

#### 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 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.

# VONPENDE HOLDINGS P.L.C.

## NOTES TO THE FINANCIAL STATEMENTS

Period from 1 January 2019 to 30 June 2019

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

#### • 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).

<b>30 June 2019</b>	Level 1 EUR	Level 2 EUR	Level 3 EUR	Total EUR
<b>Assets measured at fair value</b>				
Financial assets at fair value through other comprehensive income (Note 20)				
Investments in subsidiaries	-	-	54.188.504	54.188.504
<b>Total</b>	<b>-</b>	<b>-</b>	<b>54.188.504</b>	<b>54.188.504</b>
<b>31 December 2018</b>	Level 1 EUR	Level 2 EUR	Level 3 EUR	Total EUR
<b>Assets measured at fair value</b>				
Financial assets at fair value through other comprehensive income (Note 20)				
Investments in subsidiaries	-	-	45.884.478	45.884.478
<b>Total</b>	<b>-</b>	<b>-</b>	<b>45.884.478</b>	<b>45.884.478</b>

#### Transfers between levels

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

#### 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 EUR	Total EUR
<b>Balance at 1 January</b>	<b>45.884.478</b>	<b>45.884.478</b>
Total gains or losses: in profit or loss in other comprehensive income	7.434.861	7.434.861
Additions	869.165	869.165
<b>Balance at 30 June</b>	<b>54.188.504</b>	<b>54.188.504</b>

# VONPENDE HOLDINGS P.L.C.

## NOTES TO THE FINANCIAL STATEMENTS

Period from 1 January 2019 to 30 June 2019

### 8. Fair value measurement (continued)

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

<u>Description</u>	<u>Fair value at 30 June 2019</u> <u>Valuation technique</u> <u>EUR</u>
Investments in subsidiaries	54.188.504 Net Asset Value

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

### 9. Segmental analysis

#### 1.1.2019 to 30.6.2019

	<b>Investment activities</b> <b>EUR</b>	<b>Total</b> <b>EUR</b>
Revenue	<b>2.400.805</b>	<b>2.400.805</b>
Profit before tax	<b>2.267.113</b>	<b>2.267.113</b>
Assets	<b>78.886.224</b>	<b>78.886.224</b>
Liabilities	<b>7.730.954</b>	<b>7.730.954</b>
Depreciation	<b>463</b>	<b>463</b>

	<b>Investment activities</b> <b>EUR</b>	<b>Total</b> <b>EUR</b>
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

### 10. Revenue

	<b>1.1.2019 to 30.6.2019</b> <b>EUR</b>	<b>2018</b> <b>EUR</b>
Dividend income	<b>2.212.303</b>	4.665.000
Interest income	<b>184.992</b>	337.573
Net loss on trading in financial instruments	-	(53)
Rental income	<b>3.510</b>	5.040
	<b>2.400.805</b>	<b>5.007.560</b>

# VONPENDE HOLDINGS P.L.C.

## NOTES TO THE FINANCIAL STATEMENTS

Period from 1 January 2019 to 30 June 2019

### 11. Other operating income

	<b>1.1.2019 to 30.6.2019</b>	<b>2018</b>
	<b>EUR</b>	<b>EUR</b>
Net foreign exchange profit	-	16
Other income	<u>13.505</u>	<u>-</u>
	<u><b>13.505</b></u>	<u><b>16</b></u>

### 12. Operating profit

	<b>1.1.2019 to 30.6.2019</b>	<b>2018</b>
	<b>EUR</b>	<b>EUR</b>
Operating profit is stated after charging the following items:		
Depreciation of property, plant and equipment (Note 18)	463	750
Depreciation of investment property (Note 19)	1.876	3.752
Directors' fees	17.000	27.000
Staff costs including Directors in their executive capacity (Note 13)	28.857	42.256
Auditors' remuneration - current period	5.760	21.260
Auditors' remuneration - prior years	10.500	9.500
Direct operating expenses arising from investment properties	<u>-</u>	<u>1.983</u>

