CIVICO LIMITED

FINANCIAL STATEMENTS
Year ended 31 December 2017

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CIVICO LIMITED

BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors:	Christa Theodorou
Company Secretary:	Iris Secretaries Ltd
Independent Auditors:	MOORE STEPHENS STYLIANOU & CO CERTIFIED PUBLIC ACCOUNTANTS AND REGISTERED AUDITORS 58 Arch. Makarios III Avenue Iris Tower, 6th Floor 1075 Nicosia Cyprus
Registered office:	58 Arch. Makarios III Avenue Iris Tower, 8th Floor 1075 Nicosia Cyprus
Bankers:	Bank of Cyprus Public Company Ltd Piraeus Bank A.E
Registration number:	HE127517

Independent Auditor's Report

To the Members of Civico Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of parent company Civico Limited (the "Company"), which are presented in pages 4 to 24 and comprise the statement of financial position as at 31 December 2017, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of parent company Civico Limited as at 31 December 2017, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

Basis for Opinion

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

Responsibilities of the Board of Directors for the financial statements

The Board of Directors is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

Independent Auditor's Report (continued)

To the Members of Civico Limited

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

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.

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.

Brigid Chrysostomou
Certified Public Accountant and Registered Auditor
for and on behalf of
MOORE STEPHENS STYLIANOU & CO
CERTIFIED PUBLIC ACCOUNTANTS AND REGISTERED AUDITORS
58 Arch. Makarios III Avenue
Iris Tower, 6th Floor
1075 Nicosia
Cyprus

Nicosia, 18 April 2018

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
Year ended 31 December 2017

	Note	2017 €	2016 €
Revenue	5	**273.553**	399.478
Cost of sales		**(119.536)**	(167.009)
Gross profit		**154.017**	232.469
Other operating income	6	**272.476**	25.146
Selling and distribution expenses		**(16.180)**	(40.307)
Administration expenses		**(252.765)**	(229.840)
Operating profit/(loss)	7	**157.548**	(12.532)
Finance costs	8	**(211.584)**	(201.268)
(Loss) before tax		**(54.036)**	(213.800)
Tax	9	**(69.614)**	(27.942)
Net loss for the year		**(123.650)**	(241.742)
Other comprehensive income			
Available-for-sale financial assets - Fair value Loss		**(891)**	(6.696)
Other comprehensive income for the year		**(891)**	(6.696)
Total comprehensive income for the year		**(124.541)**	(248.438)

STATEMENT OF FINANCIAL POSITION
31 December 2017

	Note	**2017**	2016
		€	€
ASSETS			
Non-current assets			
Investments in subsidiaries	11	**3.366.850**	3.366.850
Investments in associates	12	**875**	875
Available-for-sale financial assets	13	**18.302**	19.194
		3.386.027	3.386.919
Current assets			
Inventories	14	**700**	700
Trade and other receivables	15	**358.385**	626.985
Cash at bank	16	**132.383**	99.201
		491.468	726.886
Total assets		**3.877.495**	4.113.805
EQUITY AND LIABILITIES			
Equity			
Share capital	17	**1.710**	1.710
Other reserves		**(13.812)**	(12.921)
Accumulated (losses)		**(224.395)**	(100.745)
Total equity		**(236.497)**	(111.956)
Non-current liabilities			
Borrowings	18	**1.705.000**	1.805.000
		1.705.000	1.805.000
Current liabilities			
Trade and other payables	19	**245.766**	380.093
Borrowings	18	**2.163.226**	2.040.668
		2.408.992	2.420.761
Total liabilities		**4.113.992**	4.225.761
Total equity and liabilities		**3.877.495**	4.113.805

On 18 April 2018 the Board of Directors of Civico Limited authorised these financial statements for issue.

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Christa Theodorou
Director

STATEMENT OF CHANGES IN EQUITY
Year ended 31 December 2017

	Note	Share capital €	Fair value reserve - available-for-sale financial assets €	Difference from conversion of share capital into euro reserve €	Retained earnings / Accumulated losses €	Total €
Balance at 1 January 2016		**1.710**	**(6.249)**	**24**	**140.997**	**136.482**
Comprehensive income						
Net loss for the year		-	-	-	(241.742)	(241.742)
Net gains and losses recognised directly in equity		-	(6.696)	-	-	(6.696)
Balance at 31 December 2016/ 1 January 2017		**1.710**	**(12.945)**	**24**	**(100.745)**	**(111.956)**
Comprehensive income						
Net loss for the year		-	-	-	(123.650)	(123.650)
Net gains and losses recognised directly in equity		-	(891)	-	-	(891)
Balance at 31 December 2017		**1.710**	**(13.836)**	**24**	**(224.395)**	**(236.497)**

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.

