

**METRANACO PUBLIC COMPANY LTD**

**REPORT AND FINANCIAL STATEMENTS**

Period from 1 January 2018 to 30 June 2018

# **METRANACO PUBLIC COMPANY LTD**

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## **REPORT AND FINANCIAL STATEMENTS**

Period from 1 January 2018 to 30 June 2018

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# METRANACO PUBLIC COMPANY LTD

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## BOARD OF DIRECTORS AND OTHER OFFICERS

<b>Board of Directors:</b>	Costas Constantinou Andreas Leonidou
<b>Company Secretary:</b>	A.I.L. Nominee Services Ltd
<b>Independent Auditors:</b>	C&N AUDITORS LIMITED CERTIFIED PUBLIC ACCOUNTANTS - CY  10 Yianni Kranidioti 2th Floor, Office 201 1065 Nicosia, Cuprus
<b>Registered office:</b>	Agion Omologiton 15 1080 Nicosia Cyprus
<b>Registration number:</b>	HE361232

# METRANACO PUBLIC COMPANY LTD

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## MANAGEMENT REPORT

The Board of Directors presents its report and audited financial statements of the Company for the period from 1 January 2018 to 30 June 2018.

### **Incorporation**

The Company Metranaco Public Company Ltd was incorporated in Cyprus on 14th of October 2016 as a private limited liability company under the provisions of the Cyprus Companies Law, Cap. 113.

### **Principal activity and nature of operations of the Company**

The company has not conducted any activities since the date of its incorporation and has remained dormant.

### **Change of Company name**

On 18th of November 2016, the Company changed its name from Metranaco Ltd to Metranaco Public Company Ltd.

### **Review of current position, future developments and performance of the Company's business**

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

### **Principal risks and uncertainties**

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

### **Share capital**

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

### **Board of Directors**

The members of the Company's Board of Directors as at 30 June 2018 and at the date of this report are presented on page 1. All of them were members of the Board of Directors throughout the period from 1 January 2018 to 30 June 2018.

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

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

### **Independent Auditors**

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

By order of the Board of Directors,

  
A.I.L. Nominee Services Ltd.  
Secretary

Nicosia, 11 December 2018

# **Independent Auditor's Report**

## **To the Members of METRANACO PUBLIC COMPANY LTD**

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the financial statements of METRANACO PUBLIC COMPANY LTD (the "Company"), which are presented in pages 6 to 13 and comprise the statement of financial position as at 30 June 2018, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the period from 1 January 2018 to 30 June 2018, 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 30 June 2018, and of its financial performance and its cash flows for the period from 1 January 2018 to 30 June 2018 in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

#### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Cyprus, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Other Information**

The Board of Directors is responsible for the other information. The other information comprises the information included in the management report, 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 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.

## **Independent Auditor's Report (continued)**

### **To the Members of METRANACO PUBLIC COMPANY LTD**

#### **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 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 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.

#### **Report on Other Legal Requirements**

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

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

#### **Other 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.

## **Independent Auditor's Report (continued)**

**To the Members of METRANACO PUBLIC COMPANY LTD**

Costas Constantinou  
Certified Public Accountant and Registered Auditor  
for and on behalf of  
**C&N AUDITORS LIMITED**  
**CERTIFIED PUBLIC ACCOUNTANTS - CY**

Nicosia, 11 December 2018

## METRANACO PUBLIC COMPANY LTD

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### STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Period from 1 January 2018 to 30 June 2018

	<b>01/01/2018- 30/06/2018</b>	14/10/2016- 31/12/2017
Note	€	€
Administration and other expenses	-	-
<b>(Loss) before tax</b>	<b>(945)</b>	<b>(1.085)</b>
<b>Net loss for the period</b>	<b>(945)</b>	<b>(1.085)</b>
<b>Other comprehensive income</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the period</b>	<b>(945)</b>	<b>(1.085)</b>

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The notes on pages 10 to 13 form an integral part of these financial statements.



# METRANACO PUBLIC COMPANY LTD

## STATEMENT OF FINANCIAL POSITION

30 June 2018

	Note	2018 €	2017 €
<b>ASSETS</b>			
<b>Current assets</b>			
Receivables	4	<u>26.000</u>	26.000
		<u>26.000</u>	26.000
<b>Total assets</b>		<u>26.000</u>	26.000
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	5	26.000	26.000
Accumulated losses		<u>(2.030)</u>	(1.085)
<b>Total equity</b>		<u>23.970</u>	24.915
<b>Current liabilities</b>			
Trade and other payables	6	<u>2.030</u>	1.085
		<u>2.030</u>	1.085
<b>Total equity and liabilities</b>		<u>26.000</u>	26.000

On 11 December 2018 the Board of Directors of METRANACO PUBLIC COMPANY LTD authorised these financial statements for issue.

