FAETHON DEVELOPMENT SRL

REPORT AND FINANCIAL STATEMENTS
31 December 2019

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ADMINISTRATORS AND OTHER OFFICERS

Administrators:	Constantinos Hassabis Ioannis Papafilippou Christos Ioannou
Independent Auditors:	Baker Tilly Klitou and Partners Ltd 4B GARA HERESTRAU, 10th Fl., 2nd District Bucharest Romania
Legal Advisers:	Lucu si Asociatii SCA No.4 Splaiul Unirii, Floor 7 Building B3, District 4, Bucharest Romania
Registered office:	7 Iuliu Maniu Bvd BuildingU, Floor 5, Office 2 Bucuresti Romania
Banker:	Alpha Bank Romania SA - Howard Johnson Branch

MANAGEMENT REPORT

The Board of Administrators presents its report and audited financial statements of the Company for the year ended 31 December 2019.

Incorporation
The Company Faethon Development S.R.L was incorporated in Romania on 11 December 2006 as a private limited liability company under the provisions of the Romanian Companies Law no.31/1990

Principal activities
The principal activities of the Company, which is unchanged from last year, is the buying and selling of real estate

Review of current position, future developments and performance and significant risks
The Company's development to date, financial results and position as presented in the financial statements are not considered satisfactory and the Administrators is making an effort to reduce the Company's losses.

The most significant risks faced by the Company and the steps taken to manage these risks, are described in note 3 of the financial statements.

Share capital

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

Board of Administrators
The members of the Company's Board of Administrators as at 31 December 2019 and at the date of this report are presented on page 1. page 1.

In accordance with the Company's Articles of Association the Administrator continues in office.

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

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

Independent Auditors
The Independent Auditors, Baker Tilly Klitou and Partners Ltd, have expressed their willingness to continue in office and a resolution giving authority to the Administrators to fix their remuneration will be proposed at the Annual General Meeting.

By order of the Administrators,

Constantinos Hassabis	Ioannis Papafilippou	Christos Ioannou
Administrator	Administrator	
Administrator		

Bucharest, 24 June 2020

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Independent Auditor's Report
To the Members of FAETHON DEVELOPMENT S.R.L

Report on the Financial Statements

Opinion

[1] We have audited the financial statements of **FAETHON DEVELOPMENT S.R.L** (the "Company") which are presented in pages 7 to 23 and comprise the statement of financial position as at 31 December 2019 and the statement of comprehensive income, statement of changes in equity and statement of 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 **FAETHON DEVELOPMENT S.R.L** as of 31 December 2019 and of its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standards as adopted by the European Union (EU).

Basis for Opinion

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

Emphasis of matters

[3] Without qualifying our opinion we draw attention to the following matters:

a) The financial statements, the taxation system in Romania is at an early stage of development and is subject to varying interpretations and to constant changes, which may be retroactive. In certain circumstances the tax authorities can be arbitrary in assessing tax penalties. Although the actual tax on a transaction may be minimal, penalties can be significant as they may be calculated based on the value of the transactions. In Romania, tax periods remain open for tax reviews for 5 years.

b) As stated in Notes 20 to the financial statements, the Company's accumulated losses are in amount of EURO 1,301,322. This condition indicates the existence of a material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern. Should the Company be unable to continue operating, adjustments would have to be made to reduce the value of assets to their recoverable amount, to provide for any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and liabilities.

Baker Tilly Klitou and Partners SRL trading as Baker Tilly is a member of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities.

c) The financial statements as at 31 December 2019 contain transactions with related parties. The fiscal legislation in Romania include the “market value concept”, accordingly the transactions between related parties need to be made at arm’s length basis. The Romanian entities having transactions with related parties need to prepare and to make available to tax authorities, at their request, the transfer pricing file. At the date of approval of the financial statements, the tax authorities did not request the preparation of transfer pricing documentation and the Company has not yet started to prepare this file. The management considers that the company will not suffer any penalties in case of a transfer pricing fiscal control.
Nevertheless, the impact of a potential different interpretation of fiscal authorities cannot be estimated reliably. This impact might be significant for the financial position and/or financial performance of the Company.

d) As per articles 153 and 201 of Romanian Companies' Law 31/ 1990 with all the related changes, in case the net assets of the Company amount to less than half of the subscribed share capital, it is compulsory that the Company will, by the end of the financial exercise following the one in which the losses were incurred, increase the net assets up to an amount equalling at least half of the share capital (through the results of the Company in the following financial exercise or through an increase in the share capital)

Other information

[4] The Administrators are responsible for the other information. The other information comprises the information included in the report of the administrators, but does not include the financial statements and our auditor's report thereon.
Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Administrators for the Financial Statements

[5] The Administrators are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards issued by the IASB, and for such internal control as the Administrators determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Administrators are 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 Administrators either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Administrators are responsible for overseeing the Company's financial reporting process.