CASH FLOW STATEMENT
Year ended 31 December 2017

	Note	**2017**	2016
		€	€
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss) before tax		**(54.036)**	(213.800)
Adjustments for:			
Dividend income	6	**(250.000)**	-
Interest income	6	**(401)**	(541)
Interest expense	8	**191.272**	189.753
		(113.165)	(24.588)
Changes in working capital:			
Decrease in trade and other receivables		**268.600**	86.955
(Decrease)/increase in trade and other payables		**(134.326)**	150.859
Cash generated from operations		**21.109**	213.226
Tax paid		**(69.614)**	(11.558)
Net cash (used in)/generated from operating activities		**(48.505)**	201.668
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		**401**	541
Dividends received		**250.000**	-
Net cash generated from investing activities		**250.401**	541
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayments of borrowings		**(80.000)**	(70.000)
Interest paid		**(88.714)**	(105.129)
Net cash used in financing activities		**(168.714)**	(175.129)
Net increase in cash and cash equivalents		**33.182**	27.080
Cash and cash equivalents at beginning of the year		**99.201**	72.121
Cash and cash equivalents at end of the year	16	**132.383**	99.201

1. Incorporation and principal activities

Country of incorporation

The Company Civico Limited (the ''Company'') was incorporated in Cyprus on 31 January 2002 as a private limited liability company under the provisions of the Cyprus Companies Law, Cap. 113. Its registered office is at 58 Arch. Makarios III Avenue, Iris Tower, 8th Floor, 1075 Nicosia, Cyprus.

Principal activities

The principal activities of the Company, which are unchanged from last year, are the distribution and sub-licence of TV-channels and other media and the provision of finance.

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 €123.650 for the year ended 31 December 2017, and, as of that date Company's current liabilities exceeded its current assets by €1.917.524. The Company is dependent upon the continuing financial support of its parent company without which there would be significant doubt about its ability to continue as a going concern as well as its ability to realise its assets and discharge its liabilities in the ordinary course of business. The parent company has indicated its intention to continue providing such financial assistance to the Company to enable it to continue as a going concern and to meet its obligations as they fall due.

Basis of preparation

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

These financial statements are the separate financial statements. The Company has not prepared consolidated financial statements as the exemption from consolidation in paragraph 4(a) of IFRS10 'Consolidated Financial Statements', has been used.
The Company's parent Attica Publications S.A, a Company incorporated in Greece produced consolidated financial statements available for public use that comply with International Financial Reporting Standards as issued by the IASB. The consolidated financial statements can be found on the parent's website, http://www.atticamediagroup.gr/.

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 year the Company adopted all the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning on 1 January 2017. This adoption did not have a material effect on the accounting policies of the Company.

2. Significant accounting policies (continued)

Adoption of new and revised IFRSs (continued)

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.

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.

Associates

Associates are all entities over which the Company has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associated undertakings are stated at cost less provision for permanent diminution in value, which is recognised as an expense in the period in which the diminution is identified.

Revenue recognition

Revenue comprises the invoiced amount for the sale of services net of Value Added Tax, rebates and discounts. Revenues earned by the Company are recognised on the following bases:

- **Rendering of services**

  Sales of services are recognised in the accounting period in which the services are rendered by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.

- **Commission income**

  Commission income is recognised when the right to receive payment is established.

- **Interest income**

  Interest income is recognised on a time-proportion basis using the effective interest method.

- **Dividend income**

  Dividend income is recognised when the right to receive payment is established.

Debtors and provisions for bad debts

Bad debts are written off to profit or loss and a specific provision is made, where it is considered necessary. No general provision for bad debts is made. Trade debtors are stated after deducting the specific provision for bad and doubtful debts, if any.

2. Significant accounting policies (continued)

Finance costs

Interest expense and other borrowing costs are charged to profit or loss as incurred.

Foreign currency translation

(1) Functional and presentation currency
Items included in the Company's financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Euro (€), which is the Company's functional and presentation currency.

