

AEONIC SECURITIES C.I.F. PLC

REPORT AND CONSOLIDATED FINANCIAL
STATEMENTS

31 December 2018

AEONIC SECURITIES C.I.F. PLC

REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

31 December 2018

CONTENTS

PAGE

Board of Directors and other officers	1
Management Report	2 - 3
Independent auditor's report	4 - 6
Consolidated statement of profit or loss and other comprehensive income	7
Consolidated statement of financial position	8
Consolidated statement of changes in equity	9
Consolidated cash flow statement	10
Notes to the consolidated financial statements	11 - 27

AEONIC SECURITIES C.I.F. PLC

BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors:	Alexandros Sinos Serafeim Charalampidis Stephanos Kazantzis Panagiotis Brouskaris Evangelos Drympetas Gloria Chrysafi
Company Secretary:	Gloria Chrysafi
Independent Auditors:	C&N Auditors Ltd Chartered Certified Accountants 10 Yianni Kranidioti 2nd Floor Office 201 1065 Nicosia, Cyprus
Registered office:	Laiou 6 Anna City Court Block B, Flat 301 3015 Limassol Cyprus
Registration number:	HE 304867

AEONIC SECURITIES C.I.F. PLC

MANAGEMENT REPORT

The Board of Directors presents its report and audited consolidated financial statements of the Company and its subsidiaries (together with the Company, the "Group") for the year ended 31 December 2018.

Incorporation

The Company AEONIC SECURITIES C.I.F. PLC was incorporated in Cyprus on 19th of April 2012 as a private limited liability company under the provisions of the Cyprus Companies Law, Cap. 113.

The Company AEONIC INVESTMENTS LTD was incorporated in Cyprus on 12th of December 2014 as a private limited liability company under the provisions of the Cyprus Companies Law, Cap. 113.

Principal activities and nature of operations of the Group

The Company is a Cyprus Investment Firm ("C.I.F.") and in accordance with the license no.177/12 granted by the Cyprus Securities and Exchange Commission ("CySEC") on 4 September 2012.

The principal activities of the company comprise the provision of investment services, including reception and transmission of orders in relation to one or more financial instruments and execution of orders on behalf of clients in relation to one or more financial instruments.

In addition, the Company provides ancillary services, which comprise the safekeeping and administration of financial instruments, including custodianship and related services, advice to undertakings on capital structure, industrial strategy and related matters and advice and services related to mergers and the purchase of undertakings, foreign exchange services where these are connected to the provision of investment services, services related to underwriting, and investment services and activities as well as ancillary services where these are connected to the provision of investment or ancillary services.

Review of current position, future developments and performance of the Group's business

The Group's development to date, financial results and position as presented in the consolidated financial statements are not considered satisfactory and the Board of Directors is making an effort to reduce the Group's losses.

Principal risks and uncertainties

The principal risks and uncertainties faced by the Group are disclosed in notes 3, 4 and 24 of the consolidated financial statements.

Going concern basis

The financial statements have been prepared on a going concern basis since it is the intention of the Board of Directors to continue the operations of the Company.

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 Group's income and operating cash flows are substantially independent of changes in market interest rates as the Group has no significant interest-bearing assets. The Group is exposed to interest rate risk in relation to its non-current borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. The Company's management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities - primarily trade receivables and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

Credit risk related to trade receivables: This is managed based on established policies, procedures and controls relating to customer credit risk management. Credit limits are established for all customers based on internal ratings. Credit quality of the customer is assessed and outstanding customer receivables are regularly monitored. The Group does not hold collateral as security.

AEONIC SECURITIES C.I.F. PLC

MANAGEMENT REPORT

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 Group 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.

Results

The Group's results for the year are set out on page 7. The net loss for the year is carried forward.

Share capital

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

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. All of them were members of the Board of Directors throughout the year ended 31 December 2018.

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

There were no material events after the reporting period, which have a bearing on the understanding of the consolidated financial statements.

Related party transactions

Disclosed in note 25 of the consolidated financial statements.

Independent Auditors

The Independent Auditors, C&N Auditors 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,



Serafeim Charalampidis
Managing Director

Nicosia, 22 April 2019

Independent Auditor's Report

To the Members of AEONIC SECURITIES C.I.F. PLC

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of AEONIC SECURITIES C.I.F. PLC (the "Company") and its subsidiaries (the "Group"), which are presented in pages 7 to 27 and comprise the consolidated statement of financial position as at 31 December 2018, and the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2018, and of its consolidated financial performance and its consolidated 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 Consolidated Financial Statements" section of our report. We are independent of the Group 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 consolidated 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, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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.

Responsibilities of the Board of Directors for the Consolidated Financial Statements

The Board of Directors is responsible for the preparation of consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

Independent Auditor's Report (continued)

To the Members of AEONIC SECURITIES C.I.F. PLC

Responsibilities of the Board of Directors for the Consolidated Financial Statements (continued)

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 Group'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 Group'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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

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 consolidated financial statements.
- In our opinion, and in the light of the knowledge and understanding of the Group and its environment obtained in the course of the audit, we have not identified material misstatements in the Management Report.

Independent Auditor's Report (continued)

To the Members of AEONIC SECURITIES C.I.F. PLC

Other Matter

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.