Independent Auditor's Report (continued)

To the Members of FAETHON DEVELOPMENT SRL

Auditor’s Responsibility for the Audit of the Financial Statements

[6] 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 judgement and maintain professional skepticism throughout the audit. We also:

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

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

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

- Conclude on the appropriateness of the Administrators’ 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 Administrators regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Independent Auditor's Report (continued)

To the Members of FAETHON DEVELOPMENT SRL

Other Matter

[7] This report, including the opinion, has been prepared and is intended solely for the information and use of the Company’s members as a body. To the fullest extent permitted by the Law, our audit work has been undertaken so that we might report those matters that we are required to report in an Auditor’s Report and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purposes or to any other person to whose knowledge this report may come to.

Baker Tilly Klitou and Partners SRL

Bucharest, 24 June 2020

STATEMENT OF COMPREHENSIVE INCOME
31 December 2019

	Note	2019 €	2018 €
Gross profit		**-**	-
Other operating income	5	**-**	26.100
Administration expenses	6	**(3.395)**	(3.440)
Other expenses	7	**(100)**	-
Operating (loss)/profit		**(3.495)**	22.660
Finance income		**9.505**	17.512
Finance costs		**(42.464)**	(18.824)
Net finance costs	8	**(32.959)**	(1.312)
(Loss)/profit before tax		**(36.454)**	21.348
Tax	9	**(95.227)**	(4.176)
Net (loss)/profit for the year		**(131.681)**	17.172
Other comprehensive income			
Exchange difference arising on the translation of financial statements to presentation currency		**32.836**	1.218
Other comprehensive income for the year		**32.836**	1.218
Total comprehensive income for the year		**(98.845)**	18.390

STATEMENT OF FINANCIAL POSITION
31 December 2019

	Note	2019 €	2018 €
ASSETS			
Non-current assets			
Investment properties	11	**496.500**	496.600
Deferred tax assets	17	**-**	95.227
		496.500	591.827
Current assets			
Receivables	13	**1.888**	1.583
Cash and cash equivalents	14	**177**	793
		2.065	2.376
Total assets		**498.565**	594.203
EQUITY AND LIABILITIES			
Equity			
Share capital	15	**1.242**	1.242
Translation reserve		**442.004**	409.168
Accumulated losses		**(1.301.322)**	(1.169.641)
Total equity		**(858.076)**	(759.231)
Non-current liabilities			
Borrowings	16	**1.354.650**	1.351.050
		1.354.650	1.351.050
Current liabilities			
Trade and other payables	18	**1.991**	2.384
		1.991	2.384
Total liabilities		**1.356.641**	1.353.434
Total equity and liabilities		**498.565**	594.203

On 24 June 2020 the Administrators of FAETHON DEVELOPMENT SRL authorised these financial statements for issue.

....	....	....
Constantinos Hassabis	Ioannis Papafilippou	Christos Ioannou
Administrator	Administrator	Administrator

STATEMENT OF CHANGES IN EQUITY
31 December 2019

	Share capital €	Translation reserve €	Accumulated losses €	Total €
Balance at 01 January 2018	**1.242**	**407.950**	**(1.186.813)**	**(777.621)**
Net profit for the year	-	-	17.172	17.172
Other comprehensive income for the year	-	1.218	-	1.218
Balance at 01 January 2019/ 31 December 2019	**1.242**	**409.168**	**(1.169.641)**	**(759.231)**
Net loss for the year	-	-	(131.681)	(131.681)
Other comprehensive income for the year	-	32.836	-	32.836
Balance at 31 December 2019	**1.242**	**442.004**	**(1.301.322)**	**(858.076)**