### 13. Staff costs

	<b>1.1.2019 to 30.6.2019</b>	<b>2018</b>
	<b>EUR</b>	<b>EUR</b>
Salaries	26.100	39.831
Social security costs	2.385	2.003
Social cohesion fund	<u>372</u>	<u>422</u>
	<u><b>28.857</b></u>	<u><b>42.256</b></u>
Average number of employees (including Directors in their executive capacity)	<u><b>4</b></u>	<u><b>4</b></u>

### 14. Finance income/(costs)

	<b>1.1.2019 to 30.6.2019</b>	<b>2018</b>
	<b>EUR</b>	<b>EUR</b>
Interest income	<u>-</u>	<u>16</u>
<b>Finance income</b>	<u><b>-</b></u>	<u><b>16</b></u>
Interest expense	(117)	(9)
Sundry finance expenses	<u>(2.706)</u>	<u>(11.243)</u>
<b>Finance costs</b>	<u><b>(2.823)</b></u>	<u><b>(11.252)</b></u>
<b>Net finance costs</b>	<u><b>(2.823)</b></u>	<u><b>(11.236)</b></u>

# VONPENDE HOLDINGS P.L.C.

## NOTES TO THE FINANCIAL STATEMENTS

Period from 1 January 2019 to 30 June 2019

### 15. Tax

	<b>1.1.2019 to 30.6.2019</b>	2018
	<b>EUR</b>	EUR
Corporation tax	<b>11.782</b>	19.288
Defence contribution	<b>79</b>	118
Defence on dividends payable	<b>-</b>	3.696
<b>Charge for the period/year</b>	<b><u>11.861</u></b>	<b><u>23.102</u></b>

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.

### 16. Profit per share attributable to equity holders of the parent

	<b>1.1.2019 to 30.6.2019</b>	2018
<b>Profit attributable to shareholders (EUR)</b>	<b><u>2.255.252</u></b>	<u>4.644.272</u>
Weighted average number of ordinary shares in issue during the period	<b><u>174.172</u></b>	<u>174.172</u>
<b>Profit per share attributable to equity holders of the parent (EUR)</b>	<b><u>12,95</u></b>	<b><u>26,66</u></b>

The Company's share price as at 30 June 2019 in Cyprus Stock Exchange Emerging Companies Market was EUR 16,40 (31 December 2018: EUR 16,40).

### 17. Dividends

	<b>1.1.2019 to 30.6.2019</b>	2018
	<b>EUR</b>	EUR
Interim dividend paid	<b>-</b>	1.809.980
Final dividend paid	<b>-</b>	1.850.000
	<b><u>-</u></b>	<b><u>3.659.980</u></b>

The Board of Directors does not recommend the payment of an interim dividend and the net profit for the period is retained (2018: EUR1.809.980).

The Board of Directors does not recommend the payment of a final dividend and the net profit for the period is retained (2018: EUR1.850.000).

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.

# VONPENDE HOLDINGS P.L.C.

## NOTES TO THE FINANCIAL STATEMENTS

Period from 1 January 2019 to 30 June 2019

### 18. Property, plant and equipment

	Computer hardware and operating systems EUR	Total EUR
<b>Cost</b>		
Balance at 1 January 2018	2.874	2.874
Additions	<u>1.760</u>	<u>1.760</u>
<b>Balance at 31 December 2018/ 1 January 2019</b>	<b><u>4.634</u></b>	<b><u>4.634</u></b>
<b>Balance at 30 June 2019</b>	<b><u>4.634</u></b>	<b><u>4.634</u></b>
<b>Depreciation</b>		
Balance at 1 January 2018	1.150	1.150
Charge for the period	<u>750</u>	<u>750</u>
<b>Balance at 31 December 2018/ 1 January 2019</b>	<b><u>1.900</u></b>	<b><u>1.900</u></b>
Charge for the period	<u>463</u>	<u>463</u>
<b>Balance at 30 June 2019</b>	<b><u>2.363</u></b>	<b><u>2.363</u></b>
<b>Net book amount</b>		
<b>Balance at 30 June 2019</b>	<b><u>2.271</u></b>	<b><u>2.271</u></b>
<b>Balance at 31 December 2018</b>	<b><u>2.734</u></b>	<b><u>2.734</u></b>