  
.....  
Andreas Leonidou  
Director

The notes on pages 10 to 13 form an integral part of these financial statements.

## METRANACO PUBLIC COMPANY LTD

### STATEMENT OF CHANGES IN EQUITY

Period from 1 January 2018 to 30 June 2018

	Note	Share capital €	Accumulated losses €	Total €
<b>Comprehensive income</b>				
Net loss for the period		-	(1.085)	(1.085)
<b>Transactions with owners</b>				
Issue of share capital	5	<u>26.000</u>	<u>-</u>	<u>26.000</u>
<b>Balance at 31 December 2017</b>		<b><u>26.000</u></b>	<b><u>(1.085)</u></b>	<b><u>24.915</u></b>
<b>Balance at 31 December 2017/ 1 January 2018</b>		<b>26.000</b>	<b>(1.085)</b>	<b>24.915</b>
<b>Comprehensive income</b>				
Net loss for the period		<u>-</u>	<u>(945)</u>	<u>(945)</u>
<b>Balance at 30 June 2018</b>		<b><u>26.000</u></b>	<b><u>(2.030)</u></b>	<b><u>23.970</u></b>

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

The notes on pages 10 to 13 form an integral part of these financial statements.

# METRANACO PUBLIC COMPANY LTD

## CASH FLOW STATEMENT

Period from 1 January 2018 to 30 June 2018

	2018	2017
	€	€
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>(Loss) before tax</b>	<u>(945)</u>	<u>(1.085)</u>
	(945)	(1.085)
<b>Changes in working capital:</b>		
Increase in receivables	-	(26.000)
Increase in trade and other payables	<u>945</u>	<u>1.085</u>
<b>Cash used in operations</b>	<u>-</u>	<u>(26.000)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	<u>-</u>	<u>-</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of share capital	<u>-</u>	<u>26.000</u>
<b>Net cash generated from financing activities</b>	<u>-</u>	<u>26.000</u>

The notes on pages 10 to 13 form an integral part of these financial statements.

# METRANACO PUBLIC COMPANY LTD

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## NOTES TO THE FINANCIAL STATEMENTS

Period from 1 January 2018 to 30 June 2018

### 1. Incorporation and principal activities

#### Country of incorporation

The Company METRANACO PUBLIC COMPANY LTD (the "Company") was incorporated in Cyprus on 14th of October 2016 as a private limited liability company under the provisions of the Cyprus Companies Law, Cap. 113. Its registered office is at Agion Omologiton 15, 1080 Nicosia, Cyprus.

#### Principal activity

The company has not conducted any activities since the date of its incorporation and has remained dormant.

### 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 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.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires Management to exercise its judgment in the process of applying the 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 period the Company adopted all the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning on 1 January 2018. 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. 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.

#### 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.

#### Share capital

Ordinary shares are classified as equity.

# METRANACO PUBLIC COMPANY LTD

## NOTES TO THE FINANCIAL STATEMENTS

Period from 1 January 2018 to 30 June 2018

### 3. Tax

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

	2018	2017
	€	€
(Loss) before tax	<u>(945)</u>	<u>(1.085)</u>
Tax calculated at the applicable tax rates	(118)	(136)
Tax effect of expenses not deductible for tax purposes	44	62
Tax effect of tax loss for the period	<u>74</u>	<u>74</u>
<b>Tax charge</b>	<u>-</u>	<u>-</u>

The corporation tax rate is 12,5%.

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

Due to tax losses sustained in the period, 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.