STATEMENT OF CASH FLOWS
31 December 2019

	Note	2019 €	2018 €
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss)/profit before tax		**(36.454)**	21.348
Adjustments for:			
Exchange difference arising on the translation of non-current assets in foreign currencies		**32.836**	1.218
Fair value losses/(gains) on investment property		**100**	(26.100)
		(3.518)	(3.534)
Changes in working capital:			
Increase in receivables		**(305)**	(369)
Decrease in trade and other payables		**(393)**	(463)
Cash used in operations		**(4.216)**	(4.366)
CASH FLOWS FROM INVESTING ACTIVITIES		**-**	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		**3.600**	5.150
Net cash generated from financing activities		**3.600**	5.150
Net (decrease)/increase in cash and cash equivalents		**(616)**	784
Cash and cash equivalents at beginning of the year		**793**	9
0Cash and cash equivalents at end of the year	14	**177**	793

The notes on pages 11 to 22 form an integral part of these financial statements.

1. Incorporation and principal activities

Country of incorporation

The Company Faethon Development S.R.L (the "Company") was incorporated in Romania on as a private limited liability company under the Romanian Companies Law 31/1990. Its registered office is at 7 Iuliu Maniu Bvd., Building U, Floor 5, Office 3, 6th District, Bucharest, Romania.

Principal activities

The principal activities of the Company, which is unchanged from last year, is the buying and selling of real estate

2. 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.

Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB). The financial statements have been prepared under the historical cost convention.

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

Adoption of new and revised IFRSs

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 2019. This adoption did not have a material effect on the accounting policies of the Company.

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. The Administrators expects that the adoption of these accounting standards in future periods will not have a material effect on the financial statements of the Company.

Finance income

Finance income includes interest income which is recognised based on an accrual basis.

Finance costs

Interest expense and other borrowing costs are charged to the income statement as incurred.

Currency translation

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 presentation currency.

2. Significant accounting policies (continued)

(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 income statement.
Therefore, in accordance with IAS 21, the method used to translate the financial statements from the functional currency into the presentation currency as follows: assets and liabilities are translated using the closing exchange rate as at 31 December 2019. Consequently, they have been translated into EURO with an exchange rate of RON 4.7739 per EURO 1. Income and expenses are translated using the average exchange rate for the year 1 Eur= 4.7452. Share capital, reserves and retained earnings are translated at historic exchange rate. Exchange difference arising on the translation are classified as equity and recorded as translation reserve.

Tax

Income tax expense represents the sum of the tax currently payable and deferred 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 balance sheet date.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Currently enacted tax rates are used in the determination of deferred tax.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same fiscal authority and the Company intends either to settle on a net bais, or to realisethe asset and settle the liability simultaneously.
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 arrising on the disposal or retirement of an item of propery, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the income statement.

Property, plant and equipment

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

Depreciation is calculated on the straight-line method so as to write off the cost of each asset to its residual value over its estimated useful life.

2. Significant accounting policies (continued)

Investment properties

Investment property, principally comprising land, is held for long-term rental yields and/or for capital appreciation and is not occupied by the Company. Investment property is carried at fair value, representing open market value determined annually by external valuers and is subsequently transferred from retained earnings to faire value reserves. Gains or losses arising from changes in the fair value of investment property are included in the profit or loss for the period in which they arise.

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 and is included within the administrative expenses.

Impairment of non-financial assets

Financial instruments

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

Trade receivablesand other receivables

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

Cash and cash equivalents

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

Borrowings

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

Trade payables

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

2. Significant accounting policies (continued)

Derecognition of financial assets and liabilities

Share capital

Ordinary shares are classified as equity.

Subsequent events

Post year and events that provide additional information about the Company's position at the balance sheet date or those that indicate the going concern assumption is not appropriate (adjusting events), are reflected in the accompanying financial statements. Post year and events that are not adjusting events are disclosed in the notes when material.

Contingencies

Contingent liabilities are not recognised in the accompanying financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

Comparatives

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

Related Parties

Parties are considered related when one party either through ownership, contractual rights, family relationship or otherwise, has the ability to directly or indirectly control, or significantly influence the other party.

3. Financial risk management

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

3.1 Market price risk
Market price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices. The Company's available-for-sale financial assets and financial assets at fair value through profit or loss are susceptible to market price risk arising from uncertainties about future prices of the investments. The Company's market price risk is managed through diversification of the investment portfolio.

3.2 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.

3. Financial risk management (continued)

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

3.4 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.

3.5 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 EURO. The Company's management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

3.6 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.