(2) Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. Translation differences on available-for-sale financial assets are recognised in other comprehensive income and then included in the fair value reserve in equity. Translation differences on available-for-sale debt securities are recognised in profit or loss.

Tax

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

Patents and trademarks

Patents and trademarks are measured initially at purchase cost and are amortised on a straight-line basis over their estimated useful lives.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

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 receivables

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

Prepayments from clients

Payments received in advance on sale contracts for which no revenue has been recognised yet, are recorded as prepayments from clients as at the reporting date and carried under liabilities.

2. Significant accounting policies (continued)

Financial instruments (continued)

Financial assets

(1) Classification

The Company classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available for-sale financial assets. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of financial assets at initial recognition.

- Available-for-sale financial assets

  Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets, unless management intends to dispose of the investment within twelve months of the reporting date.

(2) Recognition and measurement

Regular way purchases and sales of financial assets are recognised on trade-date which is the date on which the Company commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in profit or loss. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are carried at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of the "financial assets at fair value through profit or loss" category are presented in profit or loss in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the profit or loss when the Company's right to receive payments is established.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Company establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same and discounted cash flow analysis, making maximum use of market inputs and relying as little as possible on entity specific inputs. Equity investments for which fair values cannot be measured reliably are recognised at cost less impairment.

Changes in the fair value of monetary securities denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. The translation differences on monetary securities are recognised in profit or loss, while translation differences on non-monetary securities are recognised in other comprehensive income. Changes in the fair value of monetary and non-monetary securities classified as available-for-sale are recognised in other comprehensive income.

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in other comprehensive income are included in profit or loss as gains and losses on available-for-sale financial assets.

Interest on available-for-sale securities calculated using the effective interest method is recognised in the profit or loss. Dividends on available-for-sale equity instruments are recognised in profit or loss when the Company's right to receive payments is established.

2. Significant accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

The Company assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets the cumulative loss which is measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss, is removed from equity and recognised in profit or loss.

For financial assets measured at amortised cost, if in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of available for sale equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. In respect of available for sale debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

Cash and cash equivalents

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

Borrowings

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

Trade payables

Trade payables are initially measured at fair value and are subsequently measured at cost.

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.

2. Significant accounting policies (continued)

Derecognition of financial assets and liabilities (continued)

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.

Inventories

Inventories are stated at the lower of cost and net realisable value. The cost is determined using the weighted average method. Net realisable value is the estimated selling price in the ordinary course of business, less the costs to completion and selling expenses.

Share capital

Ordinary shares are classified as equity.

Non-current liabilities

Non-current liabilities represent amounts that are due more than twelve months from the reporting date.

3. Financial risk management

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

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

3.2 Interest rate risk
Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. Borrowings issued at variable rates expose the Company to cash flow interest rate risk. Borrowings issued at fixed rates expose the Company to fair value interest rate risk. The Company's management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

3. Financial risk management (continued)

At the reporting date the interest rate profile of interest- bearing financial instruments was:

	2017	2016
	€	€
Variable rate instruments		
Financial liabilities	**3.868.226**	3.845.668
	3.868.226	3.845.668

Sensitivity analysis

An increase of 100 basis points in interest rates at 31 December 2017 would have increased/(decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. For a decrease of 100 basis points there would be an equal and opposite impact on the profit and other equity.

		Equity		Profit or loss
	2017	2016	**2017**	2016
	€	€	**€**	€
Piraeus Bank loan payable	**18.756**	19.644	**18.756**	19.644
Attica Publications S.A. loan payable	**19.447**	18.567	**19.447**	18.567
	38.203	38.211	**38.203**	38.211

3.3 Credit risk
Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities - primarily trade receivables and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

Credit risk related to trade receivables: This is managed based on established policies, procedures and controls relating to customer credit risk management. Credit limits are established for all customers based on internal ratings. Credit quality of the customer is assessed and outstanding customer receivables are regularly monitored. The Company does not hold collateral as security.

Credit risk related to financial instruments and cash deposits: Cash balances are held with high credit quality financial institutions and the Company has policies to limit the amount of credit exposure to any financial institution.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	2017	2016
	€	€
Trade and other receivables	**253.069**	345.388
Cash at bank	**132.370**	99.188
Receivables from related companies	**45.404**	226.826
	430.843	671.402

3.4 Liquidity risk
Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The Company has procedures with the object of minimising such losses such as maintaining sufficient cash and other highly liquid current assets and by having available an adequate amount of committed credit facilities.