C&N AUDITORS LTD

Certified Public Accountant and Registered Auditor
for and on behalf of
C&N Auditors Ltd
Chartered Certified Accountants

Nicosia, 22 April 2019

AEONIC SECURITIES C.I.F. PLC

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

31 December 2018

	Note	2018 €	2017 €
Revenue	5	610,977	754,342
Cost of sales	6	<u>(276,894)</u>	<u>(377,970)</u>
Gross profit		334,083	376,372
Administration fees		-	100
Transaction costs		<u>-</u>	<u>4,921</u>
Total operating expenses		<u>-</u>	<u>5,021</u>
Other operating income	7	31,987	75,260
Selling and distribution expenses	8	(10,223)	(15,367)
Administration expenses	9	(376,167)	(311,029)
Other expenses	10	<u>(18,491)</u>	<u>(13,378)</u>
Operating (loss)/profit		(38,811)	106,837
Finance costs	12	<u>(10,356)</u>	<u>(8,540)</u>
(Loss)/profit before tax		(49,167)	98,297
Tax	13	<u>(4,955)</u>	-
Net (loss)/profit for the year		(54,122)	98,297
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u>(54,122)</u>	<u>98,297</u>

The notes on pages 11 to 27 form an integral part of these consolidated financial statements.

AEONIC SECURITIES C.I.F. PLC

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2018

	Note	2018 €	2017 €
ASSETS			
Non-current assets			
Property, plant and equipment	14	194,225	223,603
Intangible assets	15	661	4,304
Investors Compensation Fund	18	76,632	76,632
		271,518	304,539
Current assets			
Trade and other receivables	16	1,503,649	1,725,177
Non-pledged financial assets at fair value through profit or loss	17	79,555	22,566
Cash at bank and in hand	19	46,066	206,646
		1,629,270	1,954,389
Total assets		1,900,788	2,258,928
EQUITY AND LIABILITIES			
Equity			
Share capital	20	600,000	600,000
Accumulated losses		(164,371)	(110,249)
Total equity		435,629	489,751
Non-current liabilities			
Borrowings	21	73,000	129,000
		73,000	129,000
Current liabilities			
Trade and other payables	22	1,388,014	1,640,177
Current tax liabilities	23	4,145	-
		1,392,159	1,640,177
Total liabilities		1,465,159	1,769,177
Total equity and liabilities		1,900,788	2,258,928

On 22 April 2019 the Board of Directors of AEONIC SECURITIES C.I.F. PLC authorised these consolidated financial statements for issue.



.....
Serafeim Charalampidis
Director

.....
Alexandros Sinos
Director

The notes on pages 11 to 27 form an integral part of these consolidated financial statements.

AEONIC SECURITIES C.I.F. PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

31 December 2018

	Share capital €	Accumulate d losses €	Total €
Balance at 1 January 2017	600,000	(208,546)	391,454
Comprehensive income			
Net profit for the year	-	98,297	98,297
Balance at 31 December 2017	600,000	(110,249)	489,751
Balance at 31 December 2017/ 1 January 2018	600,000	(110,249)	489,751
Comprehensive income			
Net loss for the year	-	(54,122)	(54,122)
Balance at 31 December 2018	600,000	(164,371)	435,629

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 11 to 27 form an integral part of these consolidated financial statements.

AEONIC SECURITIES C.I.F. PLC

CONSOLIDATED CASH FLOW STATEMENT

31 December 2018

	Note	2018 €	2017 €
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss)/profit before tax		(49,167)	98,297
Adjustments for:			
Depreciation of property, plant and equipment	14	25,393	19,721
Unrealised exchange profit		(472)	(4,644)
Amortisation of computer software	15	3,643	1,093
Excess of Group's interest in the net fair value of the subsidiaries' assets and liabilities over cost on acquisition		-	(45,032)
Loss from the sale of property, plant and equipment		4,620	-
Profit from the sale of financial assets at fair value through profit or loss		-	(17,216)
Fair value losses on financial assets at fair value through profit or loss		4,247	10,914
Interest income	7	(10,332)	(185)
Interest expense	12	59	93
		(22,009)	63,041
Changes in working capital:			
Decrease/(increase) in trade and other receivables		221,528	(283,155)
(Increase)/decrease in financial assets at fair value through profit or loss		(61,236)	51,416
(Decrease)/increase in trade and other payables		(252,163)	203,684
Cash (used in)/generated from operations		(113,880)	34,986
Tax paid		(810)	-
Net cash (used in)/generated from operating activities		(114,690)	34,986
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for purchase of intangible assets	15	-	(1,982)
Payment for purchase of property, plant and equipment	14	(2,635)	(195,832)
Payment for purchase of other assets	18	-	(3,576)
Proceeds from disposal of property, plant and equipment	14	2,000	-
Interest received		10,332	185
Net cash generated from/(used in) investing activities		9,697	(201,205)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayments of borrowings		(56,000)	(129,000)
Unrealised exchange profit		472	4,644
Interest paid		(59)	(93)
Net cash used in financing activities		(55,587)	(124,449)
Net decrease in cash and cash equivalents		(160,580)	(290,668)
Cash and cash equivalents at beginning of the year		206,646	497,314
Cash and cash equivalents at end of the year	19	46,066	206,646

The notes on pages 11 to 27 form an integral part of these consolidated financial statements.

