

AEONIC SECURITIES C.I.F. PLC

FINANCIAL STATEMENTS

31 December 2020

AEONIC SECURITIES C.I.F. PLC

FINANCIAL STATEMENTS

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AEONIC SECURITIES C.I.F. PLC

BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors:

Alexandros Sinos
Serafeim Charalampidis
Stephanos Kazantzis
Evangelos Drympetas
Gloria Chrysafi

Company Secretary:

Gloria Chrysafi

Independent Auditors:

C&N Auditors Ltd
CERTIFIED PUBLIC ACCOUNTANTS - CY
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

**C&N**Auditors, Accountants
& Business Advisors**Independent Auditor's Report****To the Members of AEONIC SECURITIES C.I.F. PLC****Report on the Audit of the Financial Statements****Opinion**

We have audited the financial statements of AEONIC SECURITIES C.I.F. PLC (the "Company"), which are presented in pages 4 to 32 and comprise the statement of financial position as at 31 December 2020, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2020, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (Including International Independence Standards) (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.

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.

**C&N**Auditors, Accountants
& Business Advisors

Independent Auditor's Report (continued)

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

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

- 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.

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.

Costas Constantinou
Certified Public Accountant and Registered Auditor
for and on behalf of

C&N Auditors Ltd
CERTIFIED PUBLIC ACCOUNTANTS - CY

10 Yianni Kranidioti
2nd Floor
Office 201
1065 Nicosia, Cyprus

Nicosia, 28 April 2021



AEONIC SECURITIES C.I.F. PLC

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME 31 December 2020

	Note	2020 €	2019 €
Revenue	9	413,920	494,222
Cost of sales	10	<u>(183,665)</u>	<u>(221,384)</u>
Gross profit		230,255	272,838
Other operating income	11	38,342	27,727
Net fair value gains on financial assets at fair value through profit or loss		-	1,272
Selling and distribution expenses	12	(2,560)	(12,362)
Administration expenses	13	(274,181)	(286,082)
Other expenses	14	<u>(15,180)</u>	<u>(4,579)</u>
Operating loss		(23,324)	(1,186)
Finance costs	16	<u>(18,034)</u>	<u>(14,516)</u>
Loss before tax		(41,358)	(15,702)
Tax	17	<u>(899)</u>	<u>(1,836)</u>
Net loss for the year		(42,257)	(17,538)
Other comprehensive income		-	-
Total comprehensive income for the year		<u>(42,257)</u>	<u>(17,538)</u>

The notes on pages 8 to 32 form an integral part of these financial statements.

AEONIC SECURITIES C.I.F. PLC

STATEMENT OF FINANCIAL POSITION 31 December 2020

	Note	2020 €	2019 €
ASSETS			
Non-current assets			
Property, plant and equipment	18	8,803	35,229
Right-of-use assets	19	12,736	89,102
Financial assets at fair value through other comprehensive income		-	5,000
Investors' Compensation Fund	22	83,505	80,187
		<u>105,044</u>	<u>209,518</u>
Current assets			
Trade and other receivables	21	1,683,255	1,076,151
Non-pledged financial assets at fair value through profit or loss		-	8,359
Cash at bank and in hand	23	101,343	107,789
		<u>1,784,598</u>	<u>1,192,299</u>
Total assets		<u>1,889,642</u>	<u>1,401,817</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	24	600,000	600,000
Accumulated losses		(308,662)	(266,405)
Total equity		<u>291,338</u>	<u>333,595</u>
Non-current liabilities			
Lease liabilities	25	11,839	69,999
		<u>11,839</u>	<u>69,999</u>
Current liabilities			
Trade and other payables	26	1,569,136	977,501
Lease liabilities	25	11,494	15,786
Current tax liabilities	27	5,835	4,936
		<u>1,586,465</u>	<u>998,223</u>
Total liabilities		<u>1,598,304</u>	<u>1,068,222</u>
Total equity and liabilities		<u>1,889,642</u>	<u>1,401,817</u>

On 28 April 2021 the Board of Directors of AEONIC SECURITIES C.I.F. PLC authorised these financial statements for issue.


.....
Alexandros Sinos
Director




.....
Serafeim Charalampidis
Director

The notes on pages 8 to 32 form an integral part of these financial statements.

AEONIC SECURITIES C.I.F. PLC

STATEMENT OF CHANGES IN EQUITY

31 December 2020

	Share capital €	Accumula- ted losses €	Total €
Balance at 1 January 2019	600,000	(248,867)	351,133
Comprehensive income			
Net loss for the year	-	(17,538)	(17,538)
Total comprehensive income for the year	-	(17,538)	(17,538)
Balance at 31 December 2019	600,000	(266,405)	333,595
Balance at 31 December 2019/ 1 January 2020	600,000	(266,405)	333,595
Comprehensive income			
Net loss for the year	-	(42,257)	(42,257)
Total comprehensive income for the year	-	(42,257)	(42,257)
Balance at 31 December 2020	600,000	(308,662)	291,338

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 the rate of 17% will be payable on such deemed dividend to the extent that the shareholders for deemed dividend distribution purposes at the end of the period of two years from the end of the year of assessment to which the profits refer, are Cyprus tax residents and domiciled. From 1 March 2019, the deemed dividend distribution is subject to a 1,70% contribution to the General Healthcare System, increased to 2,65% from 1 March 2020, with the exception of April 2020 until June 2020 when the 1,70% rate was applicable. 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 8 to 32 form an integral part of these financial statements.