3. Financial risk management (continued)

3.4 Liquidity risk (continued)

The following tables detail the Company's remaining contractual maturity for its financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows.

31 December 2017	Carrying amounts	Contractual cash flows	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years
	€	€	€	€	€	€	€
Bank loans	1.846.548	2.058.522	71.393	152.074	197.841	1.637.214	-
Trade and other payables	167.121	167.121	167.121	-	-	-	-
Payables to related parties	54.065	54.065	54.065	-	-	-	-
Loan from parent company	2.021.678	2.132.083	-	2.132.083	-	-	-
	4.089.412	**4.411.791**	**292.579**	**2.284.157**	**197.841**	**1.637.214**	**-**

31 December 2016	Carrying amounts	Contractual cash flows	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years
	€	€	€	€	€	€	€
Bank loans	1.927.623	2.228.310	62.462	125.971	203.952	1.835.925	-
Trade and other payables	291.663	291.663	291.663	-	-	-	-
Payables to related parties	66.065	66.065	66.065	-	-	-	-
Loan from parent company	1.918.045	2.022.590	-	2.022.590	-	-	-
	4.203.396	4.608.628	420.190	2.148.561	203.952	1.835.925	-

3.5 Currency risk
Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Company's measurement currency. The Company is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the US Dollar. The Company's management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

		Liabilities		**Assets**
	2017	2016	**2017**	2016
	€	€	**€**	€
United States Dollars	**43.132**	64.191	**193.413**	129.977
	43.132	64.191	**193.413**	129.977

3. Financial risk management (continued)

Sensitivity analysis
A 10% strengthening of the Euro against the following currencies at 31 December 2017 would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. For a 10% weakening of the Euro against the relevant currency, there would be an equal and opposite impact on the profit and other equity.

	Equity		**Profit or loss**	
	2017	2016	**2017**	2016
	€	€	**€**	€
United States Dollars	**21.504**	6.579	**21.504**	6.579

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

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Company's overall strategy remains unchanged from last year.

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 assessment of the Company for the appropriateness of the use of the going concern basis is disclosed in note 2.

- **Provision for bad and doubtful debts**

  The Company reviews its trade and other receivables for evidence of their recoverability. Such evidence includes the customer's payment record and the customer's overall financial position. If indications of irrecoverability exist, the recoverable amount is estimated and a respective provision for bad and doubtful debts is made. The amount of the provision is charged through profit or loss. The review of credit risk is continuous and the methodology and assumptions used for estimating the provision are reviewed regularly and adjusted accordingly.

4. Critical accounting estimates and judgments (continued)

- **Impairment of investments in subsidiaries/associates**

  The Company periodically evaluates the recoverability of investments in subsidiaries/associates 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/associates may be impaired, the estimated future discounted cash flows associated with these subsidiaries/associates would be compared to their carrying amounts to determine if a write-down to fair value is necessary.

- **Impairment of available-for-sale financial assets**

  The Company follows the guidance of IAS 39 in determining when an investment is other-than-temporarily impaired. This determination requires significant judgment. In making this judgment, the Company evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost and the financial health and near-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

5. Revenue

	2017	2016
	€	€
Rendering of TV rights	**273.553**	399.386
Other income	**-**	92
	273.553	399.478

6. Other operating income

	2017	2016
	€	€
Interest income	**401**	541
Exchange profit	**10.025**	12.605
Dividend income	**250.000**	-
Other income	**50**	-
Sundry operating income	**12.000**	12.000
	272.476	25.146

Interest income is analysed as follows:

	2017	2016
	€	€
Interest on VAT refund	**401**	541
	401	541

7. Operating profit/(loss)

	2017	2016
	€	€
Operating profit/(loss) is stated after charging the following items:		
Auditors' remuneration	**4.700**	5.200
Trade receivables - impairment charge for bad and doubtful debts	**-**	6.411

8. Finance costs

	2017	2016
	€	€
Net foreign exchange losses	**18.050**	8.658
Interest expense	**191.272**	189.753
Sundry finance expenses	**2.262**	2.857
	211.584	201.268

9. Tax

	2017	2016
	€	€
Corporation tax - prior years	**-**	16.384
Overseas tax	**69.494**	11.396
Defence contribution - current year	**120**	162
Charge for the year	**69.614**	27.942