AEONIC SECURITIES C.I.F. PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2018

1. Incorporation and principal activities

Country of incorporation

The Company AEONIC SECURITIES C.I.F. PLC (the "Company") was incorporated in Cyprus on 19th of April 2012 as a private limited liability company under the provisions of the Cyprus Companies Law, Cap. 113. Its registered office is at Laiou 6, Anna City Court Block B, Flat 301, 3015 Limassol, Cyprus.

Principal activities

The Company is a Cyprus Investment Firm ("C.I.F.") and in accordance with the license no.177/12 granted by the Cyprus Securities and Exchange Commission ("CySEC") on 4 September 2012.

The principal activities of the company comprise the provision of investment services, including reception and transmission of orders in relation to one or more financial instruments and execution of orders on behalf of clients in relation to one or more financial instruments.

In addition, the Company provides ancillary services, which comprise the safekeeping and administration of financial instruments, including custodianship and related services, advice to undertakings on capital structure, industrial strategy and related matters and advice and services related to mergers and the purchase of undertakings, foreign exchange services where these are connected to the provision of investment services, services related to underwriting, and investment services and activities as well as ancillary services where these are connected to the provision of investment or ancillary services.

2. Significant accounting policies

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

Basis of preparation

These consolidated 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. These consolidated financial statements have been prepared under the historical cost convention as modified by the revaluation of, and financial assets and financial liabilities at fair value through profit or loss.

Adoption of new and revised IFRSs

During the current year the Group 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 Group.

At the date of approval of these consolidated 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 consolidated financial statements of the Group.

Basis of consolidation

The Company has subsidiary undertakings for which section 142(1)(b) of the Cyprus Companies Law Cap. 113 requires consolidated financial statements to be prepared and laid before the Company at the Annual General Meeting. The Group consolidated financial statements comprise the financial statements of the parent company AEONIC SECURITIES C.I.F. PLC and the financial statements of the following subsidiary Aeonc Investments Ltd.

AEONIC SECURITIES C.I.F. PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2018

2. Significant accounting policies (continued)

Basis of consolidation (continued)

The financial statements of all the Group companies are prepared using uniform accounting policies. All inter-company transactions and balances between Group companies have been eliminated during consolidation.

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 Share-based Payment at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another IFRS.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with IAS 39, or IAS 37 Provisions, Contingent Liabilities and Contingent Assets, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

AEONIC SECURITIES C.I.F. PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2018

2. Significant accounting policies (continued)

Business combinations (continued)

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

Revenue recognition

Revenue comprises the invoiced amount for the sale of products net of Value Added Tax, rebates and discounts. Revenues earned by the Group are recognised on the following bases:

- **Sale of products**

Sales of products are recognised when significant risks and rewards of ownership of the products have been transferred to the customer, which is usually when the Group has sold or delivered the products to the customer, the customer has accepted the products and collectability of the related receivable is reasonably assured.

- **Rendering of services**

Sales of services are recognised in the accounting period in which the services are rendered by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.

- **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 available-for-sale financial assets are recognised in equity. When 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.

- **Commission income**

Commission income is recognised when the right to receive payment is established.

AEONIC SECURITIES C.I.F. PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2018

2. Significant accounting policies (continued)

Revenue recognition (continued)

- **Interest income**

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

Employee benefits

The Group and its employees contribute to the Government Social Insurance Fund based on employees' salaries. The Group's contributions are expensed as incurred and are included in staff costs. The Group 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 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 Group'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 (€), which is the Group'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.

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:

	%
Buildings	3
Motor vehicles	20
Furniture, fixtures and office equipment	10
Computer Hardware	20
Computer Software	33,33

No depreciation is provided on land.

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

AEONIC SECURITIES C.I.F. PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2018

2. Significant accounting policies (continued)

Property, plant and equipment (continued)

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 Group. 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.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in profit or loss in the year in which the expenditure is incurred. The useful lives of intangible assets are assessed to be either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in profit or loss in the expense category consistent with the function of the intangible asset.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash generating unit level. Such intangibles are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

AEONIC SECURITIES C.I.F. PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2018

2. Significant accounting policies (continued)

Computer software

Costs that are directly associated with identifiable and unique computer software products controlled by the Group and that will probably generate economic benefits exceeding costs beyond one year are recognised as intangible assets. Subsequently computer software is carried at cost less any accumulated amortisation and any accumulated impairment losses. Expenditure which enhances or extends the performance of computer software programs beyond their original specifications is recognised as a capital improvement and added to the original cost of the computer software. Costs associated with maintenance of computer software programs are recognised as an expense when incurred. Computer software costs are amortised using the straight-line method over their useful lives, not exceeding a period of three years. Amortisation commences when the computer software is available for use.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset 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 instruments

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

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.

Cash and cash equivalents

For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise cash at bank and in hand.

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.

AEONIC SECURITIES C.I.F. PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2018

2. Significant accounting policies (continued)

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 Group 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 Group 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.

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated 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 consolidated statement of financial position.

Share capital

Ordinary shares are classified as equity.