AEONIC SECURITIES C.I.F. PLC

CASH FLOW STATEMENT

31 December 2020

	Note	2020 €	2019 €
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		(41,358)	(15,702)
Adjustments for:			
Depreciation of property, plant and equipment	18	8,596	14,755
Depreciation of right-of-use assets	19	29,701	29,701
Amortisation of computer software	20	-	661
Profit from the sale of property, plant and equipment		(5,168)	-
Fair value losses/(gains) on financial assets at fair value through profit or loss		2,908	(1,272)
Interest income	11	(2,997)	(6,120)
Interest expense	16	2,985	6,619
		(5,333)	28,642
Changes in working capital:			
(Increase)/decrease in trade and other receivables		(607,104)	466,296
Decrease in financial assets at fair value through profit or loss		5,451	72,468
Increase/(Decrease) in trade and other payables		591,635	(440,590)
Cash (used in)/generated from operations		(15,351)	126,816
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for purchase of property, plant and equipment	18	-	(25,709)
Payment for purchase of financial assets at fair value through other comprehensive income		5,000	-
Payment for purchase of other assets	22	(3,318)	(3,555)
Proceeds from disposal of property, plant and equipment	18	22,997	-
Interest received		2,997	6,120
Net cash generated from/(used in) investing activities		27,676	(23,144)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments of leases liabilities		(15,786)	(33,018)
Interest paid		(2,985)	(6,619)
Net cash used in financing activities		(18,771)	(39,637)
Net (decrease)/increase in cash and cash equivalents		(6,446)	64,035
Cash and cash equivalents at beginning of the year		107,789	43,754
Cash and cash equivalents at end of the year	23	101,343	107,789

The notes on pages 8 to 32 form an integral part of these financial statements.

AEONIC SECURITIES C.I.F. PLC

NOTES TO THE FINANCIAL STATEMENTS

31 December 2020

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.

Operating Environment of the Company

The Cypriot economy has recorded positive growth in 2017 and 2018 after overcoming the economic recession of recent years. The overall economic outlook of the economy remains favourable, however there are still downside risks emanating from the still high levels of non-performing loans, the public debt ratio, as well as possible deterioration of the external environment for Cyprus.

This operating environment may have a significant impact on the Company's operations and financial position. Management is taking necessary measures to ensure sustainability of the Company'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 Company.

On the basis of the evaluation performed, the Company'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 Company and the smooth conduct of its operations in the current business and economic environment.

2. Basis of preparation

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, and financial assets and financial liabilities at fair value through profit or loss and through other comprehensive income.

3. Functional and presentation currency

The financial statements are presented in Euro (€) which is the functional currency of the Company.

AEONIC SECURITIES C.I.F. PLC

NOTES TO THE FINANCIAL STATEMENTS

31 December 2020

4. Adoption of new or revised standards and interpretations

During the current year the Company adopted all the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning on 1 January 2020. This adoption did not have a material effect on the accounting policies of the Company.

5. 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.

Revenue

Recognition and measurement

Revenue represents the amount of consideration to which the Company expects to be entitled in exchange for transferring the promised goods or services to the customer, excluding amounts collected on behalf of third parties (for example, value-added taxes); the transaction price. The Company includes in the transaction price an amount of variable consideration as a result of rebates/discounts only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved. Estimations for rebates and discounts are based on the Company's experience with similar contracts and forecasted sales to the customer.

The Company recognises revenue when the parties have approved the contract (in writing, orally or in accordance with other customary business practices) and are committed to perform their respective obligations, the Company can identify each party's rights and the payment terms for the goods or services to be transferred, the contract has commercial substance (i.e. the risk, timing or amount of the Company's future cash flows is expected to change as a result of the contract), it is probable that the Company will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer and when specific criteria have been met for each of the Company's contracts with customers.

The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. In evaluating whether collectability of an amount of consideration is probable, the Company considers only the customer's ability and intention to pay that amount of consideration when it is due.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimates are reflected in the statement of profit or loss and other comprehensive income in the period in which the circumstances that give rise to the revision become known by Management.

Identification of performance obligations

The Company assesses whether contracts that involve the provision of a range of goods and/or services contain one or more performance obligations (that is, distinct promises to provide a service) and allocates the transaction price to each performance obligation identified on the basis of its stand-alone selling price. A good or service that is promised to a customer is distinct if the customer can benefit from the good or service, either on its own or together with other resources that are readily available to the customer (that is the good or service is capable of being distinct) and the Company's promise to transfer the good or service to the customer is separately identifiable from other promises in the contract (that is, the good or service is distinct within the context of the contract).

Revenue is measured based on the consideration to which the Company expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognises revenue when it transfers control of a product or service to a customer.

AEONIC SECURITIES C.I.F. PLC

NOTES TO THE FINANCIAL STATEMENTS

31 December 2020

5. Significant accounting policies (continued)

Revenue recognition (continued)

- **Rendering of services**

Revenue from rendering of services is recognised over time while the Company satisfies its performance obligation by transferring control over the promised service to the customer in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously. This is determined based on the actual labour hours spent relative to the total expected labour hours.

- **Commission income**

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

- **Work executed**

Work executed is recognised in the accounting period in which the work is carried out by reference to completion of the specific transaction assessed on the basis of the actual work executed provided as a proportion of the total work to be carried out.

- **Interest income**

Interest income is recognised on a time-proportion basis using the effective interest 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 (€), which is the Company's functional and presentation currency.

(2) **Transactions and balances**

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

Tax

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

Property, plant and equipment

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

AEONIC SECURITIES C.I.F. PLC

NOTES TO THE FINANCIAL STATEMENTS

31 December 2020

5. Significant accounting policies (continued)

Property, plant and equipment (continued)

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:

	%
Motor vehicles	20
Furniture, fixtures and office equipment	10
Computer Hardware	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.

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.

The annual depreciation rates are as follows:

Computer Software	33.33%
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AEONIC SECURITIES C.I.F. PLC

NOTES TO THE FINANCIAL STATEMENTS

31 December 2020

5. Significant accounting policies (continued)

Computer software

Costs that are directly associated with identifiable and unique computer software products controlled by the Company 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.

Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset - this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:
 - the Company has the right to operate the asset; or
 - the Company designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

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

Financial assets - Classification

The Company classifies its financial assets in the following measurement categories:

AEONIC SECURITIES C.I.F. PLC

NOTES TO THE FINANCIAL STATEMENTS

31 December 2020

5. Significant accounting policies (continued)

Financial assets (continued)

Financial assets - Classification (continued)

- 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 or 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, the 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 recognised when the entity becomes a party to the contractual provisions of the instrument.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

Financial assets - Measurement

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

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

AEONIC SECURITIES C.I.F. PLC

NOTES TO THE FINANCIAL STATEMENTS

31 December 2020

5. Significant accounting policies (continued)

Financial assets (continued)

Financial assets - Measurement (continued)

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 and other comprehensive income. 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 and other comprehensive income.

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 and other comprehensive income as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTPL are not reported separately from other changes in fair value.

Financial assets - impairment - credit loss allowance for ECL

The Company assesses on a forward-looking basis the ECL for debt instruments (including loans) measured at amortised cost and FVOCI and 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.

AEONIC SECURITIES C.I.F. PLC

NOTES TO THE FINANCIAL STATEMENTS

31 December 2020

5. Significant accounting policies (continued)

Financial assets (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 and other comprehensive income within "net impairment losses on financial and contract assets. Subsequent recoveries of amounts for which loss allowance was previously recognised are credited against the same line item.

Debt instruments carried at amortised cost 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.

The impairment methodology applied by the Company for calculating expected credit losses depends on the type of financial asset assessed for impairment. Specifically:

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

For all other financial instruments 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 7, 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 7, Credit risk section.

Additionally the Company has decided to use the low credit risk assessment exemption for investment grade financial assets. Refer to note 7, 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.

AEONIC SECURITIES C.I.F. PLC

NOTES TO THE FINANCIAL STATEMENTS

31 December 2020

5. Significant accounting policies (continued)

Financial assets (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 (e.g. 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 cash flow statement, cash and cash equivalents comprise cash at bank and in hand. Cash and cash equivalents are carried at amortised cost 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.

Classification as financial assets at amortised cost

These amounts generally arise from transactions outside the usual operating activities of the Company. They 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.

Classification as trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less loss allowance.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, in which case they are recognised at fair value. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

AEONIC SECURITIES C.I.F. PLC

NOTES TO THE FINANCIAL STATEMENTS

31 December 2020

5. Significant accounting policies (continued)

Financial assets (continued)

Classification as trade receivables (continued)

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 7, 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.

Financial liabilities - measurement categories

Financial liabilities are initially recognised at fair value and classified as subsequently measured at amortised cost, except for (i) financial liabilities at FVTPL: this classification is applied to derivatives, financial liabilities held for trading (e.g. short positions in securities), contingent consideration recognised by an acquirer in a business combination and other financial liabilities designated as such at initial recognition and (ii) financial guarantee contracts and loan commitments.

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

Trade payables

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

Financial liabilities - Modifications

An exchange between the Company and its original lenders of debt instruments with substantially different terms, as well as substantial modifications of the terms and conditions of existing financial liabilities, are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability. (In addition, other qualitative factors, such as the currency that the instrument is denominated in, changes in the type of interest rate, new conversion features attached to the instrument and change in loan covenants are also considered.)

If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability.

Modifications of liabilities that do not result in extinguishment are accounted for as a change in estimate using a cumulative catch up method, with any gain or loss recognised in profit or loss, unless the economic substance of the difference in carrying values is attributed to a capital transaction with owners and is recognised directly to equity.

Borrowing costs are interest and other costs that the Company incurs in connection with the borrowing of funds, including interest on borrowings, amortisation of discounts or premium relating to borrowings, amortisation of ancillary costs incurred in connection with the arrangement of borrowings, finance lease charges and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

AEONIC SECURITIES C.I.F. PLC

NOTES TO THE FINANCIAL STATEMENTS

31 December 2020

5. Significant accounting policies (continued)

Financial assets (continued)

Financial liabilities - Modifications (continued)

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset, being an asset that necessarily takes a substantial period of time to get ready for its intended use or sale, are capitalised as part of the cost of that asset, when it is probable that they will result in future economic benefits to the Company and the costs can be measured reliably.

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.

Prepayments

Prepayments are carried at cost less provision for impairment. A prepayment is classified as non-current when the goods or services relating to the prepayment are expected to be obtained after one year, or when the prepayment relates to an asset which will itself be classified as non-current upon initial recognition. Prepayments to acquire assets are transferred to the carrying amount of the asset once the Company has obtained control of the asset and it is probable that future economic benefits associated with the asset will flow to the Company. Other prepayments are written off to profit or loss when the goods or services relating to the prepayments are received. If there is an indication that the assets, goods or services relating to a prepayment will not be received, the carrying value of the prepayment is written down accordingly and a corresponding impairment loss is recognised in profit or loss.

Share capital

Ordinary shares are classified as equity.

6. 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.

7. Financial risk management

Financial risk factors

The Company is exposed to market price risk, 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:

7.1 Market price risk

The Company is exposed to equity securities price risk because of equity investments held by the Company and classified on the statement of financial position either as fair value through other comprehensive income or at fair value through profit or loss. The Company is not exposed to commodity price risk.

AEONIC SECURITIES C.I.F. PLC

NOTES TO THE FINANCIAL STATEMENTS

31 December 2020

7. Financial risk management (continued)

7.2 Interest rate risk

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

7.3 Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to meet an obligation. 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 as well as lease receivables. Further, credit risk arises from financial guarantees and credit related commitments.]

