

**Strategic Report, Report of the Directors and  
Financial Statements For The Period 3rd August 2018 to 31st July 2019  
for  
BotOptions (UK) Plc**

**BotOptions (UK) Plc**

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For The Period 3rd August 2018 to 31st July 2019**

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**BotOptions (UK) Plc**

**Company Information  
For The Period 3rd August 2018 to 31st July 2019**

<b>DIRECTORS:</b>	V Valasakis F E Driscoll R K Dua
<b>SECRETARY:</b>	Woodberry Secretarial Limited
<b>REGISTERED OFFICE:</b>	Level 1, Devonshire House, One Mayfair Place, Mayfair London W1J 8AJ
<b>REGISTERED NUMBER:</b>	09709826 (England and Wales)
<b>AUDITORS:</b>	Simmons Gainsford LLP 7/10 Chandos Street Cavendish Square London W1G 9DQ

**Strategic Report  
For The Period 3rd August 2018 to 31st July 2019**

The directors present their strategic report for the period 3rd August 2018 to 31st July 2019.

**FINANCIAL REVIEW**

The 2019 financial year was the fourth year since incorporation and the Company's results in the year and post-year end continue to reflect those of a Company in its development stage. Approval for listing has been received from the Bermuda Stock exchange for the company's shipping bond programme in the previous years. Currently, the Company is negotiating with a major financial institution in Singapore to be issuing derivative certificates on its listed Bond. We are also seeking for the certificates to be issued as 'Capital Guaranteed', or partially "Capital Guaranteed" insured by major international Insurance firms, with the highest credit ratings. In the meantime, the Company continues to focus on expanding its network of institutions that may be interested in subscribing in fixed income instruments and also focus on assisting them in issuing their own bonds. Additionally, the lock-down enforced almost globally as a consequence of the pandemic has created unprecedented conditions for the shipping market but opportunities as well. The slowdown in traffic and lack of demand for transport has generated a global glut in dry-bulk transport capacity with resulting wide reduction in rates and rapid fall in vessel valuations. The Company foresaw the upcoming disequilibrium and has communicated to interested parties since December to be ready to position themselves. The Directors felt that due to the disruption caused by the lockdown and the inherent difficulties to launch the bond certificates in the Far East as was planned, during the months of March to June, the Company should endeavour to source financing through alternative non-banking channels. By making use of the services of an intermediary the Company has received several offers from different ship finance institutions, with moderate to aggressive lending terms.

**PRINCIPAL RISKS AND UNCERTAINTIES**

There are a number of potential risks and uncertainties, which could have a material impact on the Company's performance and could cause actual results to differ materially from budgeted, expected and historical results. The principal business risks that the Company faces are the competitive nature of the marketplace as well as currency fluctuations and credit risk. Brexit uncertainty may also be a factor that could potentially have a material effect on budgeting post year-end. Although the Company has successfully mitigated any adverse effects that could have been caused by Brexit, the future imposition of capital controls both in the European Union and/or in the United Kingdom due to the combined impact of Brexit and the pandemic on both the UK and the EU economies, may negatively impact the operations of the Company.

Since 31 December 2019, the spread of COVID-19 has severely impacted many local economies around the globe. In many countries, businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Global stock markets have also experienced great volatility, and also faced administrative delays in approving new issues. Should these conditions of uncertainty remain the same with a probable second wave of the pandemic unfolding globally, there is a risk that investor appetite for new issues and especially derivative bonds be weakened. Although Governments and Central Banks have responded with monetary and fiscal interventions to stabilise economic conditions, this does not necessarily imply that the Company will be able to proceed with its plans to launch the derivative bond in cooperation with the financial institution in the Far East. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Company for future periods.

The directors have the responsibility for risk management and have various strategies for doing so. Key strategies are laid out in note 15 to the Accounts.

**FINANCIAL KEY PERFORMANCE INDICATORS**

The Company's key performance indicators are considered to be Revenue and Liquidity.

The revenue in the period was £288,325 (2018: £492,012). Going forward a KPI will be the amount of funds raised in order to monitor liquidity.

The Company also monitors the outcome of their due diligence exercises. During the year a number of projects were evaluated where further work may be undertaken in the upcoming months and additional projects evaluated.