### 19. Investment properties

	2019 EUR	2018 EUR
<b>Cost</b>		
Balance at 1 January	<u>112.333</u>	112.333
<b>Balance at 30 June/31 December</b>	<b><u>112.333</u></b>	<u>112.333</u>
<b>Depreciation</b>		
Balance at 1 January	11.140	7.388
Charge for the period	<u>1.876</u>	<u>3.752</u>
<b>Balance at 30 June/31 December</b>	<b><u>13.016</u></b>	<u>11.140</u>
<b>Net book amount</b>		
<b>Balance at 30 June/31 December</b>	<b><u>99.317</u></b>	<u>101.193</u>

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

# VONPENDE HOLDINGS P.L.C.

## NOTES TO THE FINANCIAL STATEMENTS

Period from 1 January 2019 to 30 June 2019

### 20. Investments in subsidiaries

	2019 EUR	2018 EUR
Balance at 1 January	45.884.478	52.768.924
Additions	869.165	131.000
Fair value adjustment (Note 26)	<u>7.434.861</u>	<u>(7.015.446)</u>
<b>Balance at 30 June/31 December</b>	<b><u>54.188.504</u></b>	<b><u>45.884.478</u></b>

The details of the subsidiaries are as follows:

<u>Name</u>	<u>Country of incorporation</u>	<u>Principal activities</u>	2019 Holding %	2018 Holding %
Wing Hang Enterprises (Cyprus) Limited	Cyprus	Trading in financial instruments and the receiving and granting of loans	100	100
Eyestorn Enterprises Limited	Cyprus	Holding of investments and the receiving and granting of loans	100	95,10
Kirnione Holdings Limited	Cyprus	Holding of investments and the receiving and granting of loans	100	95,10
Lebset Developments Limited	Cyprus	Holding of investments	100	95,10
Mezorex Enterprises Limited	Cyprus	Holding of investments	95,08	95,08
Winncom Technologies Holding Limited	Ireland	Investment holding company	67	-
Linxtion Investments Limited	Cyprus	Holding of investments	99	-

During the period the Company acquired the 67% and 99% of the share capital in Winncom Technologies Holding Limited (Ireland) and Linxtion Investments Limited (Cyprus), respectively.

### 21. Debt investments at amortised cost

	2019 EUR	2018 EUR
Balance at 1 January	14.397.141	14.834.181
Additions	-	4.325.200
Redemption	-	(4.785.000)
Interest charged	161.510	337.573
Interest repayments	<u>(157.450)</u>	<u>(314.813)</u>
<b>Balance at 30 June/31 December</b>	<b><u>14.401.201</u></b>	<b><u>14.397.141</u></b>

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 2026 and 2028.

### 22. Loans receivable

	2019 EUR	2018 EUR
Loans to own subsidiaries (Note 30.3)	<u>10.143.482</u>	-
Less current portion	-	-
Non-current portion	<u>10.143.482</u>	-



# VONPENDE HOLDINGS P.L.C.

## NOTES TO THE FINANCIAL STATEMENTS

Period from 1 January 2019 to 30 June 2019

### 22. Loans receivable (continued)

The loans are repayable as follows:

	2019 EUR	2018 EUR
Between one and five years	<u>10.143.482</u>	-

The exposure of the Company to credit risk in relation to loans receivable is reported in note 6 of the financial statements.

The fair values of non-current receivables approximate to their carrying amounts as presented above.

### 23. Trade and other receivables

	2019 EUR	2018 EUR
Trade receivables	1.226	1.226
Receivables from own subsidiaries (Note 30.2)	-	1.115.000
Deposits and prepayments	<u>1.150</u>	<u>495</u>
	<u>2.376</u>	<u>1.116.721</u>

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

For a summary of key terms and conditions relating to the balances with related parties, refer to note 30 of the financial statements.