(i) Risk management

Credit risk is managed on a group basis. For banks and financial institutions, the Company has established policies whereby the majority of bank balances are held with independently rated parties with a minimum rating of ['C'].

If wholesale 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.

There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

The Company's investments in debt instruments are considered to be low risk investments. The credit ratings of the investments are monitored for credit deterioration.

These policies enable the Company to reduce its credit risk significantly.

(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
- cash and cash equivalents
- credit commitments

The impairment methodology applied by the Company for calculating expected credit losses depends on the type of financial asset assessed for impairment. Specifically:

- For trade receivables the Company applies the simplified approach permitted by IFRS 9, which requires lifetime expected losses to be recognised from initial recognition of the financial assets.
- For all other financial assets 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 asset 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"). 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.

AEONIC SECURITIES C.I.F. PLC

NOTES TO THE FINANCIAL STATEMENTS

31 December 2020

7. Financial risk management (continued)

7.3 Credit risk (continued)

(ii) Impairment of financial assets (continued)

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

Significant increase in credit risk

The Company considers the probability of default upon initial recognition of the 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 financial asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-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/counterparty's ability to meet its obligations
- actual or expected significant changes in the operating results of the borrower/counterparty
- significant increases in credit risk on other financial instruments of the same borrower/counterparty
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements
- significant changes in the expected performance and behaviour of the borrower/counterparty, including changes in the payment status of counterparty in the Company and changes in the operating results of the borrower/counterparty.

Macroeconomic information (such as market interest rates or growth rates) is incorporated as part of the internal rating model. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Company has identified the GDP and the unemployment rate of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors. No significant changes to estimation techniques or assumptions were made during the reporting period.

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.

Low credit risk

The Company has decided to use the low credit risk assessment exemption for investment grade financial assets. 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.

Default

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

Write-off

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 debt financial asset for write off when a debtor fails to make contractual payments greater than 180 days past due. Where debt financial assets 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.

AEONIC SECURITIES C.I.F. PLC

NOTES TO THE FINANCIAL STATEMENTS

31 December 2020

7. Financial risk management (continued)

7.3 Credit risk (continued)

(ii) Impairment of financial assets (continued)

The Company's exposure to credit risk for each class of (asset/instrument) subject to the expected credit loss model is set out below:

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, 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 contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Company has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The expected loss rates are based on the payment profiles of sales over a period of 36 months before 31 December 2020 or 1 January 2020 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Company has identified the GDP and the unemployment rate of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

The average credit period on sales of goods is 60 days. No interest is charged on outstanding trade receivables.

The Company always measures the loss allowance for trade receivables at an amount equal to lifetime ECL.

There were no significant trade receivable and contract asset balances written off during the year that are subject to enforcement activity.

Receivables from related parties

For receivables from related parties lifetime ECL was provided for them upon initial application of IFRS 9 until these financial assets are derecognised as it was determined on initial application of IFRS 9 that it would require undue cost and effort to determine whether their credit risk has increased significantly since initial recognition to the date of initial application of IFRS 9.

For any new loans to related parties, which are not purchased or originated credit-impaired financial assets, the impairment loss is recognised as 12-month ECL on initial recognition of such instruments and subsequently the Company assesses whether there was a significant increase in credit risk.

The gross carrying amounts below represent the Company's maximum exposure to credit risk on these assets as at 31 December 2020 and 31 December 2019:

The Company does not hold any collateral as security for any receivables from related parties.

There were no significant receivables from related parties written off during the year that are subject to enforcement activity.

Cash and cash equivalents

The Company assesses, on a group basis, its exposure to credit risk arising from cash at bank. This assessment takes into account, ratings from external credit rating institutions and internal ratings, if external are not available.

AEONIC SECURITIES C.I.F. PLC

NOTES TO THE FINANCIAL STATEMENTS

31 December 2020

7. Financial risk management (continued)

7.3 Credit risk (continued)

(ii) Impairment of financial assets (continued)

Cash and cash equivalents (continued)

Bank deposits held with banks with investment grade rating are considered as low credit risk.

The gross carrying amounts below represent the Company's maximum exposure to credit risk on these assets as at 31 December 2020 and 31 December 2019:

The ECL on current accounts is considered to be approximate to 0, unless the bank is subject to capital controls. The ECL on deposits accounts is calculated by considering published PDs for the rating as per Moody's and an LGD of 40-60% as published by ECB.

The Company does not hold any collateral as security for any cash at bank balances.

There were no significant cash at bank balances written off during the year that are subject to enforcement activity.

(iii) Credit related commitments

The primary purpose of these instruments is to ensure that funds are available to a borrower as required. Guarantees which represent irrevocable assurances that the Company will make payments in the event that a counterparty cannot meet its obligations to third parties, carry the same credit risk as loans receivable. Commitments to extend credit represent unused portions of authorisations to extend credit in the form of loans or guarantees. With respect to credit risk on commitments to extend credit, the Company is potentially exposed to loss in an amount equal to the total unused commitments, if the unused amounts were to be drawn down. The Company monitors the term to maturity of credit related commitments, because longer-term commitments generally have a greater degree of credit risk than shorter-term commitments.

7.4 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.

7.5 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 Euro. The Company's Management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

7.6 Capital risk management

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

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.

8. 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.

AEONIC SECURITIES C.I.F. PLC

NOTES TO THE FINANCIAL STATEMENTS

31 December 2020

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

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.

- **Leases**

The Company has an enforceable extension option in relation to... [provide details of the arrangement, extension option, pricing etc]. The group has assessed whether the extension option is reasonably certain to exercise by considering [list considerations] and has concluded that it is/is not reasonably certain to exercise.

- **Amount payable under residual value guarantees**

The Company initially estimates and recognises amounts expected to be payable under residual value guarantees as part of the lease liability. Typically, the expected residual value at lease commencement is equal to or higher than the guaranteed amount, and so the Company does not expect to pay anything under the guarantees.