Non-current liabilities

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

3. Financial risk management

Financial risk factors

The Group 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 Group to manage these risks are discussed below:

3.1 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 Group's income and operating cash flows are substantially independent of changes in market interest rates as the Group has no significant interest-bearing assets. The Group is exposed to interest rate risk in relation to its non-current borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. The Company's management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2018

3. Financial risk management (continued)

3.2 Credit risk

Credit risk arises when a failure by counter parties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the reporting date. The Group has no significant concentration of credit risk. The Group has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history and monitors on a continuous basis the ageing profile of its receivables.

3.3 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 Group 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.

3.4 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 Group's measurement currency. The Group is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the US Dollar and the Euro. The Group's management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

3.5 Capital risk management

Capital includes equity shares and share premium, convertible preference shares and loan from parent company.

The Group 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 Group's overall strategy remains unchanged from last year.

4. Critical accounting estimates and judgments

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires Management to exercise its judgment in the process of applying the Group's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on Management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

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.

Judgments

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:

- **Provision for bad and doubtful debts**

The Group reviews its trade and other receivables for evidence of their recoverability. Such evidence includes the customer's payment record and the customer's overall financial position. If indications of irrecoverability exist, the recoverable amount is estimated and a respective provision for bad and doubtful debts is made. The amount of the provision is charged through profit or loss. The review of credit risk is continuous and the methodology and assumptions used for estimating the provision are reviewed regularly and adjusted accordingly.

AEONIC SECURITIES C.I.F. PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2018

4. Critical accounting estimates and judgments (continued)

- **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 Group 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.

- **Fair value of financial assets**

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at each reporting date. The fair value of the financial assets available for sale has been estimated based on the fair value of these individual assets.

- **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 Group estimates the recoverable amount of the cash generating unit in which the asset belongs to.

- **Impairment of intangible asset**

Intangible assets are initially recorded at acquisition cost and are amortized on a straight line basis over their useful economic life. Intangible assets that are acquired through a business combination are initially recorded at fair value at the date of acquisition. Intangible assets with indefinite useful life are reviewed for impairment at least once per year. The impairment test is performed using the discounted cash flows expected to be generated through the use of the intangible 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 Group estimates the recoverable amount of the cash generating unit in which the asset belongs to.

5. Revenue

	2018	2017
	€	€
Commissions receivable	588,692	747,622
Sales of goods	22,285	6,720
	<u>610,977</u>	<u>754,342</u>

6. Cost of sales

	2018	2017
	€	€
Services received	276,894	377,970
	<u>276,894</u>	<u>377,970</u>

AEONIC SECURITIES C.I.F. PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2018

7. Other operating income

	2018	2017
	€	€
Interest income	10,332	185
Exchange profit	1,765	5,995
Commissions received	-	131
Discounts received	3,153	215
Profit from op.activities - non-taxable income	832	379
Profit from sale of financial assets at fair value through profit or loss	-	18,292
Fair value gains on financial assets at fair value through profit or loss	8,889	1,200
Excess of Group's interest in the net fair value of the subsidiaries' assets and liabilities over cost on acquisition	-	45,032
Sundry operating income	<u>7,016</u>	<u>3,831</u>
	<u>31,987</u>	<u>75,260</u>

Interest income is analysed as follows:

	2018	2017
	€	€
Bank deposits	<u>10,332</u>	<u>185</u>
	<u>10,332</u>	<u>185</u>

8. Selling and distribution expenses

	2018	2017
	€	€
Motor vehicle running costs	1,128	-
Inland travelling	<u>9,095</u>	<u>15,367</u>
	<u>10,223</u>	<u>15,367</u>

AEONIC SECURITIES C.I.F. PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2018

9. Administration expenses

	2018	2017
	€	€
Staff costs	119,933	128,574
Rent	-	7,380
Common expenses	720	500
Sewage expenses	72	-
Licenses and taxes	413	641
Municipality taxes	206	1,175
Annual levy	700	1,400
Electricity	2,792	2,678
Water supply and cleaning	224	171
Insurance	2,610	2,025
Repairs and maintenance	-	1,755
Sundry expenses	43,789	29,470
Telephone and postage	5,108	5,015
Stationery and printing	80	393
Subscriptions and contributions	41,066	36,002
Staff training	1,293	1,724
Sundry staff costs	523	270
Computer supplies and maintenance	2,815	2,730
Certification and legalisation expenses	375	179
Auditors' remuneration - current year	13,068	7,495
Auditors' remuneration - prior years	-	285
Accounting fees	2,719	2,400
Other professional fees	39,890	11,450
Fines	54	314
Inland travelling and accommodation	10,823	10,802
Irrecoverable VAT	-	11,242
Entertaining	26,546	21,100
Motor vehicle running costs	401	1,309
Carriage and clearing	-	1,733
Other Expenses	30,911	3
Amortisation of computer software	3,643	1,093
Depreciation	25,393	19,721
	376,167	311,029

10. Other expenses

	2018	2017
	€	€
Loss on disposal of property, plant and equipment	4,620	-
Loss from op.activities - tax allowable expense	735	187
Loss from sales of financial assets at fair value through profit or loss	-	1,076
Fair value losses on financial assets at fair value through profit or loss	13,136	12,115
	18,491	13,378

11. Staff costs

	2018	2017
	€	€
Salaries	107,822	115,362
Social security costs	10,005	10,929
Social cohesion fund	2,106	2,283
	119,933	128,574

AEONIC SECURITIES C.I.F. PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2018

