

CENIAKO LTD

REPORT AND FINANCIAL STATEMENTS

Period from 1 January 2018 to 31 March 2018

CENIAKO LTD

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CENIAKO LTD

BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors: A.I.L. NOMINEE SERVICES LTD

Company Secretary: Maria Panayiotou

Independent Auditors: Costas Miaoulis
Certified Public Accountants
Xenagora 10,
2052, Strovolos, Nicosia

Registered office: Agion Omologiton, 15
1080, Nicosia, Cyprus

Registration number: HE309651

CENIAKO LTD

MANAGEMENT REPORT

The Board of Directors presents its report and audited financial statements of the Company for the period from 1 January 2018 to 31 March 2018.

Principal activities and nature of operations of the Company

The principal activities of the Company are the general trading, but it was dormant.

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.

Results

The Company's results for the period are set out on page 6. The net loss for the period is carried forward.

Share capital

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

Board of Directors

The sole member of the Company's Board of Directors as at 31 March 2018 and at the date of this report is presented on page 1. The sole Director was a member of the Board of Directors throughout the period from 1 January 2018 to 31 March 2018.

In accordance with the Company's Articles of Association the sole Director presently member of the Board continues in office.

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

Independent Auditors

The Independent Auditor, Costas Miaoulis, 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,

Maria Panayiotou
Secretary

Nicosia, 6 November 2018

Independent Auditor's Report

To the Members of CENIAKO LTD

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of parent company CENIAKO LTD (the "Company"), which are presented in pages 6 to 15 and comprise the statement of financial position as at 31 March 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 31 March 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 parent company CENIAKO LTD as at 31 March 2018, and of its financial performance and its cash flows for the period from 1 January 2018 to 31 March 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.

Material Uncertainty Related to Going Concern

We draw attention to note 2 to the financial statements which indicates that the Company incurred a loss of €755 during the period from 1 January 2018 to 31 March 2018, and, as of that date the Company's current liabilities exceeded its current assets by €19,293. As stated in note 2, these events or conditions, along with other matters as set forth in note 2, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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.

Independent Auditor's Report (continued)

To the Members of CENIAKO LTD

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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.

Independent Auditor's Report (continued)

To the Members of CENIAKO LTD

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.

We have reported separately on the consolidated financial statements of the Company and its subsidiaries for the period from 1 January 2018 to 31 March 2018.

Costas Miaoulis(FCCA)
Certified Public Accountant and Registered Auditor
for and on behalf of

Costas Miaoulis
Certified Public Accountants

Nicosia, 6 November 2018

CENIAKO LTD

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Period from 1 January 2018 to 31 March 2018

	Note	2018 €	2017 €
Gross profit		-	-
		-	-
Administration expenses		<u>(755)</u>	<u>(2,765)</u>
Loss before tax		(755)	(2,765)
Net loss for the period/year		(755)	(2,765)
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income for the period/year		<u>(755)</u>	<u>(2,765)</u>

The notes on pages 10 to 15 form an integral part of these financial statements.

CENIAKO LTD

STATEMENT OF FINANCIAL POSITION

31 March 2018

	Note	2018 €	2017 €
ASSETS			
Non-current assets			
Investments in subsidiaries	7	<u>7,150,600</u>	7,150,600
		<u>7,150,600</u>	<u>7,150,600</u>
Current assets			
Receivables	8	<u>1,000</u>	1,000
		<u>1,000</u>	<u>1,000</u>
Total assets		<u>7,151,600</u>	<u>7,151,600</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	9	1,000	1,000
Other reserves	10	7,150,600	7,150,600
Accumulated losses		<u>(20,293)</u>	<u>(19,538)</u>
Total equity		<u>7,131,307</u>	<u>7,132,062</u>
Current liabilities			
Trade and other payables	11	<u>20,293</u>	19,538
		<u>20,293</u>	<u>19,538</u>
Total equity and liabilities		<u>7,151,600</u>	<u>7,151,600</u>

On 6 November 2018 the Board of Directors of CENIAKO LTD authorised these financial statements for issue.