At the end of each reporting period, the expected residual values are reviewed to reflect actual residual values achieved on comparable assets and expectations about future prices.

- **Calculation of loss allowance**

When measuring expected credit losses the Company uses reasonable and supportable forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

- **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 7, Credit risk section.

AEONIC SECURITIES C.I.F. PLC

NOTES TO THE FINANCIAL STATEMENTS

31 December 2020

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

- **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.

- **Impairment of intangible assets**

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 Company estimates the recoverable amount of the cash generating unit in which the asset belongs to.

- **Useful live of depreciable assets**

The Board of Directors assesses the useful lives of depreciable assets at each reporting date, and revises them if necessary so that the useful lives represent the expected utility of the assets to the Company. Actual results, however, may vary due to technological obsolescence, mis-usage and other factors that are not easily predictable.

9. Revenue

The Company derives its revenue from contracts with customers for the transfer of goods and services over time and at a point in time in the following major product lines.

Disaggregation of revenue

	2020	2019
	€	€
Rendering of services	9,277	12,427
Commissions receivable	404,643	481,795
	<u>413,920</u>	<u>494,222</u>

10. Cost of sales

	2020	2019
	€	€
Services received	183,665	221,384
	<u>183,665</u>	<u>221,384</u>

AEONIC SECURITIES C.I.F. PLC

NOTES TO THE FINANCIAL STATEMENTS

31 December 2020

11. Other operating income

	2020	2019
	€	€
Interest income	2,997	6,120
Exchange profit	1,544	1,232
Gain from sale of property, plant and equipment	5,168	-
Profit from operating activities- non-taxable income	28,553	19,915
Sundry operating income	80	460
	38,342	27,727

12. Selling and distribution expenses

	2020	2019
	€	€
Motor vehicle running costs	1,378	732
Inland travelling	1,182	11,630
	2,560	12,362

13. Administration expenses

	2020	2019
	€	€
Staff costs	111,251	102,718
Common expenses	1,000	900
Licenses and taxes	303	222
Municipality taxes	300	-
Annual levy	350	350
Electricity	2,114	2,332
Water supply and cleaning	-	533
Insurance	2,349	2,894
Repairs and maintenance	182	793
Sundry expenses	7,449	10,131
Telephone and postage	3,934	4,958
Courier expenses	401	-
Stationery and printing	579	458
Subscriptions and contributions	46,883	47,178
Staff training	1,328	2,922
Sundry staff costs	296	-
Computer supplies and maintenance	6,735	2,730
Certification and legalisation expenses	-	285
Auditors' remuneration	2,500	3,750
Accounting fees	2,400	2,250
Other professional fees	29,829	15,936
Fines	189	35
Inland travelling and accommodation	1,604	5,721
Irrecoverable VAT	12,040	-
Entertaining	1,343	12,436
Motor vehicle running costs	259	323
Other expenses	266	21,110
Amortisation of computer software	-	661
Depreciation of right-of-use assets	29,701	29,701
Depreciation	8,596	14,755
	274,181	286,082

AEONIC SECURITIES C.I.F. PLC

NOTES TO THE FINANCIAL STATEMENTS

31 December 2020

14. Other expenses

	2020	2019
	€	€
Loss from operating activities- non-allowable for tax expense	12,272	4,579
Fair value losses on financial assets at fair value through profit or loss	2,908	-
	<u>15,180</u>	<u>4,579</u>

15. Staff costs

	2020	2019
	€	€
Salaries	97,477	90,757
Social security costs	11,875	10,196
Social cohesion fund	1,899	1,765
	<u>111,251</u>	<u>102,718</u>

16. Finance costs

	2020	2019
	€	€
Net foreign exchange losses	7,786	1,202
Interest expense on lease liabilities	2,215	2,982
Other interest expense	770	3,637
Sundry finance expenses	7,263	6,695
Finance costs	<u>18,034</u>	<u>14,516</u>

17. Tax

	2020	2019
	€	€
Defence contribution	899	1,836
Charge for the year	<u>899</u>	<u>1,836</u>

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

	2020	2019
	€	€
Loss before tax	<u>(41,358)</u>	<u>(15,702)</u>
Tax calculated at the applicable tax rates	(5,170)	(1,963)
Tax effect of expenses not deductible for tax purposes	8,316	-
Tax effect of allowances and income not subject to tax	(7,320)	1,963
Tax effect of tax loss for the year	4,174	-
Defence contribution current year	899	1,836
Tax charge	<u>899</u>	<u>1,836</u>

The corporation tax rate is 12,5%.

AEONIC SECURITIES C.I.F. PLC

NOTES TO THE FINANCIAL STATEMENTS

31 December 2020

17. Tax (continued)

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.

Due to tax losses sustained in the year, no tax liability arises on the Company. Under current legislation, tax losses may be carried forward and be set off against taxable income of the five succeeding years.