This strategic report was approved by the board on 11/08/20 and signed on its behalf by



.....  
V Valasakis - Director

**BotOptions (UK) Plc**

**Report of the Directors  
For The Period 3rd August 2018 to 31st July 2019**

The directors present their report with the financial statements of the company for the period 3rd August 2018 to 31st July 2019.

**PRINCIPAL ACTIVITY**

The principal activity of the Company will be the issue of bonds and other financing instruments for the purpose of financing shipping vessels and energy related companies, as well as related consultancy services.

**REVIEW OF BUSINESS**

The Company's pre-tax profit for the year was £15,959 (2018: profit of £236,694).

**DIRECTORS**

The directors holding office during the period were:

V Valasakis  
F E Driscoll  
R K Dua

**PROVISION OF INFORMATION TO AUDITORS**

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the Company's auditors in connection with preparing their report and to establish that the Company's auditor is aware of that information.

**DIRECTORS' RESPONSIBILITIES STATEMENT**

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRSs as adopted by the European Union, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**AUDITOR**

The auditors, Simmons Gainsford LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

**ON BEHALF OF THE BOARD:**



V Valasakis - Director

Date: 11/08/20.....

## **Report of the Independent Auditors to the Members of BotOptions (UK) Plc**

### **Opinion**

We have audited the financial statements of BotOptions (UK) Plc (the 'company') for the period ended 31st July 2019 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and Notes to the Statement of Cash Flows, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31st July 2019 and of its profit for the period then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Other information**

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, 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 we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

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 Strategic Report or the Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of directors**

As explained more fully in the Directors' Responsibilities Statement set out on page three, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine 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 directors 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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

**Report of the Independent Auditors to the Members of  
BotOptions (UK) Plc**

**Auditors' 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 a Report of the Auditors 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 (UK) 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

**Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Rajiv Thakerar FCA (Senior Statutory Auditor)  
for and on behalf of Simmons Gainsford LLP  
7/10 Chandos Street  
Cavendish Square  
London  
W1G 9DQ

Date: 11/08/2020.....

**BotOptions (UK) Plc****Statement of Comprehensive Income  
For The Period 3rd August 2018 to 31st July 2019**

	Notes	Period 3.8.18 to 31.7.19 £	Year Ended 2.8.18 £
<b>CONTINUING OPERATIONS</b>			
Revenue		288,325	492,012
Administrative expenses		<u>(257,334)</u>	<u>(243,489)</u>
<b>OPERATING PROFIT</b>	5	30,991	248,523
Finance costs		<u>(15,032)</u>	<u>(11,829)</u>
<b>PROFIT BEFORE TAXATION</b>		15,959	236,694
Tax payable on profit	7	<u>(3,412)</u>	<u>(2,865)</u>
<b>PROFIT FOR THE PERIOD ATTRIBUTABLE TO EQUITY HOLDERS</b>		12,547	233,829
Other Comprehensive loss		<u>-</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE PROFIT ATTRIBUTABLE TO EQUITY HOLDERS</b>		<u>12,547</u>	<u>233,829</u>

The notes on pages 10 to 16 form part of these financial statements



Statement of Financial Position  
31st July 2019

	Notes	As at 31.7.19 £	As at 2.8.18 £
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Trade and other receivables	8	562,733	540,203
Cash and cash equivalents	9	<u>23,876</u>	<u>4,713</u>
		<u>586,609</u>	<u>544,916</u>
<b>TOTAL ASSETS</b>		<u><u>586,609</u></u>	<u><u>544,916</u></u>
<b>EQUITY</b>			
<b>SHAREHOLDERS' EQUITY</b>			
Called up share capital	10	51,000	51,000
Retained earnings	11	<u>13,663</u>	<u>1,116</u>
<b>TOTAL EQUITY</b>		<u><u>64,663</u></u>	<u><u>52,116</u></u>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Trade and other payables	12	<u>96,348</u>	<u>93,931</u>
		<u>96,348</u>	<u>93,931</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables: amounts falling due within one year	12	288,621	265,677
Loans and borrowings	13	<u>136,977</u>	<u>133,192</u>
		<u>425,598</u>	<u>398,869</u>
<b>TOTAL LIABILITIES</b>		<u><u>521,946</u></u>	<u><u>492,800</u></u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>586,609</u></u>	<u><u>544,916</u></u>

The financial statements were approved by the Board of Directors and authorised for issue on 11 August 2020 and were signed on its behalf by:

.....  
V Valasakis - Director

**BotOptions (UK) Plc**

**Statement of Changes in Equity  
For The Period 3rd August 2018 to 31st July 2019**

	Called up share capital £	Retained earnings £	Total equity £
<b>Balance at 3rd August 2017</b>	51,000	(232,713)	(181,713)
<b>Changes in equity</b>			
Total comprehensive income	<u>-</u>	<u>233,829</u>	<u>233,829</u>
<b>Balance at 2nd August 2018</b>	<u>51,000</u>	<u>1,116</u>	<u>52,116</u>
<b>Changes in equity</b>			
Total comprehensive income	<u>-</u>	<u>12,547</u>	<u>12,547</u>
<b>Balance at 31st July 2019</b>	<u><u>51,000</u></u>	<u><u>13,663</u></u>	<u><u>64,663</u></u>

**BotOptions (UK) Plc****Statement of Cash Flows  
For The Period 3rd August 2018 to 31st July 2019**

	Period 3.8.18 To 31.7.19 £	Year Ended 2.8.18 £
Cash flows from operating activities		
Profit for the period	12,547	233,828
Adjustments for:		
Finance cost	15,032	11,829
Tax expense	3,412	2,865
Increase in receivables	(22,531)	(384,164)
Increase in payables	10,703	45,920
Foreign exchange	-	2,100
Operating cashflows	<u>19,163</u>	<u>(87,622)</u>
Net cash generated from operating activities	<u>19,163</u>	<u>(87,622)</u>
Financing activities		
Preference shares issues	-	92,000
Net cash inflow from financing activities	<u>-</u>	<u>92,000</u>
Net increase in cash and cash equivalents	19,163	4,378
Cash and cash equivalents at start of period	4,713	335
Cash and cash equivalents at end of period	<u>23,876</u>	<u>4,713</u>

The notes on pages 10 to 16 form part of these financial statements

## 1. STATUTORY INFORMATION

BotOptions (UK) Plc is a public company, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

## 2. ACCOUNTING POLICIES

### Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs and IFRIC interpretations) as endorsed by the European Union ("endorsed IFRS") and with those parts of the Companies Act 2006 applicable to companies preparing their accounts under endorsed IFRS.

These financial statements have been prepared in accordance with International Financial Reporting Standards, International Accounting Standards and Interpretations (collectively IFRSs).

In the current year the company has applied a number of amendments to IFRSs issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1<sup>st</sup> January 2018.

- IFRS 15 Revenue from contracts with customers
- IFRS 9 Financial Instruments

The following standards and interpretations to published standards are not yet effective:

- IFRS 16 Leases (effective date 1<sup>st</sup> January 2019)

Adoption of the above standards is not mandatory until periods beginning on or after the above stated dates. The impact of these standards will be dependent on the specific contractual arrangements entered into a future date.

It is unlikely that IFRS 16 will have a significant impact on the amounts recognised in the financial statement as the current operating lease (rent) has been changed to monthly rolling contract.

### IFRS 15 – Revenue from contracts with customers

IFRS 15 Revenue from contracts with customers, supersedes IAS 11 Construction Contracts, IAS 18 Revenue and related interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. The new standard establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to customers.

The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

Apart from providing more extensive disclosures for the company's revenue transactions, the application of IFRS 15 has not had a significant impact on the financial position and financial performance of the company.

### IFRS 9 Financial Instruments

IFRS 9 Financial instruments replaces IAS 39 Financial Instruments: Recognition and Measurement which brings together three aspects of the accounting for financial instruments; classification and measurement; impairment; and hedge accounting.

The companies accounting policies for financial instruments are disclosed in detail in note 15. The application of IFRS 9 has not had a significant impact on the financial position and the financial performance of the company.

### Going concern and COVID-19

There are a number of potential risks and uncertainties, which could have a material impact on the Company's performance and could cause actual results to differ materially from budgeted, expected and historical results. The principal business risks that the Company faces are the competitive nature of the marketplace as well as currency fluctuations and credit risk. Brexit uncertainty may also be a factor that could potentially have a material effect on budgeting post year-end. Although the Company has successfully mitigated any adverse effects that could have been caused by Brexit, the future imposition of capital controls both in the European Union and/or in the United Kingdom due to the combined impact of Brexit and the pandemic on both the UK and the EU economies, may negatively impact the operations of the Company.