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A.I.L. NOMINEE SERVICES LTD
Director

The notes on pages 10 to 15 form an integral part of these financial statements.

CENIAKO LTD

STATEMENT OF CHANGES IN EQUITY

Period from 1 January 2018 to 31 March 2018

	Share capital €	Fair value reserve - available- for-sale financial assets €	Accumula- ted losses €	Total €
Balance at 1 January 2017	1,000	7,150,600	(16,773)	7,134,827
Comprehensive income				
Net loss for the year	-	-	(2,765)	(2,765)
Balance at 31 December 2017/ 1 January 2018	1,000	7,150,600	(19,538)	7,132,062
Comprehensive income				
Net loss for the period	-	-	(755)	(755)
Balance at 31 March 2018	1,000	7,150,600	(20,293)	7,131,307

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 15 form an integral part of these financial statements.

CENIAKO LTD

CASH FLOW STATEMENT

Period from 1 January 2018 to 31 March 2018

	2018 €	2017 €
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	<u>(755)</u>	<u>(2,765)</u>
	(755)	(2,765)
Changes in working capital:		
Increase in trade and other payables	<u>755</u>	<u>2,765</u>
Cash generated from operations	<u>-</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES	<u>-</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES	<u>-</u>	<u>-</u>
Net increase in cash and cash equivalents	-	-
Cash and cash equivalents at beginning of the period/year	<u>-</u>	<u>-</u>
Cash and cash equivalents at end of the period/year	<u><u>-</u></u>	<u><u>-</u></u>

The notes on pages 10 to 15 form an integral part of these financial statements.

CENIAKO LTD

NOTES TO THE FINANCIAL STATEMENTS

Period from 1 January 2018 to 31 March 2018

1. Incorporation and principal activities

Country of incorporation

The Company CENIAKO LTD (the "Company") was incorporated in Cyprus on 24 July 2012 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 activities

The principal activities of the Company are the general trading, but it was 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.

Going concern basis

The Company incurred a loss of €755 for the period from 1 January 2018 to 31 March 2018, and, as of that date the Company's current liabilities exceeded its current assets by €19,293. These conditions, indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern.

Basis of preparation

The Company has prepared these parent's separate financial statements for compliance with the requirements of the Cyprus Income Tax Law.

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) and the requirements of the Cyprus Companies Law, Cap.113. The financial statements have been prepared under the historical cost convention.

The Company has also prepared consolidated financial statements in accordance with IFRSs for the Company and its subsidiaries (the "Group").

Users of these parent's separate financial statements should read them together with the Group's consolidated financial statements as at and for the period from 1 January 2018 to 31 March 2018 in order to obtain a proper understanding of the financial position, the financial performance and the cash flows of the Company and the Group.

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.

Subsidiary companies

Subsidiaries are entities controlled by the Company. Control exists where the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

CENIAKO LTD

NOTES TO THE FINANCIAL STATEMENTS

Period from 1 January 2018 to 31 March 2018

2. Significant accounting policies (continued)

Subsidiary companies (continued)

Investments in subsidiary companies are stated at cost less provision for impairment in value, which is recognised as an expense in the period in which the impairment is identified.

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 payables

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

Derecognition of financial assets and liabilities

Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired;
- the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- the Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial liabilities

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

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the 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.

Share capital

Ordinary shares are classified as equity.

NOTES TO THE FINANCIAL STATEMENTS

Period from 1 January 2018 to 31 March 2018

3. Financial risk management

Financial risk factors

The Company is exposed to credit risk and liquidity risk arising from the financial instruments it holds. The risk management policies employed by the Company to manage these risks are discussed below:

3.1 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.

3.2 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.

4. Critical accounting estimates and judgments

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires Management to exercise its judgment in the process of applying the 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.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Judgments

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

- **Going concern basis**

The Directors judge that it is appropriate to prepare the financial statements on the going concern basis.