18. Property, plant and equipment

	Motor vehicles €	Furniture, fixtures and office equipment €	Total €
Cost			
Balance at 1 January 2019	43,018	32,388	75,406
Additions	25,475	234	25,709
Balance at 31 December 2019/ 1 January 2020	68,493	32,622	101,115
Disposals	(25,475)	-	(25,475)
Balance at 31 December 2020	43,018	32,622	75,640
Depreciation			
Balance at 1 January 2019	32,362	18,769	51,131
Charge for the year	11,998	2,757	14,755
Balance at 31 December 2019/ 1 January 2020	44,360	21,526	65,886
Charge for the year	6,304	2,293	8,597
On disposals	(7,646)	-	(7,646)
Balance at 31 December 2020	43,018	23,819	66,837
Net book amount			
Balance at 31 December 2020	-	8,803	8,803
Balance at 31 December 2019	24,133	11,096	35,229

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

	2020 €	2019 €
Net book amount	17,829	-
Profit from the sale of property, plant and equipment (Note 11)	5,168	-
Proceeds from disposal of property, plant and equipment	22,997	-

AEONIC SECURITIES C.I.F. PLC

NOTES TO THE FINANCIAL STATEMENTS

31 December 2020

19. Right-of-use assets

	Land and buildings €	Total €
Cost		
Additions	118,803	118,803
Balance at 31 December 2019/ 1 January 2020	118,803	118,803
Additions	(46,666)	(46,666)
Balance at 31 December 2020	72,137	72,137
Depreciation		
Charge for the year	29,701	29,701
Balance at 31 December 2019/ 1 January 2020	29,701	29,701
Charge for the year	29,700	29,700
Balance at 31 December 2020	59,401	59,401
Net book amount		
Balance at 31 December 2020	12,736	12,736
Balance at 31 December 2019	89,102	89,102

Amounts recognised in profit and loss:

	2020 €	2019 €
Depreciation expense on right-of-use assets	29,700	-
Interest expense on lease liabilities	(2,215)	(2,982)

20. Intangible assets

	Computer software €
Cost	
Balance at 1 January 2019	13,591
Balance at 31 December 2019/ 1 January 2020	13,591
Balance at 31 December 2020	13,591
Amortisation	
Balance at 1 January 2019	12,930
Amortisation for the year	661
Balance at 31 December 2019/ 1 January 2020	13,591
Balance at 31 December 2020	13,591
Net book amount	
Balance at 31 December 2020	-

AEONIC SECURITIES C.I.F. PLC

NOTES TO THE FINANCIAL STATEMENTS

31 December 2020

21. Trade and other receivables

	2020	2019
	€	€
Trade receivables	1,635,084	933,882
Receivables from own subsidiaries (Note 29.2)	3,456	3,271
Shareholders' current accounts - debit balances (Note 29.4)	3,894	30,894
Deposits and prepayments	3,900	5,865
Other receivables	20,169	81,561
Refundable VAT	16,752	20,678
	1,683,255	1,076,151

The Company 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 Company to credit risk and impairment losses in relation to trade and other receivables is reported in note 7 of the financial statements.

22. Investors' Compensation Fund

	2020	2019
	€	€
Balance at 1 January	80,187	76,632
Additions	3,318	3,555
Balance at 31 December	83,505	80,187

23. Cash at bank and in hand

Cash balances are analysed as follows:

	2020	2019
	€	€
Cash at bank and in hand	101,343	107,789
	101,343	107,789

The exposure of the Company to credit risk and impairment losses in relation to cash and cash equivalents is reported in note 7 of the financial statements.

24. Share capital

	2020 Number of shares	2020 €	2019 Number of shares	2019 €
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 FINANCIAL STATEMENTS

31 December 2020

25. Lease liabilities

	Minimum lease payments		The present value of minimum lease payments	
	2020	2019	2020	2019
	€	€	€	€
Not later than 1 year	12,000	18,000	11,494	15,786
Later than 1 year and not later than 5 years	12,000	72,000	11,839	69,999
	24,000	90,000	23,333	85,785
Future finance charges	(667)	(4,215)	-	-
Present value of lease liabilities	23,333	85,785	23,333	85,785

All lease obligations are denominated in Euro.

The fair values of lease obligations approximate to their carrying amounts as presented above.

The Company's obligations under leases are secured by the lessors' title to the leased assets.

26. Trade and other payables

	2020	2019
	€	€
Trade payables	1,543,415	813,514
Social insurance and other taxes	4,790	3,760
Accruals	5,498	2,866
Other creditors	14,623	123,213
Defence tax on rent payable	810	1,148
Payables to own subsidiaries (Note 29.3)	-	33,000
	1,569,136	977,501

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

27. Current tax liabilities

	2020	2019
	€	€
Special contribution for defence	5,835	4,936
	5,835	4,936

28. Operating Environment of the Company

The Cypriot economy has recorded positive growth in 2017 and 2018 after overcoming the economic recession of recent years. The overall economic outlook of the economy remains favourable, however there are still downside risks emanating from the still high levels of non-performing loans, the public debt ratio, as well as possible deterioration of the external environment for Cyprus.

AEONIC SECURITIES C.I.F. PLC

NOTES TO THE FINANCIAL STATEMENTS

31 December 2020

28. Operating Environment of the Company (continued)

This operating environment may have a significant impact on the Company's operations and financial position. Management is taking necessary measures to ensure sustainability of the Company'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 Company.

On the basis of the evaluation performed, the Company'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 Company and the smooth conduct of its operations in the current business and economic environment.

29. Related party transactions

The Company is controlled by Alexandros Sinos, incorporated in Cyprus, which owns 61% of the Company's shares, which corresponds to 365,500 shares.

The following transactions were carried out with related parties:

29.1 Directors' remuneration

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

	2020 €	2019 €
Directors' remuneration	<u>63,797</u>	<u>64,199</u>
	63,797	64,199

29.2 Receivables from related parties (Note 21)

<u>Name</u>	<u>Nature of transactions</u>	2020 €	2019 €
Aeonic Investments Ltd	Finance	<u>3,456</u>	<u>3,271</u>
		3,456	3,271

29.3 Payables to related parties (Note 26)

<u>Name</u>	<u>Nature of transactions</u>	2020 €	2019 €
Aeonic Investments Ltd	Finance	<u>-</u>	<u>33,000</u>
		-	33,000

29.4 Shareholders' current accounts - debit balances (Note 21)

	2020 €	2019 €
Alexandros Sinos	<u>3,894</u>	<u>30,894</u>
	3,894	30,894

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

AEONIC SECURITIES C.I.F. PLC

NOTES TO THE FINANCIAL STATEMENTS

31 December 2020

30. Contingent liabilities

The Company had no contingent liabilities as at 31 December 2020.