Since 31 December 2019, the spread of COVID-19 has severely impacted many local economies around the globe. In many countries, businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Global stock markets have also experienced great volatility, and also faced administrative delays in approving new issues. Should these conditions of uncertainty remain the same with a probable second wave of the pandemic unfolding globally, there is a risk that investor appetite for new issues and especially derivative bonds be weakened. Although Governments and Central Banks have responded with monetary and fiscal interventions to stabilise economic conditions, this does not necessarily imply that the Company will be able to proceed with its plans to launch the derivative bond in cooperation with the financial institution in the Far East. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank

**Notes to the Financial Statements - continued**  
**For The Period 3rd August 2018 to 31st July 2019**

responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Company for future periods.

The Directors confirm that, after making appropriate enquiries and completing cash flow estimates to the end of the following year, they have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The Company has made reasonable enquiries and so is confident that it will at least maintain its current banking loan facilities which were obtained in June 2020. In the year presented the company generated a profit, experienced a cash inflow and improved upon its net assets position.

For the above reasons, the Directors continue to adopt the going concern basis in preparing the financial statements.

**Foreign currencies**

The Company's functional and presentational currency is Pounds Sterling (£) and this is the currency of the primary economic environment in which the Company operates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the Statement of Comprehensive Income.

**Trade and other receivables**

Trade and other receivables are non-interest bearing and are stated at their nominal amount less provisions made for estimated irrecoverable amounts. Estimated irrecoverable amounts are based on historical experience together with specific amounts that are not expected to be collectible. Individual amounts are written off when management deems them not to be collectible.

**Loans and advances**

Loans and advances receivable are carried at their amortised cost.

**Cash and cash equivalents**

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and – for the purpose of the statement of cash flows - bank overdrafts. Bank overdrafts are shown within loans and borrowings in current liabilities on the consolidated statement of financial position.

**Trade and other payables**

Trade and other payables are non-interest bearing and are stated at their nominal value.

**Taxation**

The tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the Statement of Comprehensive Income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax is calculated at the tax rates that are expected to apply in the year when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

**Financial assets**

The Company classifies its financial assets into one of the categories discussed below, depending on the purpose for which the asset was acquired. The Company has not classified any of its financial assets as held to maturity.

**Loans and receivables**

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers, e.g. trade receivables. Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default) that the Company will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables, which are reported net; such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses in the income statement.

On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated

**Notes to the Financial Statements - continued**  
**For The Period 3rd August 2018 to 31st July 2019**

provision.

The Company's loans and receivables comprise trade and other receivables and cash and cash equivalents.

Cash and cash equivalents include cash in hand, deposits held at call and overdrafts with banks.

**Financial liabilities**

Other financial liabilities

Other financial liabilities include the following items:

- Trade payables and other short-term monetary liabilities, which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.
- Borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the statement of financial position.

**Operating leases**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the Statement of Comprehensive Income on a straight-line basis over the period of the lease.

**3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

In preparing these financial statements the directors have had to make the following judgement:

Determine whether there are any indicators of impairment of the Company's assets. Factors taken into consideration in reaching such a decision include the financial circumstances of the borrower, the financial performance of the asset and additional security thereon.

**4. REVENUE**

	Period 3.8.18 to 31.7.19 £	Year Ended 2.8.18 £
Europe	243,325	421,986
Rest of the world	<u>45,000</u>	<u>70,026</u>
	<u>288,325</u>	<u>492,012</u>

Revenue in the current and prior year relates to consultancy services.

**5. OPERATING PROFIT**

The operating result is stated after charging/(crediting):

	Period 3.8.18 to 31.7.19 £	Year Ended 2.8.18 £
Operating lease rentals	12,762	12,467
Auditors' remuneration		
Audit services	22,200	21,000
Non audit services	-	2,000
Impairment of trade receivables	-	4,603
	<u>          </u>	<u>          </u>

**6. EMPLOYEES AND DIRECTORS**

	Period 3.8.18 to 31.7.19 £	Year Ended 2.8.18 £
Wages and salaries	36,000	36,000
Social security costs	<u>3,777</u>	<u>3,805</u>
	<u>39,777</u>	<u>39,805</u>

Notes to the Financial Statements - continued  
For The Period 3rd August 2018 to 31st July 2019

The average number of employees during the period was as follows:

	Period 3.8.18 to 31.7.19	Year Ended 2.8.18
Director	<u>1</u>	<u>1</u>
	Period 3.8.18 to 31.7.19	Year Ended 2.8.18
Directors' remuneration	£ 36,000	£ 36,000
Social security costs	<u>3,777</u>	<u>3,805</u>
	<u>39,777</u>	<u>39,805</u>

The number of directors to whom retirement benefits are accruing is NIL (2018: NIL).