3.7 Other risks
The general economic environment prevailing in Romania and internationally may affect the Company's operations to a great extent. Economic conditions such as inflation, unemployment, and development of the gross domestic product are directly linked to the economic course of every country and any variation in these and the economic environment in general may create chain reactions in all areas hence affecting the Company.

3.8 Fair value estimation

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

4. Critical accounting estimates and judgements

Estimates and judgements 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.

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

- **Income taxes**

  Significant judgement 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.

- **Fair value of investment property**

  The fair value of investment property is estimated based on the fair value of its individual assets and is determined by using valuation techniques. The Company uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at each balance sheet date. Market values determined based on market comparable evidence are used in order to determine the fair value, where market comparable evidence exist, based on recent transactions. Otherwise, fair value is determined based on residual value approach, taking into account the intended use of the investment property.

  Land is valued at fair value recognized in profit or loss, according IAS 40.

  During the year the evaluation is made with an independent evaluator.

5. Other operating income

	2019	2018
	€	€
Fair value gains on investment property	**-**	26.100
	-	26.100

6. Administration expenses

	2019	2018
	€	€
Immovable property tax	**1.035**	1.103
Auditors' remuneration	**1.100**	1.100
Accounting fees	**527**	537
Legal fees	**65**	50
Fines	**1**	-
Property evaluation fees	**667**	650
	3.395	3.440

NOTES TO THE FINANCIAL STATEMENTS
31 December 2019

7. Other expenses

	2019	2018
	€	€
Fair value losses on investment property	**100**	-
	100	-

8. Finance income/cost

	2019	2018
	€	€
Foreign exchange profit	**9.505**	17.512
Finance income	**9.505**	17.512
Foreign exchange losses	**(42.405)**	(18.760)
Sundry finance expenses	**(59)**	(64)
Finance costs	**(42.464)**	(18.824)
Net finance costs	**(32.959)**	(1.312)

9. Tax

	2019	2018
	€	€
Deferred tax - charge (Note 17)	**95.227**	4.176
Charge for the year	**95.227**	4.17

10. Property, plant and equipment

	Furniture, fixtures and office equipment
	€
Cost	
Balance at 01 January 2018	552
Balance at 31 December 2018	**552**
Balance at 01 January 2019	**552**
Balance at 31 December 2019	**552**
Depreciation	
Balance at 01 January 2018	552
Balance at 01 January 2019	**552**
Balance at 31 December 2019	**552**
Net book amount	
Balance at 31 December 2019	**-**
Balance at 31 December 2018	**-**

11. Investment properties

	2019	2018
	€	€
Balance at 1 January	**496.600**	470.500
Fair value adjustment	**(100)**	26.100
Balance at 31 December 2019	**496.500**	496.600

Fair value hierarchy

The Company's acquired eight plots of land from Investment Solutions SRL, having a total surface of 52,802.34 sqm and located in Clinceni, the English Village Project. Following new measurements of the property, its total area is of 53,151 sqm. Out of these, 40,706 sqm are unified and regulated through an approved UZP(urban zoning plan). The investment properties are valued annulaly on 31 December at fair value using Market Comparison Approach method by an independent professionally qualified valuer. On 31 December 2019 CP Valuation SRL performed the valuation of property. According to the valuation report the fair value of land is EURO 496,500

12. Intangible assets

	Computer software
	€
Cost	
Balance at 01 January 2018	245
Balance at 01 January 2019	**245**
Balance at 31 December 2019	**245**
Amortisation	
Balance at 01 January 2018	245
Balance at 01 January 2019/ 31 December 2019	**245**
Balance at 31 December 2019	**245**
Net book amount	
Balance at 31 December 2019	**-**

13. Receivables

	2019	2018
	€	€
Refundable VAT	**1.888**	1.583
	1.888	1.583

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

14. Cash and cash equivalents

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

	2019	2018
	€	€
Cash in hand RON	**15**	26
Cash at bank RON	**162**	767
	177	793

15. Share capital

	2019 Number of shares	**2019 €**	2018 Number of shares	2018 €
Authorised				
Ordinary shares	**420**	**1.242**	420	1.242
Issued and fully paid				
Balance at 1 January 2019	**420**	**1.242**	420	1.242
Balance at 31 December 2019	**420**	**1.242**	420	1.242

The Comapny is controlled by Avax Development Single Member SA Atena Sucursala Romania, incorporated in Greece, which owns 100% of the Company's shares.-

16. Borrowings

	2019	2018
	€	€
Non-current borrowings		
Loans from associates (Note 19.3)	**1.354.650**	1.351.050

Maturity of non-current borrowings:

	2019	2018
	€	€
Between two and five years	**1.354.650**	1.351.050

Details regarding the loans granted to the Comapany: On May 25,2015 the Company entered into a loan agreement from Avax Development Single Member SA. , interest rate is 0% and the maturity date is on 25 May 2025.