- **Impairment of investments in subsidiaries**

The Company periodically evaluates the recoverability of investments in subsidiaries whenever indicators of impairment are present. Indicators of impairment include such items as declines in revenues, earnings or cash flows or material adverse changes in the economic or political stability of a particular country, which may indicate that the carrying amount of an asset is not recoverable. If facts and circumstances indicate that investment in subsidiaries may be impaired, the estimated future discounted cash flows associated with these subsidiaries would be compared to their carrying amounts to determine if a write-down to fair value is necessary.

CENIAKO LTD

NOTES TO THE FINANCIAL STATEMENTS

Period from 1 January 2018 to 31 March 2018

5. Expenses by nature

	2018	2017
	€	€
Auditors' remuneration	250	1,500
Other expenses	505	1,265
Total expenses	755	2,765

6. 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	(755)	(2,765)
Tax calculated at the applicable tax rates	(94)	(346)
Tax effect of expenses not deductible for tax purposes	47	44
Tax effect of tax loss for the period/year	47	302
Tax charge	-	-

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.

7. Investments in subsidiaries

	2018	2017
	€	€
Balance at 1 January	7,150,600	7,150,600
Balance at 31 March/31 December	7,150,600	7,150,600

The details of the subsidiaries are as follows:

Name	Country of incorporation	Principal activities	Holding %	2018	2017
				€	€
Woodford Empreendimentos Imobiliarios LTDA	Brazil	Holding of Immovable Property	100	7,150,600	7,150,600
				7,150,600	7,150,600

8. Receivables

	2018	2017
	€	€
Receivables from associates (Note 12.1)	1,000	1,000
	1,000	1,000

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

CENIAKO LTD

NOTES TO THE FINANCIAL STATEMENTS

Period from 1 January 2018 to 31 March 2018

8. Receivables (continued)

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

9. Share capital

	2018	2018	2017	2017
	Number of shares	€	Number of shares	€
Authorised				
Ordinary shares of €1 each	<u>1,000</u>	<u>1,000</u>	1,000	<u>1,000</u>
		€		€
Issued and fully paid				
Balance at 1 January	<u>1,000</u>	<u>1,000</u>	1,000	<u>1,000</u>
Balance at 31 March/31 December	<u>1,000</u>	<u>1,000</u>	1,000	<u>1,000</u>

10. Other reserves

	Fair value reserve - available-for-sale financial assets €	Total €
Balance at 1 January 2017	<u>7,150,600</u>	<u>7,150,600</u>
Balance at 31 December 2017/ 1 January 2018	<u>7,150,600</u>	<u>7,150,600</u>
Balance at 31 March 2018	<u>7,150,600</u>	<u>7,150,600</u>

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

11. Trade and other payables

	2018	2017
	€	€
Trade payables	915	915
Shareholders' current accounts - credit balances (Note 12.2)	14,043	14,043
Accruals	<u>5,335</u>	<u>4,580</u>
	<u>20,293</u>	<u>19,538</u>

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

12. Related party transactions

The following transactions were carried out with related parties:

12.1 Receivables from related parties (Note 8)

<u>Name</u>	<u>Nature of transactions</u>	2018	2017
		€	€
CRAVEN HOUSE CAPITAL PLC	Finance	490	490
FIBERA HOLDING LTD	Finance	<u>510</u>	<u>510</u>
		<u>1,000</u>	<u>1,000</u>

CENIAKO LTD

NOTES TO THE FINANCIAL STATEMENTS

Period from 1 January 2018 to 31 March 2018

12. Related party transactions (continued)

12.2 Shareholders' current accounts - credit balances (Note 11)

	2018	2017
	€	€
FIBERA HOLDING LTD	<u>14,043</u>	14,043
	<u>14,043</u>	<u>14,043</u>

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

13. Contingent liabilities

The Company had no contingent liabilities as at 31 March 2018.

14. Commitments

The Company had no capital or other commitments as at 31 March 2018.

15. 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 3 to 5