## 7. TAXATION

### Analysis of tax expense

	Period 3.8.18 to 31.7.19 £	Year Ended 2.8.18 £
Current tax: Tax	<u>3,412</u>	<u>2,865</u>
Total tax expense in statement of comprehensive income	<u>3,412</u>	<u>2,865</u>

The tax charge for the year is higher (2018: lower) than the charge resulting from the profit before tax at the standard rate of corporation tax in the UK of 19 % (2018: 19%). The differences are explained below.

### Tax reconciliation

	Period 3.8.18 to 31.7.19 £	Year Ended 2.8.18 £
Profit / (loss) before tax	15,959	236,693
Tax at 19%	3,032	44,972
Expenditure not deductible for tax purposes	380	380
Adjustment to closing rate of deferred tax	-	-
Utilisation of brought forward losses	-	(42,487)
Current tax charge for the period	<u>3,412</u>	<u>2,865</u>

## 8. TRADE AND OTHER RECEIVABLES

	As at 31.7.19 £	As at 2.8.18 £
Current:		
Trade debtors	400,924	-
Other debtors	-	3,040
Accrued income	-	385,924
Prepayments	23,700	13,130
Loan and advances	<u>138,109</u>	<u>138,109</u>
	<u>562,733</u>	<u>540,203</u>

Bad debts and doubtful debts written off and provided in the period are £105,000 (2018: £3,757).

Notes to the Financial Statements - continued  
For The Period 3rd August 2018 to 31st July 2019

The total of trade receivables past due date but not impaired is £400,924 (2018: £Nil).

Loans and advances relate to a loan bearing interest at 10.68%. The security provided against this loan is property Lagada, Kefalonia, Greece. Additionally, there is a promissory note against this loan pledged with a property Aetostassi, Kefalonia, Greece and also secured by a standby letter of credit.

**9. CASH AND CASH EQUIVALENTS**

	As at 31.7.19 £	As at 2.8.18 £
Cash and cash equivalents	<u>23,876</u>	<u>4,713</u>

**10. CALLED UP SHARE CAPITAL**

Authorised Number:	Class:	Nominal value:	As at 31.7.19 £	As at 2.8.18 £
1,000	Ordinary B shares	£1	1,000	1,000
50,000	Ordinary shares	£1	<u>50,000</u>	<u>50,000</u>
Allotted, issued and fully paid: Number:	Class:	Nominal value:	As at 31.7.19 £	As at 2.8.18 £
1,000	Ordinary B shares	£1	1,000	1,000
50,000	Ordinary shares	£1	50,000	50,000
92,000	Preference C shares	£1	<u>92,000</u>	<u>92,000</u>

Ordinary shares

Each share has full voting rights in the Company with respect to voting, dividends and distributions.

Ordinary B shares

No voting rights. Each share is entitled pari passu to dividend payments or any other distribution.

Preference C shares

The preference shares are classified as liabilities in the Statement of Financial Position.

No voting rights and no rights of redemption. The shares have attached to them rights to a preferential dividend at an annual rate of 5.1% of the issue price per preference share. The shares carry right to capital distributions in the same proportion as if they were distributed by way of a dividend.

**11. RESERVES**

	Retained earnings £
At 3rd August 2018	1,116
Profit for the period	<u>12,547</u>
At 31st July 2019	<u>13,663</u>



**12. TRADE AND OTHER PAYABLES**

	As at 31.7.19 £	As at 2.8.18 £
Current:		
Trade creditors	119,207	165,776
Social security and other taxes	5,053	3,470
Other creditors	120,284	61,766
Accrued expenses	37,800	31,800
Corporation tax payable	<u>6,277</u>	<u>2,865</u>
	<u>288,621</u>	<u>265,677</u>
Non-current:		
Cumulative preference shares of £1 each	92,000	92,000
Accrued preference dividend	<u>4,348</u>	<u>1,931</u>
	<u>96,348</u>	<u>93,931</u>

**13. LOAN AND BORROWINGS**

	As at 31.7.19 £	As at 2.8.18 £
Current:		
Other Loans	<u>136,977</u>	<u>133,192</u>
	<u>136,977</u>	<u>133,192</u>

Other loans consist of a related party balance which bears interest of 9.1% and will not be due for repayment before 31<sup>st</sup> July 2021.

