CIVICO LTD

FINANCIAL STATEMENTS
31 December 2019

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CIVICO LTD

BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors:	Christa Theodorou
Company Secretary:	Iris Secretaries Ltd
Independent Auditors:	MOORE 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 Ltd

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of parent company Civico Ltd (the "Company"), which are presented in pages 5 to 30 and comprise the statement of financial position as at 31 December 2019, 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 Ltd as at 31 December 2019, 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' International Code of Ethics for Professional Accountants (including International Independence Standards) (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.

Independent Auditor's Report (continued)

To the Members of Civico Ltd

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Independent Auditor's Report (continued)

To the Members of Civico Ltd

Other Matter

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 69 of the Auditors Law of 2017 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.

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

Nicosia, 25 September 2020

CIVICO LTD

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
31 December 2019

	Note	**2019** **€**	2018 €
Revenue	7	**174,240**	204,154
Cost of sales		**(86,129)**	(90,033)
Gross profit		**88,111**	114,121
Other operating income	8	**495,441**	387,004
Selling and distribution expenses		**(14,284)**	(13,956)
Administration expenses		**(247,934)**	(289,136)
Other expenses	9	**(2,604)**	(6,770)
Operating profit	10	**318,730**	191,263
Finance costs	11	**(183,503)**	(190,400)
Profit before tax		**135,227**	863
Tax	12	**(840)**	(1,369)
Net profit/(loss) for the year		**134,387**	(506)
Other comprehensive income		**-**	-
Total comprehensive income for the year		**134,387**	(506)

The notes on pages 9 to 30 form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION
31 December 2019

	Note	2019 €	2018 €
ASSETS			
Non-current assets			
Investments in subsidiaries	14	**3,366,850**	3,366,850
Investments in associates	15	**875**	875
		3,367,725	3,367,725
Current assets			
Inventories	17	**700**	700
Trade and other receivables	18	**385,404**	224,840
Financial assets at fair value through profit or loss	19	**8,928**	11,532
Cash at bank and in hand	20	**52,795**	174,506
		447,827	411,578
Total assets		**3,815,552**	3,779,303
EQUITY AND LIABILITIES			
Equity			
Share capital	21	**1,710**	1,710
Other reserves		**24**	24
Accumulated losses		**(104,354)**	(238,741)
Total equity		**(102,620)**	(237,007)
Non-current liabilities			
Borrowings	22	**-**	1,565,000
		-	1,565,000
Current liabilities			
Trade and other payables	23	**254,148**	219,158
Borrowings	22	**3,664,024**	2,232,152
		3,918,172	2,451,310
Total liabilities		**3,918,172**	4,016,310
Total equity and liabilities		**3,815,552**	3,779,303

On 25 September 2020 the Board of Directors of Civico Ltd authorised these financial statements for issue.

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Christa Theodorou
Director

STATEMENT OF CHANGES IN EQUITY
31 December 2019

	Share capital €	Fair value reserve - available-for-sale financial assets €	Difference form conversion of share capital into euro reserve €	Accumulated losses €	Total €
Balance at 1 January 2018 as previously reported	**1,710**	**(13,837)**	**24**	**(224,398)**	**(236,501)**
Effect of initial application of IFRS 9 and IFRS 15	-	13,837	-	(13,837)	-
Balance at 1 January 2018 as restated	**1,710**	**-**	**24**	**(238,235)**	**(236,501)**
Net loss for the year	-	-	-	(506)	(506)
Balance at 31 December 2018/ 1 January 2019	**1,710**	**-**	**24**	**(238,741)**	**(237,007)**
Net profit for the year	-	-	-	134,387	134,387
Balance at 31 December 2019	**1,710**	**-**	**24**	**(104,354)**	**(102,620)**

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.

CIVICO LTD

CASH FLOW STATEMENT
31 December 2019

	Note	2019 €	2018 €
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		**135,227**	863
Adjustments for:			
Fair value losses on financial assets at fair value through profit or loss		**2,604**	6,770
Dividend income	8	**(480,000)**	(340,000)
Interest income	8	**-**	(804)
Interest expense	11	**178,492**	180,008
		(163,677)	(153,163)
Changes in working capital:			
Decrease in amount due from customers for contract work		**-**	99,690
(Increase)/decrease in trade and other receivables		**(160,564)**	133,545
Increase in financial assets at fair value through profit or loss		**-**	(18,302)
Decrease in derivative financial instruments		**-**	17,869
Increase/(Decrease) in trade and other payables		**34,990**	(26,609)
Cash (used in)/generated from operations		**(289,251)**	53,030
Tax paid		**(840)**	(1,369)
Net cash (used in)/generated from operating activities		**(290,091)**	51,661
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		**-**	804
Dividends received		**480,000**	290,000
Net cash generated from investing activities		**480,000**	290,804
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayments of borrowings		**(232,001)**	(127,854)
Interest paid		**(79,619)**	(83,854)
Net cash used in financing activities		**(311,620)**	(211,708)
Net (decrease)/increase in cash and cash equivalents		**(121,711)**	130,757
Cash and cash equivalents at beginning of the year		**174,506**	43,749
Cash and cash equivalents at end of the year	20	**52,795**	174,506

The notes on pages 9 to 30 form an integral part of these financial statements.