### 4. Receivables

	2018	2017
	€	€
Shareholders' current accounts - debit balances (Note 8.1)	<u>26.000</u>	<u>26.000</u>
	<u>26.000</u>	<u>26.000</u>

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

### 5. Share capital

	2018	2018	2017	2017
	Number of	€	Number of	€
	shares		shares	
<b>Authorised</b>				
Ordinary shares of €1,00 each	<u>1.026.000</u>	<u>1.026.000</u>	<u>26.000</u>	<u>26.000</u>
		€		€
<b>Issued and fully paid</b>				
Balance at 1st January	26.000	26.000	-	-
Issue of shares	<u>-</u>	<u>-</u>	<u>26.000</u>	<u>26.000</u>
<b>Balance at 30 June/31 December</b>	<u>26.000</u>	<u>26.000</u>	<u>26.000</u>	<u>26.000</u>

#### Authorised capital

Under its Memorandum the Company fixed its share capital at 1000 ordinary shares of nominal value of €1.00 each on the date of its incorporation.

On 18th of November 2016, the company decided to increase its authorised share capital to 26,000 ordinary shares of nominal value of €1.00 each.

On 29th of June 2018, the company decided to further increase its authorised share capital to 1,026,000 ordinary shares of nominal value of €1.00 each.

# METRANACO PUBLIC COMPANY LTD

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## NOTES TO THE FINANCIAL STATEMENTS

Period from 1 January 2018 to 30 June 2018

### 5. Share capital (continued)

Upon incorporation on 14th of October 2016 the Company issued to the subscribers of its Memorandum of Association 1,000 ordinary shares of €1 each at par.

On 18th of November 2016, the company decided to increase its issued share capital to 26,000 ordinary shares.

### 6. Trade and other payables

	<b>2018</b>	2017
	€	€
Shareholders' current accounts - credit balances (Note 8.2)	<b>350</b>	-
Accruals	<b>1.680</b>	1.085
	<b>2.030</b>	1.085

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

### 7. Operating Environment of the Company

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

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.

# METRANACO PUBLIC COMPANY LTD

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## NOTES TO THE FINANCIAL STATEMENTS

Period from 1 January 2018 to 30 June 2018

### 8. Related party transactions

The following transactions were carried out with related parties:

#### 8.1 Shareholders' current accounts - debit balances (Note 4)

	2018	2017
	€	€
Shareholders' Current Account	<u>26.000</u>	<u>26.000</u>
	<u>26.000</u>	<u>26.000</u>

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

#### 8.2 Shareholders' current accounts - credit balances (Note 6)

	2018	2017
	€	€
Shareholders' Current Account	<u>350</u>	<u>-</u>
	<u>350</u>	<u>-</u>

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

### 9. Contingent liabilities

The Company had no contingent liabilities as at 30 June 2018.

### 10. Commitments

The Company had no capital or other commitments as at 30 June 2018.

### 11. 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.

## METRANACO PUBLIC COMPANY LTD

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### DETAILED INCOME STATEMENT

Period from 1 January 2018 to 30 June 2018

	Page	2018 €	2017 €
<b>Revenue</b>			
Other operating expenses	15	<b>(945)</b>	(1.085)
<b>Net loss for the period before tax</b>		<b><u>(945)</u></b>	<b><u>(1.085)</u></b>



## METRANACO PUBLIC COMPANY LTD

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### OTHER OPERATING EXPENSES

Period from 1 January 2018 to 30 June 2018

	<b>2018</b>	2017
	€	€
<b>Other operating expenses</b>		
Annual levy	<b>350</b>	350
Auditors' remuneration	<b>595</b>	595
Fines	-	140
	<b>945</b>	<b>1,085</b>

# METRANACO PUBLIC COMPANY LTD

## COMPUTATION OF CORPORATION TAX

Period from 1 January 2018 to 30 June 2018

Net loss per income statement	Page 14	€	€
<u>Add:</u>			
Annual levy		350	
<b>Net loss for the year</b>			<b>350</b> <b>(945)</b>
<b>Apportionment to the relevant years of assessment</b>		2018	2017
Period 01/01/2018 - 30/06/2018		€	€
		(595)	-
		(595)	-
		(595)	-
Loss brought forward			(595)
<b>Loss carried forward</b>			<b>(595)</b>

### CALCULATION OF TAX LOSSES FOR THE FIVE YEAR PERIOD

Tax year	Profits/(losses) for the tax year	Gains Offset		Gains Offset		Gains Offset	
		€	Amount €	Year	Amount €	Year	Amount €
2013	-	-	-	-	-	-	-
2014	-	-	-	-	-	-	-
2015	-	-	-	-	-	-	-
2016	-	-	-	-	-	-	-
2017	(595)	-	-	-	-	-	-
2018	(595)	-	-	-	-	-	-

Net loss carried forward (595)