**14. RELATED PARTY TRANSACTIONS**

At the period end there was a balance included within other creditors of £20,067 (2018: £10,326) owed to V Valasakis, a director and shareholder of the Company. There was a £100,217 (2018: £51,438) balance included within other creditors owed to V Popotas, a shareholder of the Company.

V Popotas received £33,619 (2018: £Nil) for services provided to the Company during the period. As at the period end, included within trade creditors is an amount of £11,433 (2018: £Nil) owed to him.

At the period end there was a balance included within other receivables owed from a close family member of V Popotas of £Nil (2018: £3,039).

As at 31<sup>st</sup> July 2019 an amount of £136,977 (2018: £133,192) was due to Opavel SA, a company that is controlled by V Popotas. During the year interest of £10,366 (2018: £10,077) was charged on this loan. Also during the year, the company received income of £6,995 (2018: £Nil) from Opaval SA.

During the year an amount of £13,200 (2018: £13,200) was paid to a company controlled by R Dua for professional services rendered. As at the balance sheet date £12,780 (2018: £8,550) was due to said company.

**15. FINANCIAL INSTRUMENTS**

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company is mainly exposed to credit risk from credit sales. It is Company policy, to assess the credit risk of new customers before entering contracts.

Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions. The company reviews its cash holdings regularly to ensure that it is not over exposed.

Further disclosures regarding trade and other receivables, which are neither past due nor impaired, are provided in note 8.

Foreign exchange risk

Foreign exchange risk arises when the Company entities enter into transactions denominated in a currency other than their functional currency. The Company's management has deemed foreign currency risk immaterial. The company does not hedge for foreign currency risk.

**Notes to the Financial Statements - continued**  
**For The Period 3rd August 2018 to 31st July 2019**

As the company begins to trade more in foreign currencies, a detailed strategy will be put in place.

Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due to safeguard the company's ability to continue as a going concern.

Capital risk

The Company monitors its level of capital which comprises all components of equity. The Company's objective when maintaining capital is so that it can provide returns to shareholders and benefits for other stakeholders. In order to maintain the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

Sensitivity analysis

Whilst the Company takes steps to minimise its foreign exchange risk as described above, changes in foreign exchange rates will have an impact on profit.

At 31<sup>st</sup> July 2019, the Company's financial assets consisted of trade and other receivables and cash and cash equivalents. The Company had financial liabilities being trade and other payables. There is no material difference between the carrying and fair values of these financial assets and liabilities.

The carrying amounts for each category of financial instruments held at 31<sup>st</sup> July 2019, as defined in IFRS 9, are as follows:-

	As at 31.7.19 £	As at 2.8.18 £
<b>Assets:</b>		
Trade receivables	505,924	-
Less Provision on trade receivables	(105,000)	-
Other receivables	219,243	597,637
Less Impairment on other receivables	<u>(57,434)</u>	<u>(57,434)</u>
Net Trade and other receivables	<u>562,733</u>	<u>540,203</u>
Cash and cash equivalents	23,876	4,713
<b>Liabilities:</b>		
Trade and other payables	510,616	486,465

All financial assets are categorised as loans and receivables and all financial liabilities are categorised as financial liabilities measured at amortised cost.

The company has adopted the simplified expected credit loss model for its trade receivables and contract assets, as required by IFRS 9, paragraph 5.5.15, and the general expected credit loss model for debt investments carried at amortised cost and debt investments carried at fair value through other comprehensive income. All of the company's debt investments have moderate credit risk at both the beginning and end of the reporting period.

Cash and cash equivalents comprise cash and short term deposits, net of outstanding bank overdrafts. The carrying value of these assets and liabilities is approximately equal to their fair value.

**16. OPERATING LEASE COMMITMENTS**

At 31<sup>st</sup> July 2019 the Company had minimum lease payments under non-cancellable operating leases as set out below:

	Period Ended 31.7.19 £	Year Ended 2.8.18 £
Not later than one year	1,585	1,627
Later than one year and not later than five years	-	-
	<u>1,585</u>	<u>1,627</u>

**17. CONTROLLING PARTY**

The Company is owned equally by Vasileios Valasakis and Vasileios Popotas who are deemed to be the Company's ultimate controlling parties.