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

	2017	2016
	€	€
(Loss) before tax	**(54.036)**	(213.800)
Tax calculated at the applicable tax rates	**(6.755)**	(26.725)
Tax effect of expenses not deductible for tax purposes	**2.304**	1.082
Tax effect of allowances and income not subject to tax	**(32.552)**	(1.643)
Tax effect of tax loss for the year	**37.003**	27.286
Defence contribution current year	**120**	162
Prior year tax	**-**	16.384
Overseas tax in excess of credit claim used during the year	**69.494**	11.396
Tax charge	**69.614**	27.942

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

10. Intangible assets

	Patents and trademarks €
Cost	
Balance at 1 January 2016	5.000
Balance at 31 December 2016/ 1 January 2017	**5.000**
Balance at 31 December 2017	**5.000**
Amortisation	
Balance at 1 January 2016	5.000
Balance at 31 December 2016/ 1 January 2017	**5.000**
Balance at 31 December 2017	**5.000**
Net book amount	
Balance at 31 December 2017	-

11. Investments in subsidiaries

	2017 €	2016 €
Balance at 1 January	**3.366.850**	3.548.272
Reduction of share capital	**-**	(181.422)
Balance at 31 December	**3.366.850**	3.366.850

The details of the subsidiaries are as follows:

Name	Country of incorporation	Principal activities	Holding %	**2017** €	2016 €
Attica Media RMN Srl	Romania	Publishing magazines	100	**1**	1
Airlink S.A	Greece	Magazine Publications	100	**3.366.849**	3.366.849
				3.366.850	3.366.850

12. Investments in associates

	2017 €	2016 €
Balance at 1 January	**875**	875
Balance at 31 December	**875**	875

The details of the investments are as follows:

Name	Country of incorporation	Principal activities	Holding %	**2017** €	2016 €
Attica Imako-Media Srl	Romania	Publishing and related activities	50	**1**	1
Delapi Ltd	Cyprus	Sale of magazines	50	**874**	874
				875	875

13. Available-for-sale financial assets

	2017	2016
	€	€
Balance at 1 January	19.194	25.889
Revaluation difference transferred to equity	(892)	(6.695)
Balance at 31 December	**18.302**	19.194

	Fair values 2017	Cost 2017	Fair values 2016	Cost 2016
	€	€	€	€
Securities listed on a Stock Exchange	18.302	148.787	19.194	148.787
	18.302	148.787	19.194	148.787

The details of the investments are as follows:

Name	Country of incorporation	Principal activities	2017	2016
			€	€
Bank of Cyprus Public Company Ltd	Cyprus	Financial Institution	18.302	19.194
			18.302	19.194

Available-for-sale financial assets, comprising principally marketable equity securities, are fair valued annually at the close of business on 31 December. For investments traded in active markets, fair value is determined by reference to Stock Exchange quoted bid prices. For other investments, fair value is estimated by reference to the current market value of similar instruments or by reference to the discounted cash flows of the underlying assets. Equity investments for which fair values cannot be measured reliably are recognised at cost less impairment.

14. Inventories

	2017	2016
	€	€
Finished products	700	700
	700	700

Inventories are stated at cost.

15. Trade and other receivables

	2017	2016
	€	€
Trade receivables	314.023	406.342
Less: provision for impairment of receivables	(60.954)	(60.954)
Trade receivables - net	253.069	345.388
Receivables from own subsidiaries (Note 21.3)	-	181.422
Receivables from related companies (Note 21.3)	45.404	45.404
Refundable VAT	59.912	54.771
	358.385	626.985

Concentrations of credit risk with respect to trade receivables are limited due to the Company's large number of customers. The Company's historical experience in collection of accounts receivable falls within the recorded allowances. Due to these factors, Management believes that no additional credit risk beyond amounts provided for collections losses is inherent in the Company's trade receivables.

15. Trade and other receivables (continued)

Included in the Company's trade receivable balance are debtors with a carrying amount of €196.576 (2016: €346.522) which are past due at the reporting date for which the Company has not provided as there has not been a significant change in credit quality and the amounts are still considered recoverable. The Company does not hold any collateral over these balances.

Included in the comparatives of trade receivables there is a balance of EUR40,456 with Satellite Television International and of EUR 18,869 with Playboy TV UK which were held as security credit against future payment from Civico commission due under the Commission Agreement with Playboy and Satellite Television International. These securities were released in the year.