31. Commitments

The Company had no capital or other commitments as at 31 December 2020.

32. Events after the reporting period

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

Independent auditor's report on pages 2 to 3

AEONIC SECURITIES C.I.F. PLC

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

CONTENTS	PAGE
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Calculation of tax losses for the five-year period	9

AEONIC SECURITIES C.I.F. PLC

DETAILED INCOME STATEMENT

31 December 2020

	Page	2020 €	2019 €
Revenue			
Rendering of services		9,277	12,427
Commissions receivable		404,643	481,795
Cost of sales	3	<u>(183,665)</u>	<u>(221,384)</u>
Gross profit		230,255	272,838
Other operating income			
Interest from overseas		2,997	5,567
Other interest income		-	553
Unrealised foreign exchange profit		1,544	1,232
Sundry operating income		80	460
Gain from sale of property, plant and equipment		5,168	-
Profit from operating activit.- non-taxable income		28,553	19,915
Net fair value gains on financial assets at fair value through profit or loss		<u>-</u>	<u>1,272</u>
		268,597	301,837
Operating expenses			
Administration expenses	4	(274,181)	(286,082)
Selling and distribution expenses	4	<u>(2,560)</u>	<u>(12,362)</u>
		(8,144)	3,393
Other operating expenses			
Loss from op.activ.- non-allowable for tax expense		(12,272)	(4,579)
Fair value losses on financial assets at fair value through profit or loss		<u>(2,908)</u>	<u>-</u>
Operating loss		(23,324)	(1,186)
Finance costs	5	<u>(18,034)</u>	<u>(14,516)</u>
Net loss for the year before tax		<u>(41,358)</u>	<u>(15,702)</u>

AEONIC SECURITIES C.I.F. PLC

COST OF SALES

31 December 2020

	2020 €	2019 €
Cost of sales		
Closing stocks	-	-
Direct costs		
Services received	<u>183,665</u>	<u>221,384</u>
	<u>183,665</u>	<u>221,384</u>

AEONIC SECURITIES C.I.F. PLC

OPERATING EXPENSES

31 December 2020

	2020 €	2019 €
Administration expenses		
Directors' remuneration	63,797	64,199
Staff salaries	33,680	26,558
Social insurance	11,875	10,196
Social cohesion fund	1,899	1,765
Common expenses	1,000	900
Licenses and taxes	303	222
Municipality taxes	300	-
Annual levy	350	350
Electricity	2,114	2,332
Water supply and cleaning	-	533
Insurance	2,349	2,894
Repairs and maintenance	182	793
Sundry expenses	7,449	10,131
Telephone and postage	3,934	4,958
Courier expenses	401	-
Stationery and printing	579	458
Subscriptions and contributions	46,883	47,178
Staff training	1,328	2,922
Sundry staff costs	296	-
Computer supplies and maintenance	6,735	2,730
Certification and legalisation expenses	-	285
Auditors' remuneration	2,500	3,750
Accounting fees	2,400	2,250
Other professional fees	29,829	15,936
Fines	189	35
Inland travelling and accommodation	1,604	5,721
Irrecoverable VAT	12,040	-
Entertaining	1,343	12,436
Motor vehicle running costs	259	323
Other expenses	266	21,110
Amortisation of computer software	-	661
Depreciation of right-of-use assets	29,701	29,701
Depreciation	8,596	14,755
	274,181	286,082

	2020 €	2019 €
Selling and distribution expenses		
Motor vehicle running costs	1,378	732
Inland travelling	1,182	11,630
	2,560	12,362

AEONIC SECURITIES C.I.F. PLC

FINANCE EXPENSES

31 December 2020

	2020 €	2019 €
Finance costs		
Interest expense		
Interest expense on lease liabilities	2,215	2,982
Bank overdraft interest	770	3,637
Sundry finance expenses		
Bank charges	7,263	6,695
Net foreign exchange losses		
Realised foreign exchange loss	5,453	1,166
Unrealised foreign exchange loss	2,333	36
	18,034	14,516

AEONIC SECURITIES C.I.F. PLC

COMPUTATION OF WEAR AND TEAR ALLOWANCES 31 December 2020

Year	%	COST			ANNUAL ALLOWANCES				Net value 31/12/2020 €	
		Balance 01/01/2020 €	Additions for the year €	Disposals for the year €	Balance 31/12/2020 €	Charge for the year €	On disposals €	Balance 31/12/2020 €		
Motor vehicles										
2012	-	8,500	-	-	8,500	-	-	-	-	8,500
2015	-	15,752	-	-	15,752	-	-	-	-	15,752
2016	-	18,766	-	-	18,766	-	-	-	-	18,766
2019	-	25,474	-	(25,474)	-	-	-	-	-	-
		68,492	-	(25,474)	43,018	-	-	-	-	43,018
Furniture, fixtures and office equipment										
2012	10	3,070	-	-	3,070	2,690	307	-	2,997	73
2012	10	394	-	-	394	78	39	-	117	277
2012	10	2,634	-	-	2,634	2,104	263	-	2,367	267
2013	10	410	-	-	410	287	41	-	328	82
2015	10	731	-	-	731	365	73	-	438	293
2015	10	546	-	-	546	275	55	-	330	216
2016	10	406	-	-	406	164	41	-	205	201
2016	10	155	-	-	155	64	16	-	80	75
2016	10	78	-	-	78	32	8	-	40	38
2016	10	136	-	-	136	56	14	-	70	66
2016	10	22	-	-	22	8	2	-	10	12
2016	10	399	-	-	399	160	40	-	200	199
2016	10	21	-	-	21	8	2	-	10	11
2017	10	780	-	-	780	234	78	-	312	468
2017	10	580	-	-	580	174	58	-	232	348
2017	10	300	-	-	300	90	30	-	120	180
2017	10	560	-	-	560	168	56	-	224	336
2017	10	470	-	-	470	141	47	-	188	282
2017	10	30	-	-	30	9	3	-	12	18
2017	10	70	-	-	70	21	7	-	28	42
2017	10	150	-	-	150	45	15	-	60	90
2017	10	240	-	-	240	72	24	-	96	144
2017	10	48	-	-	48	15	5	-	20	28
2017	10	650	-	-	650	195	65	-	260	390
2017	10	425	-	-	425	129	43	-	172	253
2017	10	140	-	-	140	42	14	-	56	84
2017	10	70	-	-	70	21	7	-	28	42
2017	10	429	-	-	429	129	43	-	172	257