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

### 24. Cash and cash equivalents

	1.1.2019 to 30.6.2019 EUR	2018 EUR
Credit Suisse AG, Zurich		
– Current account - EUR	16.501	-
– Current account - USD	(15)	-
– Visa - EUR	23.970	-
EcommBX Limited		
– Cash at FinTech corporation - EUR	<u>7.542</u>	<u>53.496</u>
	<u>47.998</u>	<u>53.496</u>

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

	2019 EUR	2018 EUR
Cash in hand	1.075	1.075
Cash at FinTech corporation	7.542	53.496
Cash at bank	<u>40.456</u>	-
	<u>49.073</u>	<u>54.571</u>

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.

# VONPENDE HOLDINGS P.L.C.

## NOTES TO THE FINANCIAL STATEMENTS

Period from 1 January 2019 to 30 June 2019

### 25. Share capital

	2019 Number of shares	2019 EUR	2018 Number of shares	2018 EUR
<b>Authorised</b>				
Ordinary shares of EUR 12,50 each	<u>183.600</u>	<u>2.295.000</u>	183.600	2.295.000
	<u>183.600</u>	<u>2.295.000</u>	183.600	2.295.000
<b>Issued and fully paid</b>				
Balance at 1 January	174.172	2.177.150	8.000	100.000
Issue of shares	-	-	166.172	2.077.150
<b>Balance at 30 June/31 December</b>	<u>174.172</u>	<u>2.177.150</u>	<u>174.172</u>	<u>2.177.150</u>

### 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 2018	-	27.919.429	27.919.429
Fair value adjustment (Note 20)	-	(7.015.446)	(7.015.446)
Issue of share capital (Note 25)	1.546.784	-	1.546.784
<b>Balance at 31 December 2018/ 1 January 2019</b>	<u>1.546.784</u>	<u>20.903.983</u>	<u>22.450.767</u>
Fair value adjustment (Note 20)	-	7.434.861	7.434.861
<b>Balance at 30 June 2019</b>	<u>1.546.784</u>	<u>28.338.844</u>	<u>29.885.628</u>

The fair value reserve for investments represents accumulated gains and losses arising on the revaluation of investments in subsidiaries that have been recognised in other comprehensive income, net of amounts reclassified to profit or loss when those assets have been disposed of.

### 27. Borrowings

	2019 EUR	2018 EUR
<b>Non-current borrowings</b>		
Trade loans payable	<u>7.667.102</u>	-
Maturity of non-current borrowings:		
Between one to two years	<u>7.667.102</u>	-
	<u>7.667.102</u>	-

# VONPENDE HOLDINGS P.L.C.

## NOTES TO THE FINANCIAL STATEMENTS

Period from 1 January 2019 to 30 June 2019

### 28. Trade and other payables

	2019	2018
	EUR	EUR
Trade payables	2.383	1.585
Social insurance and other taxes	1.773	1.197
Tenants deposits	1.170	1.170
Accruals	26.837	49.217
Other creditors	468	385
Defence tax on payable dividends	-	18.726
Defence tax on rent payable	(41)	-
	<u>32.590</u>	<u>72.280</u>

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

### 29. Current tax liabilities

	2019	2018
	EUR	EUR
Corporation tax	31.070	19.288
Special contribution for defence	192	113
	<u>31.262</u>	<u>19.401</u>

### 30. Related party 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.

The following transactions were carried out with related parties:

#### 30.1 Directors' remuneration

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

	1.1.2019 to	2018
	30.6.2019	EUR
	EUR	EUR
Directors' fees	17.000	27.000
Directors' remuneration	7.500	18.750
	<u>24.500</u>	<u>45.750</u>

#### 30.2 Receivables from own subsidiaries (Note 23)

Name	Nature of transactions	2019	2018
		EUR	EUR
Wing Hang Enterprises (Cyprus) Limited	Dividends receivable	-	1.100.000
Mezorex Enterprises Limited	Dividends receivable	-	15.000
		<u>-</u>	<u>1.115.000</u>

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

# VONPENDE HOLDINGS P.L.C.

## NOTES TO THE FINANCIAL STATEMENTS

Period from 1 January 2019 to 30 June 2019

### 30. Related party transactions (continued)

#### 30.3 Loans to own subsidiaries (Note 22)

	2019 EUR	2018 EUR
Kirnione Holdings Limited	<u>10.143.482</u>	-
	<u>10.143.482</u>	-

The loan to subsidiary company Kirnione Holdings Limited bears interest at the Euro Libor rate on a drawing date plus a margin of 3% per annum, and is repayable by 19 May 2021. During the period, interest income of EUR 23.482 was recognised in the statement of profit or loss and other comprehensive income.