The Company has not recognized a loss for the impairment of its trade receivables during the year ended 31 December 2017 (2016: €6.411).

The Company does not hold any collateral over the trading balances.

Movement in provision for impairment of receivables:

	2017	2016
	€	€
Balance at 1 January	**60.954**	54.543
Impairment losses recognised on receivables	**-**	6.411
Balance at 31 December	**60.954**	60.954

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

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

16. Cash at bank

Cash balances are analysed as follows:

	2017	2016
	€	€
Cash at bank	**132.383**	99.201
	132.383	99.201

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

17. Share capital

	2017 Number of shares	**2017 €**	2016 Number of shares	2016 €
Authorised				
Ordinary shares of €1 each	**1.710**	**1.710**	1.710	1.710
		€		€
Issued and fully paid				
Balance at 1 January	**1.710**	**1.710**	1.710	1.710
Balance at 31 December	**1.710**	**1.710**	1.710	1.710

18. Borrowings

	2017	2016
	€	€
Current borrowings		
Bank loans	**141.548**	122.623
Loan from parent company (Note 21.5)	**2.021.678**	1.918.045
	2.163.226	2.040.668
Non-current borrowings		
Bank loans	**1.705.000**	1.805.000
Total	**3.868.226**	3.845.668

Maturity of non-current borrowings:

	2017	2016
	€	€
Between one to two years	**-**	120.000
Between two and five years	**1.705.000**	1.685.000
	1.705.000	1.805.000

The loan from parent company is repayble by 31 December 2018.

The bank loan in the original amount of €1.905.000 is repayable by quarterly instalments of €20.000 each though to 30 December 2017, of €30,000 each to September 2020 and a final balloon payment of €1.475.000 on 20 December 2020.

The installment of €20,000 which was due on 31 December 2017 was settled on 24 January 2018.
As per the loan agreement with Piraeus Bank S.A. in case of a non timely payment of interest installment the margin of the loan will increase by 2%.

The bank loans are secured as follows:

- Guarantees from the parent company.

The weighted average effective interest rates at the reporting date were as follows:

	2017	2016
Bank loans	**Euribor (360 days) + 5%**	Euribor (360 days) + 5%
Loan from parent company	**Euribor (360 days) + 5%**	Euribor (360 days) + 5%

The Company borrowings are denominated in the following currencies:

	2017	2016
	€	€
Euro	**3.868.226**	3.845.668
	3.868.226	3.845.668

19. Trade and other payables

	2017	2016
	€	€
Trade payables	**43.132**	64.191
Prepayments from clients	**570**	3.919
Payables to parent (Note 21.4)	**6.320**	18.320
Accruals	**24.580**	22.365
Other creditors	**123.419**	223.553
Payables to own subsidiaries (Note 21.4)	**47.745**	47.745
	245.766	380.093

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

20. 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.

21. Related party transactions

The Company is controlled by Attica Publications S.A, incorporated in Greece, which owns 99,94% of the Company's shares.

The Company does not have an ultimate controlling party.

The following transactions were carried out with related parties:

21.1 Sales of goods and services

		2017	2016
	Nature of transactions	**€**	€
Attica Publications S.A.	Trade	**12.000**	12.000
		12.000	12.000

Sales to Attica Publications S.A are made at commercial terms and conditions.

21.2 Interest expense

	2017	2016
	€	€
Attica Publications S.A.	**103.632**	98.759
	103.632	98.759

21. Related party transactions (continued)

21.3 Receivables from related parties (Note 15)

Name	Nature of transactions	2017 €	2016 €
International Radio Network Holdings	Trade	**45.404**	45.404
Airlink S.A.	Reduction of share capital	**-**	181.422
		45.404	226.826

Receivables from related parties are interest free and have no specific repayment date.

21.4 Payables to related parties (Note 19)

Name	Nature of transactions	2017 €	2016 €
Attica Publications S.A.	Trade and Financial Support	**6.320**	18.320
Airlink S.A.	Financial support	**47.745**	47.745
		54.065	66.065

Payables to related parties are interest free and have no specific repayment date.

21.5 Loans from related undertakings (Note 18)

	2017 €	2016 €
Attica Publications S.A	**2.021.678**	1.918.045
	2.021.678	1.918.045

The loan from the parent company bears interest at Euribor 3 months plus 5% margin and is repayable by 31 December 2018.

22. Contingent liabilities

The Company had no contingent liabilities as at 31 December 2017.