12. Finance costs

	2018 €	2017 €
Net foreign exchange losses	3,540	2,338
Interest expense	59	93
Sundry finance expenses	<u>6,757</u>	<u>6,109</u>
Finance costs	<u>10,356</u>	<u>8,540</u>

13. Tax

	2018 €	2017 €
Corporation tax	1,045	-
Defence contribution	<u>3,910</u>	<u>-</u>
Charge for the year	<u>4,955</u>	<u>-</u>

The tax on the Group's results before tax differs from theoretical amount that would arise using the applicable tax rates as follows:

	2018 €	2017 €
(Loss)/profit before tax	<u>(49,167)</u>	<u>98,297</u>
Tax calculated at the applicable tax rates	(6,146)	12,287
Tax effect of expenses not deductible for tax purposes	-	5,376
Tax effect of allowances and income not subject to tax	6,091	(12,207)
Tax effect of tax losses brought forward	-	(5,456)
Tax effect of tax loss for the year	1,100	-
Defence contribution current year	<u>3,910</u>	<u>-</u>
Tax charge	<u>4,955</u>	<u>-</u>

The corporation tax rate is 12,5%.

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.

AEONIC SECURITIES C.I.F. PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2018

14. Property, plant and equipment

	Land and buildings	Motor vehicles	Furniture, fixtures and office equipment	Total
	€	€	€	€
Cost				
Balance at 1 January 2017	-	51,618	21,821	73,439
Acquisitions through business combinations	178,500	-	-	178,500
Additions	-	7,000	10,332	17,332
Balance at 31 December 2017	178,500	58,618	32,153	269,271
Balance at 31 December 2017/ 1 January 2018	178,500	58,618	32,153	269,271
Additions	-	-	2,635	2,635
Disposals	-	(15,600)	-	(15,600)
Balance at 31 December 2018	178,500	43,018	34,788	256,306
Depreciation				
Balance at 1 January 2017	-	14,461	11,485	25,946
Charge for the year	5,355	11,723	2,644	19,722
Balance at 31 December 2017	5,355	26,184	14,129	45,668
Balance at 31 December 2017/ 1 January 2018	5,355	26,184	14,129	45,668
Charge for the year	5,355	15,158	4,880	25,393
On disposals	-	(8,980)	-	(8,980)
Balance at 31 December 2018	10,710	32,362	19,009	62,081
Net book amount				
Balance at 31 December 2018	167,790	10,656	15,779	194,225
Balance at 31 December 2017	173,145	32,434	18,024	223,603

In the consolidated cash flow statement, proceeds from sale of property, plant and equipment comprise:

	2018	2017
	€	€
Net book amount	6,620	-
(Loss) from the sale of property, plant and equipment (Note 10)	(4,620)	-
Proceeds from disposal of property, plant and equipment	2,000	-

AEONIC SECURITIES C.I.F. PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2018

15. Intangible assets

	Computer software €	Total €
Cost		
Balance at 1 January 2017	11,609	11,609
Additions	1,982	1,982
Balance at 31 December 2017	13,591	13,591
Balance at 31 December 2017/ 1 January 2018	13,591	13,591
Balance at 31 December 2018	13,591	13,591
Amortisation		
Balance at 1 January 2017	8,194	8,194
Amortisation for the year	1,093	1,093
Balance at 31 December 2017	9,287	9,287
Balance at 31 December 2017/ 1 January 2018	9,287	9,287
Amortisation for the year	3,643	3,643
Balance at 31 December 2018	12,930	12,930
Net book amount		
Balance at 31 December 2018	661	661
Balance at 31 December 2017	4,304	4,304

16. Trade and other receivables

	2018 €	2017 €
Trade receivables	1,446,926	1,712,214
Shareholders' current accounts - debit balances (Note 25.2)	389	343
Deposits and prepayments	1,415	-
Other receivables	39,595	6,248
Refundable VAT	15,324	6,372
	1,503,649	1,725,177

The Group does not hold any collateral over the trading balances.

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

The exposure of the Group to credit risk and impairment losses in relation to trade and other receivables is reported in note 3 of the consolidated financial statements.

17. Financial assets at fair value through profit or loss

	2018 €	2017 €
Balance at 1 January	22,566	-
Additions	61,236	33,481
Change in fair value	(4,247)	(10,915)
Balance at 31 December	79,555	22,566

AEONIC SECURITIES C.I.F. PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2018

17. Financial assets at fair value through profit or loss (continued)

The financial assets at fair value through profit or loss are marketable securities and are valued at market value at the close of business on 31 December by reference to Stock Exchange quoted bid prices. Financial assets at fair value through profit or loss are classified as current assets because they are expected to be realised within twelve months from the reporting date.

In the consolidated cash flow statement, financial assets at fair value through profit or loss are presented within the section on operating activities as part of changes in working capital. In the consolidated statement of profit or loss and other comprehensive income, changes in fair values of financial assets at fair value through profit or loss are recorded in operating income.

18. Investors Compensation Fund

	2018 €	2017 €
Balance at 1 January	76,632	-
Additions	-	76,632
Balance at 31 December	76,632	76,632

19. Cash at bank and in hand

Cash balances are analysed as follows:

	2018 €	2017 €
Cash at bank and in hand	46,066	206,646
	46,066	206,646

Non-cash transactions

The principal non-cash transactions during the current and prior year were the acquisition of property, plant and equipment using finance leases.