### 31. Contingent liabilities

The Company had no contingent liabilities as at 30 June 2019.

### 32. Commitments

The Company had no capital or other commitments as at 30 June 2019.

### 33. Events after the reporting period

On 11 July, 2019 the Company purchased additional 1% in the share capital of subsidiary company Linxton Investments Limited, thus increasing its percentage shareholding in the latter to 100%.

On the same date, the Company paid the amount of EUR 10.000 as 1st installment of provisional taxation to its EUR 160.000 estimated chargeable income for the year 2019.

The 1.500 Subordinated Contingent Convertible Bonds (debt investments at amortised cost) of total nominal value of EUR 1.500.000 held by the Company were redeemed on 31 July 2019.

On 5 September 2019 the Company subscribed for 12.820 corporate Bonds, at a nominal value of EUR 1.000 each, which were settled by the way of exchanging 12.820 existing Bonds of equal value.

**Independent auditor's report on pages 4 to 6**

# VONPENDE HOLDINGS P.L.C.

## DETAILED INCOME STATEMENT

Period from 1 January 2019 to 30 June 2019

	Page	1.1.2019 to 30.6.2019 EUR	2018 EUR
<b>Revenue</b>			
Dividend income		<b>2.212.303</b>	4.665.000
Interest income		<b>184.992</b>	337.573
Net loss on trading in financial instruments		-	(53)
<b>Total revenue</b>		<b>2.397.295</b>	5.002.520
Cost of sales	36	<b>(17.102)</b>	(51.041)
<b>Gross profit</b>		<b>2.380.193</b>	4.951.479
Net rent receivable	37	<b>3.510</b>	3.057
<b>Gross profit</b>		<b>2.383.703</b>	4.954.536
<b>Other operating income</b>			
Other income		<b>13.505</b>	-
Net foreign exchange profit		-	16
		<b>2.397.208</b>	4.954.552
<b>Operating expenses</b>			
Administration expenses	38	<b>(127.272)</b>	(275.942)
<b>Operating profit</b>		<b>2.269.936</b>	4.678.610
Finance income	39	-	16
Finance costs	39	<b>(2.823)</b>	(11.252)
<b>Net profit for the period/year before tax</b>		<b>2.267.113</b>	4.667.374

# VONPENDE HOLDINGS P.L.C.

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## COST OF SALES

Period from 1 January 2019 to 30 June 2019

	<b>1.1.2019 to 30.6.2019 EUR</b>	<b>2018 EUR</b>
<b>Cost of sales</b>		
<b>Direct costs</b>		
Interest expense	<u>17.102</u>	<u>51.041</u>
	<u>17.102</u>	<u>51.041</u>

# VONPENDE HOLDINGS P.L.C.

## RENTAL INCOME

Period from 1 January 2019 to 30 June 2019

	<b>1.1.2019 to 30.6.2019 EUR</b>	<b>2018 EUR</b>
<b>Rental income</b>		
Rent receivable	<u>3.510</u>	<u>5.040</u>
<b>Rental expenses</b>		
Sewage	-	40
Property rates and taxes	-	16
Water supply and cleaning	-	18
Sundry expenses	<u>-</u>	<u>1.909</u>
	<u>-</u>	<u>1.983</u>
<b>Net rent receivable</b>	<u><u>3.510</u></u>	<u><u>3.057</u></u>