23. Commitments

The Company had no capital or other commitments as at 31 December 2017.

24. Events after the reporting period

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

Independent auditor's report on pages 2 to 3

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Cyprus

MOORE STEPHENS STYLIANOU & CO
CERTIFIED PUBLIC ACCOUNTANTS AND REGISTERED AUDITORS
58 Arch. Makarios III Avenue
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18 April 2018

Management representation letter for the audit of the year ended 31 December 2017

Dear Sirs

This representation letter is provided in connection with your audit of the financial statements of Civico Limited (the "Company") for the year ended 31 December 2017 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view of the financial position of the Company as at 31 December 2017, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

By a resolution of the Board of Directors, passed today, we are directed to confirm to you, in respect of the financial statements of the Company for the year ended 31 December 2017, the following:

We confirm, to the best of our knowledge and belief and having made appropriate inquiries of other Directors and officials and staff of the Company as we considered necessary for the purpose of appropriately informing ourselves, that we can make the following representations to you.

We acknowledge our legal responsibilities regarding disclosure of information to you as auditors and confirm that so far as we are aware, there is no relevant audit information needed by you in connection with preparing your audit report of which you are unaware. Each Director has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that you are aware of that information.

I. Financial statements

1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated 12 January 2018, for the preparation of the financial statements in accordance with IFRSs as adopted by the EU and the requirements of the Cyprus Companies Law, Cap. 113, which give a true and fair view in accordance therewith, and for making accurate representations to you. We have approved the financial statements.

2) We confirm that we have reviewed the Company's accounting policies and estimation techniques and, having regard to the possible alternative policies and techniques, the accounting policies and estimation techniques selected for use in the preparation of the financial statements are the most appropriate to give a true and fair view for the Company's particular circumstances, as required by International Accounting Standard IAS1: Presentation of financial statements.

3) Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.

4) We have no plans or intentions that may materially alter the carrying value and where relevant the fair value measurements or classification of assets and liabilities reflected in the financial statements.

5) Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of IFRSs as adopted by the EU.

6) **Litigation**

i) We confirm that all known, actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been disclosed to you and accounted for and disclosed in the financial statements in accordance with IFRSs as adopted by the EU.

ii) We are not aware of any pending or threatened litigation, proceedings, hearing or claims negotiations, which may result in significant loss to the Company.

7) Events after the reporting period

All events subsequent to the date of the financial statements and for which IFRSs as adopted by the EU require adjustment or disclosure have been adjusted or disclosed in the financial statements. Other than as described in the financial statements, there have been no circumstances or events subsequent to the period end, which require adjustment of or disclosure in the financial statements or in the notes thereto.

8) Uncorrected misstatements

We confirm that the financial statements are free of material misstatements, including omissions. We believe that the effects of uncorrected misstatements identified during the audit are immaterial, both individually and in the aggregate, to the financial statements as a whole.

A list of the uncorrected misstatements is attached. Our reasons for not correcting them are set out below:

- Marketing and distribution agency services payable should amount to €10.806,36 as per the agreement. However as per the trial balance the amount is €11.248,19. The difference of €441.83 is trivial.
- An invoice relating to administration expenses was ommitted to be posted. The amount of the invoice €416,50 is trivial.
- Revenue from a specific customer should amount to US$ 221.605,06 as per the agreement. However, as per the trial balance the amount is US$ 221.138,70. The difference of US$ 466,35 (€412,81) is trivial.
- A provision for revenue relating to December 2017 was made for which the invoice was issued in January 2018. The provision made amounts to US$ 17.730,04. However, the actual invoice issued amounts to US$ 17.254,10. The difference of US$ 475,94 (€397,32) is trivial.
- Interest on the bank loan should amount to €87.884,89 as per the recalculations made. However, as per the trial balance the amount is €87.640,23. The difference of €244,66 is trivial.
- Two receivables are long outstanding but no provision for bad debts has been made. The amount of the receivables is €1.725 and is trivial.

9) Going concern

We confirm that, having considered our expectations and intentions for the next twelve months, and the availability of working capital, the Company is a going concern. We further confirm that the disclosures in the accounting policies are an accurate reflection of the reasons for our consideration that the financial statements should be drawn up on a going concern basis.