The exposure of the Group to credit risk and impairment losses in relation to cash and cash equivalents is reported in note 3 of the consolidated financial statements.

20. Share capital

	2018 Number of shares	2018 €	2017 Number of shares	2017 €
Authorised				
Ordinary shares of €1 each	1,000,000	1,000,000	1,000,000	1,000,000
		€		€
Issued and fully paid				
Balance at 1 January	600,000	600,000	600,000	600,000
Balance at 31 December	600,000	600,000	600,000	600,000

AEONIC SECURITIES C.I.F. PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2018

21. Borrowings

	2018 €	2017 €
Non-current borrowings		
Debentures	<u>73,000</u>	<u>129,000</u>

Maturity of non-current borrowings:

	2018 €	2017 €
Between two and five years	<u>73,000</u>	<u>129,000</u>

22. Trade and other payables

	2018 €	2017 €
Trade payables	1,364,372	1,614,544
Social insurance and other taxes	3,193	2,073
Accruals	6,700	6,305
Other creditors	13,411	17,255
Defence tax on rent payable	338	-
	<u>1,388,014</u>	<u>1,640,177</u>

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

23. Current tax liabilities

	2018 €	2017 €
Corporation tax	1,045	-
Special contribution for defence	3,100	-
	<u>4,145</u>	<u>-</u>

24. Operating Environment of the Group

Following a long and relatively deep economic recession, the Cyprus economy began to record positive growth in 2015 which accelerated during 2016. The restrictive measures and capital controls which were in place since March 2013 were lifted in April 2015 and on the back of the strength of the economy's performance and the strong implementation of required measures and reforms, Cyprus exited its economic adjustment programme in March 2016. In recognition of the progress achieved on the fiscal front and the economic recovery, as well as the enactment of the foreclosure and insolvency framework, the international credit rating agencies have proceeded with a number of upgrades of the credit ratings for the Cypriot sovereign, and although the rating continues to be 'non-investment grade', the Cyprus government has regained access to the capital markets. The outlook for the Cyprus economy over the medium term remains positive, however, there are downside risks to the growth projections emanating from the high levels of non performing exposures, uncertainties in the property markets, as well as potential deterioration in the external environment for Cyprus, including continuation of the recession in Russia in conditions of protracted declines in oil prices; weaker than expected growth in the euro area as a result of worsening global economic conditions; slower growth in the UK with a weakening of the pound as a result of uncertainty regarding the result of the Brexit referendum; and political uncertainty in Europe in view of Brexit and the refugee crisis.

AEONIC SECURITIES C.I.F. PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2018

24. Operating Environment of the Group (continued)

This operating environment may have a significant impact on the Group's operations and financial position. Management is taking necessary measures to ensure sustainability of the Group's operations. However, the future effects of the current economic situation are difficult to predict and management's current expectations and estimates could differ from actual results.

The Company's management is unable to predict all developments which could have an impact on the Cyprus economy and consequently, what effect, if any, they could have on the future financial performance, cash flows and financial position of the Group.

On the basis of the evaluation performed, the Group's management has concluded that no provisions or impairment charges are necessary. The Company's management believes that it is taking all the necessary measures to maintain the viability of the Group and the smooth conduct of its operations in the current business and economic environment.

25. Related party transactions

The following transactions were carried out with related parties:

25.1 Directors' remuneration

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

	2018	2017
	€	€
Directors' remuneration	<u>80,262</u>	<u>84,058</u>
	<u>80,262</u>	<u>84,058</u>

25.2 Shareholders' current accounts - debit balances (Note 16)

	2018	2017
	€	€
Alexandros Sinos	<u>389</u>	<u>343</u>
	<u>389</u>	<u>343</u>

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

26. Contingent liabilities

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

27. Commitments

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

28. Events after the reporting period

There were no material events after the reporting period, which have a bearing on the understanding of the consolidated financial statements.

AEONIC SECURITIES C.I.F. PLC

ADDITIONAL INFORMATION TO THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

CONTENTS	PAGE
Detailed income statement	2
Operating expenses	3
Finance expenses	4
Computation of wear and tear allowances	5 - 6
Balancing statement of capital allowances	8
Computation of defence contribution	9

AEONIC SECURITIES C.I.F. PLC

DETAILED INCOME STATEMENT

31 December 2018

	Page	2018 €	2017 €
Revenue			
Commissions receivable		588,692	747,622
Sales of goods		22,285	6,720
Cost of sales		<u>(276,894)</u>	<u>(377,970)</u>
Gross profit		334,083	376,372
Administration fees		-	(100)
Transaction costs		-	(4,921)
Other operating income			
Interest from overseas		10,332	185
Unrealised foreign exchange profit		1,765	5,995
Commissions received		-	131
Sundry operating income		7,016	3,831
Discounts received		3,153	215
Profit from op.activities - non-taxable income		832	379
Excess of Group's interest in the net fair value of the subsidiaries' assets and liabilities over cost on acquisition		-	45,032
Profit from sale of financial assets at fair value through profit or loss		-	18,292
Fair value gains on financial assets at fair value through profit or loss		<u>8,889</u>	<u>1,200</u>
		366,070	446,611
Operating expenses			
Administration expenses	3	(376,167)	(311,029)
Selling and distribution expenses	3	<u>(10,223)</u>	<u>(15,367)</u>
		(20,320)	120,215
Other operating expenses			
Loss on disposal of property, plant and equipment		(4,620)	-
Loss from op.activities - tax allowable expense		(735)	(187)
Loss from sales of financial assets at fair value through profit or loss		-	(1,076)
Fair value losses on financial assets at fair value through profit or loss		<u>(13,136)</u>	<u>(12,115)</u>
Operating (loss)/profit		(38,811)	106,837
Finance costs	4	<u>(10,356)</u>	<u>(8,540)</u>
Net (loss)/profit for the year before tax		<u>(49,167)</u>	<u>98,297</u>