During the year 2015 the borrowings witch has the due was refinanced with a contract and reckassified in the long term in accordance with IAS1 paragraph 75

17. Deferred tax

Deferred tax is calculated in full on all temporary differences under the liability method using the applicable tax rates (Note 9). The applicable corporation tax rate in the case of tax losses is 16%.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same fiscal authority and the Company intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

17. Deferred tax (continued)

18. Trade and other payables

	2019	2018
	€	€
Trade payables	**115**	634
Accruals	**1.876**	1.750
	1.991	2.384

19. Related party transactions

The Company is controlled by Avax Development Single Member SA ., incorporated in Greece, which owns 100% of the Company's shares. The Company's ultimate controlling party is Avax S.A.

As at 31 December 2019 the related parties of the comapny are:

Name of Related Party	Type of relation	Country of origin
Avax Development Single Member SA	Shareholder	Greece
Avax Development Single Member SA Atena Sucursala Romania	Under common control	Romania
Christos Ioannou	Administrator	Cyprus
Constantinos Hassabis	Administrator	Cyprus
Ioannis Papafilippou	Administrator	Greece
Bupra Development S.R.L	Under common control	Romania
Oriol Real Estates S.R.L	Under common control	Romania
Concurent Real Investments S.R.L	Under common control	Romania
Avax SA	Ultimate controlling party	Greece
Avax SA Atena Grecia Sucursala Romania	Under common control	Romania

19.1 Loans from shareholders (Note 16)

	2019	2018
	€	€
Avax Development Single Member SA	**1.354.650**	1.351.050
	1.354.650	1.351.050

19. Related party transactions (continued)

19.2 Payables to related parties

	2019	2018
	€	€
Avax Development Single Member SA Atena Sucursala Romania	**115**	118
	115	118

20. Going Concern

The financial statements have been prepared on a ongoing basis. For the year ended 31 December 2019 the company incurred a loss of EURO 131,681 and accumulated losses in amount of Eur 1.301.322. The company is dependent upon the continuing financial support of its parent company. The parent company has indicated its intention to continue providing such financial assistance to the Company to enable it to continue as a going concern and to meet it's obligations as they fall due.

21. Contingent liabilities

As at 31 December 2019 the Company had no contingent liabilities as at 31 December 2019.

22. Commitments

Capital commitments

The Company had no capital or other commitments as at 31 December 2019.

23. Taxation

The taxation system in Romania is at an early stage of development and is subject to varying interpretation and to constant changes, which may be retroactive. In certain circumstances the tax authorities can be arbitrary in assessing tax penalties. Although the actual tax on a transaction may be minimal, penalties can be significant as they may be calculated based on the value of the transactions and range starting from 0.02 % per day. In Romania, tax periods remain open for tax reviews for 7 years.

24. Post balance sheet events

With the recent and rapid development of the Coronavirus disease (COVID 19) outbreak the world economy entered a period of unprecedented health care crisis that has already caused considerable global disruption in business activities and everyday life. Many countries have adopted extraordinary and economically costly containment measures. Certain countries have required companies to limit or even suspend normal business operations. Governments have implemented restrictions on travelling as well as strict quarantine measures.

24. Post balance sheet events (continued)

The financial effect of the current crisis on the global economy and overall business activities cannot be estimated with reasonable certainty at this stage, due to the pace at which the outbreak expands and the high level of uncertainties arising from the inability to reliably predict the outcome.

The event is considered as a non adjusting event and is therefore not reflected in the recognition and measurement of the assets and liabilities in the financial statements as at 31 December 2019.

Management has considered the unique circumstances and the risk exposures of the Company and has concluded that there is no significant impact in the Company's profitability position.

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 3 and 6

ADMINISTRATIVE EXPENSES
31 December 2019

	2019	2018
	€	€
Immovable property tax	**1.035**	1.103
Auditors' remuneration	**1.100**	1.100
Accounting fees	**527**	537
Legal fees	**65**	50
Fines	**1**	-
Property evaluation fees	**667**	650
	3.395	3.440