AEONIC SECURITIES C.I.F. PLC

COMPUTATION OF WEAR AND TEAR ALLOWANCES

31 December 2020

	Year	%	COST			ANNUAL ALLOWANCES				Net value 31/12/2020 €
			Balance 01/01/2020 €	Additions for the year €	Disposals for the year €	Balance 31/12/2020 €	Charge for the year €	On disposals €	Balance 31/12/2020 €	
Furniture, fixtures and office equipment (continued)										
Shredder	2017	10	134	-	-	134	13	-	52	82
Kettle	2017	10	94	-	-	94	9	-	36	58
Meridian Wash Basin	2017	10	215	-	-	215	22	-	88	127
Mobile Phone	2017	10	350	-	-	350	35	-	140	210
Gallery Carolina Plafon Lights (2 items)	2017	10	569	-	-	569	57	-	228	341
Eglo Lights	2017	10	79	-	-	79	8	-	32	47
Pendant Mark Urban Grey Lights	2017	10	109	-	-	109	11	-	44	65
White Table	2017	10	807	-	-	807	81	-	324	483
Coffee / Tea Cups	2017	10	34	-	-	34	3	-	12	22
Paintings	2017	10	3,000	-	-	3,000	300	-	1,200	1,800
Vacuum Cleaner	2019	10	75	-	-	75	8	-	16	59
			19,410	-	-	19,410	1,943	-	11,344	8,066
Computer Hardware - cost										
Computer Hardware	2012	20	7,785	-	-	7,785	-	-	7,785	-
Office Equipment	2013	10	2,735	-	-	2,735	274	-	2,192	543
Demstar	2015	20	570	-	-	570	-	-	570	-
Demstar	2015	20	589	-	-	589	-	-	589	-
PC Monitor 1	2015	20	570	-	-	570	-	-	570	-
PC Monitor 2	2015	20	570	-	-	570	-	-	570	-
Laptop	2018	20	235	-	-	235	47	-	141	94
UPS	2019	20	159	-	-	159	32	-	64	95
			13,213	-	-	13,213	353	-	12,481	732
Total			101,115	-	(25,474)	75,641	2,296	-	23,825	51,816
Computer software										
MS. Office Pro 2010	2012	33	1,810	-	-	1,810	-	-	1,810	-
Solution ERP	2013	33	8,500	-	-	8,500	-	-	8,500	-
Advak Barracuda	2015	33	1,299	-	-	1,299	-	-	1,299	-
Disaster Recovery	2017	33	998	-	-	998	-	-	998	-
SQL Recovery	2017	33	465	-	-	465	-	-	465	-
Software Digidart	2017	33	518	-	-	518	-	-	518	-
			13,590	-	-	13,590	-	-	13,590	-

AEONIC SECURITIES C.I.F. PLC

COMPUTATION OF DEFENCE CONTRIBUTION

31 December 2020

	Income €	Rate	Defence € c
INTEREST			
Interest from overseas	<u>2,997</u>		
	<u>2,997</u>	30%	899.10
DEFENCE CONTRIBUTION DUE TO IRD			<u>899.10</u>

AEONIC SECURITIES C.I.F. PLC

COMPUTATION OF CORPORATION TAX

31 December 2020

	Page	€	€
Net loss per income statement	2		(41,358)
<u>Add:</u>			
Salaries with no contributions to the Social Insurance Fund		2,504	
Depreciation		38,297	
Loss from op.activ.- non-allowable for tax expense		12,272	
Fair value losses on financial assets at fair value through profit or loss		2,908	
Realised foreign exchange loss		5,453	
Unrealised foreign exchange loss		2,333	
Annual levy		350	
Fines		189	
Interest expense on lease liabilities		<u>2,215</u>	
			<u>66,521</u>
			25,163
<u>Less:</u>			
Annual wear and tear allowances	7	2,296	
Gain from sale of property, plant and equipment		5,168	
Profit from operating activit.- non-taxable income		28,553	
Interest income		2,997	
Unrealised foreign exchange profit		1,544	
Lease payments for right of use assets		<u>18,000</u>	
			<u>(58,558)</u>
Net loss for the year			(33,395)
Loss brought forward			<u>(45,587)</u>
Loss carried forward			<u>(78,982)</u>

CALCULATION OF TAX LOSSES FOR THE FIVE-YEAR PERIOD

Tax year	2015	2016	2017	2018	2019	2020
	€	€	€	€	€	€
Profits/(losses) for the tax year	35,935	53,774	80,047	(45,587)	15,370	(33,395)
Gains Offset (€)	35,935	53,774	80,047	-	15,370	-
- Year	2012	2012	2013		2014	
Gains Offset (€)	-	-	-	-	-	-
- Year						
Gains Offset (€)	-	-	-	-	-	-
- Year						
Gains Offset (€)	-	-	-	-	-	-
- Year						
Gains Offset (€)	-	-	-	-	-	-
- Year						

Net loss carried forward (78,982)