AEONIC SECURITIES C.I.F. PLC

OPERATING EXPENSES

31 December 2018

	2018 €	2017 €
Administration expenses		
Directors' remuneration	80,262	84,058
Staff salaries	27,560	31,304
Social insurance	10,005	10,929
Social cohesion fund	2,106	2,283
Rent	-	7,380
Common expenses	720	500
Sewage expenses	72	-
Licenses and taxes	413	641
Municipality taxes	206	1,175
Annual levy	700	1,400
Electricity	2,792	2,678
Water supply and cleaning	224	171
Insurance	2,610	2,025
Repairs and maintenance	-	1,755
Sundry expenses	43,789	29,470
Telephone and postage	5,108	5,015
Stationery and printing	80	393
Subscriptions and contributions	41,066	36,002
Staff training	1,293	1,724
Sundry staff costs	523	270
Computer supplies and maintenance	2,815	2,730
Certification and legalisation expenses	375	179
Auditors' remuneration - current year	13,068	7,495
Auditors' remuneration - prior years	-	285
Accounting fees	2,719	2,400
Other professional fees	39,890	11,450
Fines	54	314
Inland travelling and accommodation	10,823	10,802
Irrecoverable VAT	-	11,242
Entertaining	26,546	21,100
Motor vehicle running costs	401	1,309
Carriage and clearing	-	1,733
Other Expenses	30,911	3
Amortisation of computer software	3,643	1,093
Depreciation	25,393	19,721
	376,167	311,029

	2018 €	2017 €
Selling and distribution expenses		
Motor vehicle running costs	1,128	-
Inland travelling	9,095	15,367
	10,223	15,367

AEONIC SECURITIES C.I.F. PLC

FINANCE EXPENSES

31 December 2018

	2018 €	2017 €
Finance costs		
Interest expense		
Bank overdraft interest	59	93
Sundry finance expenses		
Bank charges	6,757	6,109
Net foreign exchange losses		
Realised foreign exchange loss	2,247	987
Unrealised foreign exchange loss	<u>1,293</u>	<u>1,351</u>
	<u>10,356</u>	<u>8,540</u>

AEONIC SECURITIES C.I.F. PLC

COMPUTATION OF WEAR AND TEAR ALLOWANCES

31 December 2018

Year	%		COST			ANNUAL ALLOWANCES					Net value 31/12/2018 €
			Balance 01/01/2018 €	Additions for the year €	Disposals for the year €	Balance 31/12/2018 €	Balance 01/01/2018 €	Charge for the year €	On disposals €	Balance 31/12/2018 €	
2017	3	Flat in Limassol	178,500	-	-	178,500	5,355	5,355	-	10,710	167,790
			178,500	-	-	178,500	5,355	5,355	-	10,710	167,790
2012	-	Motor vehicles	8,600	-	(8,600)	-	-	-	-	-	-
2012	-	Mitsubishi Lancer	8,500	-	-	8,500	-	-	-	-	8,500
2015	-	Ford Focus KVM 067	15,752	-	-	15,752	-	-	-	-	15,752
2016	-	Toyota Dicran	18,766	-	-	18,766	-	-	-	-	18,766
2017	-	Renault	7,000	-	(7,000)	-	-	-	-	-	-
		Peugeot	58,618	-	(15,600)	43,018	-	-	-	-	43,018
2012	10	Furniture, fixtures and office equipment	3,070	-	-	3,070	2,076	307	-	2,383	687
2012	10	Furniture & Fittings	394	-	-	394	-	39	-	39	355
2012	10	Furniture & Fittings	2,634	-	-	2,634	1,578	263	-	1,841	793
2013	10	Office Equipment	410	-	-	410	205	41	-	246	164
2015	10	Office Equipment	731	-	-	731	219	73	-	292	439
2015	10	Office Equipment	546	-	-	546	165	55	-	220	326
2016	10	Telephones	406	-	-	406	82	41	-	123	283
2016	10	Furniture & Fittings	155	-	-	155	32	16	-	48	107
2016	10	Shredder	78	-	-	78	16	8	-	24	54
2016	10	Mobile Phone	136	-	-	136	28	14	-	42	94
2016	10	Earphones	22	-	-	22	4	2	-	6	16
2016	10	Dishwasher	399	-	-	399	80	40	-	120	279
2016	10	Iron	21	-	-	21	4	2	-	6	15
2017	10	Inventor 9000 (3 items)	780	-	-	780	78	78	-	156	624
2017	10	Inventor 24000	580	-	-	580	58	58	-	116	464
2017	10	Inventor 12000 WI-FI	300	-	-	300	30	30	-	60	240
2017	10	Inventor 12000 (2 items)	560	-	-	560	56	56	-	112	448
2017	10	Inventor 18000	470	-	-	470	47	47	-	94	376
2017	10	WI-FI module	30	-	-	30	3	3	-	6	24
2017	10	Wireless PIR Detector	70	-	-	70	7	7	-	14	56
2017	10	Wireless Smoke Detector	150	-	-	150	15	15	-	30	120
2017	10	Trikdis G10T	240	-	-	240	24	24	-	48	192
2017	10	Battery Wireless Detectors (4 items)	48	-	-	48	5	5	-	10	38