# VONPENDE HOLDINGS P.L.C.

## ADMINISTRATIVE EXPENSES

Period from 1 January 2019 to 30 June 2019

	<b>1.1.2019 to 30.6.2019 EUR</b>	<b>2018 EUR</b>
<b>Administration expenses</b>		
Directors' remuneration	<b>7.500</b>	18.750
Staff salaries	<b>18.600</b>	21.081
Social security costs	<b>1.860</b>	2.003
Medical fund	<b>525</b>	-
Social cohesion fund	<b>372</b>	422
Rent	<b>1.800</b>	3.600
Common expenses	<b>1.389</b>	2.255
Municipality taxes	-	444
Annual levy	<b>350</b>	350
Repairs and maintenance	-	940
Sundry expenses	<b>1.238</b>	2.804
Telephone and postage	<b>3.548</b>	6.227
Courier expenses	-	140
Stationery and printing	<b>55</b>	113
Subscriptions and contributions	-	5.000
Share capital issue costs	-	16.810
Recruitment expenses	-	3.984
IT Services	<b>499</b>	1.823
Auditors' remuneration - current period	<b>5.760</b>	21.260
Auditors' remuneration - prior years	<b>10.500</b>	9.500
Legal fees	<b>548</b>	21.441
Other professional fees	<b>5.950</b>	11.073
Secretarial fees	<b>4.942</b>	17.628
Custody fees	-	289
Directors' fees	<b>17.000</b>	27.000
Stamp duty	<b>5.342</b>	-
Travelling	<b>13.587</b>	11.291
Entertaining	-	590
Secretarial fees - prior years	<b>(21.441)</b>	-
Valuation fees	<b>10.740</b>	-
Services paid	<b>2.914</b>	34.253
Consulting fees	<b>24.784</b>	29.988
Advertising expenses	<b>6.571</b>	381
Depreciation	<b>2.339</b>	4.502
	<b><u>127.272</u></b>	<b><u>275.942</u></b>



# VONPENDE HOLDINGS P.L.C.

## FINANCE INCOME/COST

Period from 1 January 2019 to 30 June 2019

	<b>1.1.2019 to 30.6.2019 EUR</b>	<b>2018 EUR</b>
<b>Finance income</b>		
Bank interest	<u>-</u>	<u>16</u>
	<u>-</u>	<u>16</u>
 <b>Finance costs</b>		
<b>Interest expense</b>		
Bank overdraft interest	<b>117</b>	-
Interest on taxes	-	9
 <b>Sundry finance expenses</b>		
Bank charges	<u>2.706</u>	<u>11.243</u>
	<u>2.823</u>	<u>11.252</u>

## VONPENDE HOLDINGS P.L.C.

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### COMPUTATION OF DEFENCE CONTRIBUTION

Period from 1 January 2019 to 30 June 2019

	Income EUR	Rate	Defence € c
<b>RENTS</b>			
Rent income	3.510		
25% deduction on total rents	<u>(878)</u>		
	<u>2.632</u>	3%	<u>78,96</u>
<b>DEFENCE CONTRIBUTION DUE TO IRD</b>			<u>78,96</u>

# VONPENDE HOLDINGS P.L.C.

## COMPUTATION OF CORPORATION TAX

Period from 1 January 2019 to 30 June 2019

	Page	EUR	EUR
Net profit per income statement	35		2.267.113
<u>Add:</u>			
Depreciation		2.339	
Annual levy		350	
Administration expenses restricted - trading in investments		85.526	
Services paid		<u>1.627</u>	
			<u>89.842</u>
			2.356.955
<u>Less:</u>			
Annual wear and tear allowances		2.339	
Dividends received		<u>2.212.303</u>	
			<u>(2.214.642)</u>
<b>Chargeable income for the year</b>			<b>142.313</b>
Losses surrendered to Company from Group companies			
Losses surrendered to Company from Eyestorn Enterprises Limited			(7.511)
Losses surrendered to Company from Kirmione Holdings Limited			(17.076)
Losses surrendered to Company from Lebset Developments Limited			<u>(32.038)</u>
<b>Chargeable income</b>			<b><u>85.688</u></b>
<b><u>Calculation of corporation tax</u></b>			
	Income	Rate	Total
	€	%	€ c
<b>Tax at normal rates:</b>			
Chargeable income as above	<u>85.688</u>	12,50	10.711,00
10% additional charge			<u>1.071,10</u>
<b>TAX PAYABLE</b>			<b><u>11.782,10</u></b>