II. Information provided

10) Accounting records

i) All the accounting records have been made available to you for the purpose of your audit and all the transactions undertaken have been properly reflected and recorded in the accounting records. All other records and related information which might affect the truth and fairness of, or necessary disclosure in, the financial statements, including minutes of Directors, shareholders and relevant management meetings, have been made available to you and no such information has been withheld. We have also provided unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.

ii) All transactions undertaken by the Company have been properly reflected in the accounting records and the financial statements.

11) Related parties

We confirm that the ultimate controlling party of the Company is Attica Publications S.A, that we have disclosed to you the identity of the Company's related parties and all the related party relationships and transactions of which we are aware. We also confirm that we have appropriately accounted for and disclosed in the financial statements all related party transactions relevant to the Company and that we are not aware of any other such matters required to be disclosed in the financial statements under International Accounting Standard 24 'Related Party Disclosures'.

12) Fraud

i) We acknowledge as Directors that we are responsible for the design, implementation and maintenance of internal controls to prevent and detect fraud and error.

ii) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

iii) We have disclosed to you all information relating to any fraud or suspected fraud known to us that may have affected the Company (regardless of the source or form and including, without limitation, allegations by "whistle-blowers"), and involves management, employees who have significant roles in internal control or others where fraud could have a material effect on the financial statements. We have also disclosed any allegations of fraud or suspected fraud communicated by employees, former employees, analysts, regulators or others, that could affect the Company's financial statements.

13) Laws and regulations

i) We confirm that we are not aware of any instances of actual or potential breaches of or non-compliance with laws and regulations that are central to the Company's ability to conduct its business or that could have a material effect on the financial statements.

ii) We confirm that we are not aware of any irregularities, or allegations of irregularities including fraud, involving management or employees who have a significant role in the accounting and internal control systems, or that could have a material effect on the financial statements.

14) Contractual arrangements / agreements

i) All contractual arrangements entered into by the Company with third parties have been properly reflected in the accounting records or, where material (or potentially material) to the financial statements, have been disclosed to you.

ii) The Company has complied with all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance.

iii) There are no other agreements not in the ordinary course of business.

15) The Company has satisfactory title to all assets and there are no liens or encumbrances on the Company's assets, except for those disclosed in the financial statements.

16) Investments

We have disclosed to you our plans regarding long term investments (investments in subsidiary undertakings, associate undertaking and available for sale investments) that are material to the financial statements, in particular whether the Company has the ability to continue to hold the investments on a long-term basis.

III. Other representations

Assets and liabilities

17) We have no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements.

18) In our opinion on realization in the ordinary course of business, the current assets in statement of financial position are expected to produce no less than the carrying amounts at which they are stated.

19) We have no plans to abandon lines of product or other plans or intentions that will result in any excess or obsolete inventory, and no inventory is stated at an amount in excess of net realizable value.

Provisions

20) Full provision has been made for all liabilities at the reporting date including guarantees, commitments and contingencies where the items are expected to result in significant loss to the Company. Other such items, where in our opinion provision is unnecessary, have been appropriately disclosed in the financial statements.

Disclosures

21) We have recorded or disclosed, as appropriate, all capital stock repurchase options or agreements, and capital stock reserved for options, warrants, conversions and other requirements.

22) We have recorded or disclosed, as appropriate, all arrangements with financial institutions involving compensating balances or other arrangements involving restrictions on cash balances and lines of credit or similar arrangements.

23) We have recorded or disclosed, as appropriate, all liabilities, both actual and contingent, and have disclosed in the notes to the financial statements all guarantees that we have given to third parties, including oral guarantees made by the Company on behalf of an affiliate, Director, officer or any other third party.

24) We confirm that there is no signed agreement with Dolphins Consulting and that the consultancy expense recognised in the year is the full expense for the year and no unrecorded expenses exist.

25) We confirm that NCS Interl has been renamed to TV Net Com Srl.

26) We confirm that the agreement with System Sat was terminated and that no income existed in the year.

We confirm that the investments Attica Media Romania and Attika-Imako Media Rrl are dormant with no operations.

27) Taxation

We have provided you with all information related to all significant income tax uncertainties of which we are aware. We have also provided you with access to all opinions and analyses that relate to positions we have taken in regard to significant income tax matters.

28) Transactions with Directors/officers

Except as disclosed in the financial statements, no other transactions involving Directors, officers and others requiring disclosure in the financial statements under the Companies Law, Cap. 113 have been entered into.

Yours faithfully,
For and on behalf of the Board of Directors

....
Christa Theodorou
Director