AEONIC SECURITIES C.I.F. PLC

COMPUTATION OF WEAR AND TEAR ALLOWANCES

31 December 2018

		COST				ANNUAL ALLOWANCES				Net value
Year	%	Balance 01/01/2018 €	Additions for the year €	Disposals for the year €	Balance 31/12/2018 €	Balance 01/01/2018 €	Charge for the year €	On disposals €	Balance 31/12/2018 €	31/12/2018 €
Furniture, fixtures and office equipment (continued)										
Alarm System Arlion	10	650	-	-	650	65	65	-	130	520
Smoke Detector Arlion (5 items)	10	425	-	-	425	43	43	-	86	339
Temperature Detector	10	140	-	-	140	14	14	-	28	112
Remote Control (2 items)	10	70	-	-	70	7	7	-	14	56
Samsung Galaxy	10	429	-	-	429	43	43	-	86	343
Shredder	10	134	-	-	134	13	13	-	26	108
Kettle	10	94	-	-	94	9	9	-	18	76
Meridian Wash Basin	10	215	-	-	215	22	22	-	44	171
Mobile phone	10	350	-	-	350	35	35	-	70	280
Gallery Carolina Plafon Lights (2 items)	10	569	-	-	569	57	57	-	114	455
Eglo Lights	10	79	-	-	79	8	8	-	16	63
Pendant Mark Urban Grey Lights	10	109	-	-	109	11	11	-	22	87
White table	10	807	-	-	807	81	81	-	162	645
Coffee/tea cups	10	34	-	-	34	3	3	-	6	28
Pinakes	10	3,000	-	-	3,000	300	300	-	600	2,400
Painting	10	-	1,200	-	1,200	-	120	-	120	1,080
Painting	10	-	1,200	-	1,200	-	120	-	120	1,080
	10	19,335	2,400	-	21,735	5,523	2,175	-	7,698	14,037
Computer Hardware										
Computer Hardware	20	7,785	-	-	7,785	7,785	-	-	7,785	-
Office Equipment	10	2,735	-	-	2,735	1,370	274	-	1,644	1,091
Demstar	20	570	-	-	570	342	114	-	456	114
Demstar	20	589	-	-	589	354	118	-	472	117
PC Monitor 1	20	570	-	-	570	342	114	-	456	114
PC Monitor 2	20	570	-	-	570	342	114	-	456	114
Laptop	20	-	235	-	235	-	47	-	47	188
	20	12,819	235	-	13,054	10,535	781	-	11,316	1,738
Total		269,272	2,635	(15,600)	256,307	21,413	8,311	-	29,724	226,583
Computer software										
MS. Office Pro 2010	33	1,810	-	-	1,810	1,810	-	-	1,810	-
Solution ERP	33	8,500	-	-	8,500	8,500	-	-	8,500	-
Advak Barracuda	33	1,299	-	-	1,299	1,291	8	-	1,299	-

AEONIC SECURITIES C.I.F. PLC

COMPUTATION OF WEAR AND TEAR ALLOWANCES

31 December 2018

Year	%	COST			ANNUAL ALLOWANCES				Net value 31/12/2018 €
		Balance 01/01/2018 €	Additions for the year €	Disposals for the year €	Balance 31/12/2018 €	Charge for the year €	On disposals €	Balance 31/12/2018 €	
2017	33	998	-	-	998	333	-	666	332
2017	33	465	-	-	465	155	-	310	155
2017	33	518	-	-	518	173	-	346	172
		13,590	-	-	13,590	669	-	12,931	659
Computer software (continued)									
Disaster Recovery									
SQL Recovery									
Software Digicert									

AEONIC SECURITIES C.I.F. PLC

BALANCING STATEMENT OF CAPITAL ALLOWANCES

31 December 2018

<u>Description of fixed asset</u>	<u>Cost</u>	<u>Annual allowances</u>	<u>Written down value</u>	<u>Sale proceeds</u>	<u>Balancing addition/ (deduction)</u>
	€	€	€	€	€
Mitsubishi Lancer	8,600	(6,880)	1,720	1,000	(720)
Peugeot	7,000	(2,100)	4,900	1,000	(3,900)
Total	<u>15,600</u>	<u>(8,980)</u>	<u>6,620</u>	<u>2,000</u>	<u>(4,620)</u>

AEONIC SECURITIES C.I.F. PLC

COMPUTATION OF DEFENCE CONTRIBUTION

31 December 2018

	Income €	Rate	Defence € c
INTEREST			
Interest from overseas	<u>10,332</u>		
	<u>10,332</u>	30%	3,099.60
DEFENCE CONTRIBUTION DUE TO IRD			<u>3,099.60</u>