1. Incorporation and principal activities

Country of incorporation

The Company Civico Ltd (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 meida and the provision of finance.

2. 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/.

3. Adoption of new or revised standards and interpretations

During the current year the Company adopted all the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning on 1 January 2019. This adoption did not have a material effect on the accounting policies of the Company.

4. 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

Even though the Company has made a profit of €134,387 for the year ended 31 December 2019, as of that date the Company's current liabilities exceeded its current assets by €3,470,345. These conditions, indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern.

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.

4. Significant accounting policies (continued)

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 and measurement

Revenue represents the amount of consideration to which the Company expects to be entitled in exchange for transferring the promised goods or services to the customer, excluding amounts collected on behalf of third parties (for example, value-added taxes); the transaction price. The Company includes in the transaction price an amount of variable consideration as a result of rebates/discounts only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved. Estimations for rebates and discounts are based on the Company's experience with similar contracts and forecasted sales to the customer.

The Company recognises revenue when the parties have approved the contract (in writing, orally or in accordance with other customary business practices) and are committed to perform their respective obligations, the Company can identify each party's rights and the payment terms for the goods or services to be transferred, the contract has commercial substance (i.e. the risk, timing or amount of the Company's future cash flows is expected to change as a result of the contract), it is probable that the Company will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer and when specific criteria have been met for each of the Company's contracts with customers.

The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. In evaluating whether collectability of an amount of consideration is probable, the Company considers only the customer's ability and intention to pay that amount of consideration when it is due.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimates are reflected in the statement of profit or loss and other comprehensive income in the period in which the circumstances that give rise to the revision become known by Management.

Identification of performance obligations

The Company assesses whether contracts that involve the provision of a range of goods and/or services contain one or more performance obligations (that is, distinct promises to provide a service) and allocates the transaction price to each performance obligation identified on the basis of its stand-alone selling price. A good or service that is promised to a customer is distinct if the customer can benefit from the good or service, either on its own or together with other resources that are readily available to the customer (that is the good or service is capable of being distinct) and the Company's promise to transfer the good or service to the customer is separately identifiable from other promises in the contract (that is, the good or service is distinct within the context of the contract).

Revenue is measured based on the consideration to which the Company expects to be entitled in a contract with a Customer and excludes amounts collected on behalf of third parties. The Company recognises revenue when it transfers control of a product or service to a Customer.

4. Significant accounting policies (continued)

Revenue recognition (continued)

- **Rendering of services**

  Rendering of services - over time:
  Revenue from rendering of services is recognised over time while the Company satisfies its performance obligation by transferring control over the promised service to the customer in the accounting period in which the services are rendered.

  For fixed price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously.

  The input method is used to measure progress toward completion of the performance obligation as it provides a faithful depiction of the transfer of the control of the services to the customer.

  Rendering of services - at a point in time:
  The Company concluded that it transfers control over its services at a point in time, upon receipt by the customer of the service, because this is when the customer benefits from the relevant service.

- **Income from investments in securities**

  Dividend from investments in securities is recognised when the right to receive payment is established. Withheld taxes are transferred to profit or loss. Interest from investments in securities is recognised on an accruals basis.

  Profits or losses from the sale of investments in securities represent the difference between the net proceeds and the carrying amount of the investments sold and is transferred to profit or loss.

  The difference between the fair value of investments at fair value through profit or loss as at 31 December 2019 and the mid cost price represents unrealised gains and losses and is included in profit or loss in the period in which it arises. Unrealised gains and losses arising from changes in the fair value of available-for-sale financial assets are recognised in equity. When available-for-sale financial assets are sold or impaired, the accumulated fair value adjustments are included in profit or loss as fair value gains or losses on investments, taking into account any amounts charged or credited to profit or loss in previous periods.

- **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**

  Dividends are received from financial assets measured at fair value through profit or loss (FVTPL) and at fair value through other comprehensive income (FVOCI). Dividends are recognised as other income in profit or loss when the right to receive payment is established. This applies even if they are paid out of pre-acquisition profits, unless the dividend clearly represents a recovery of part of the cost of an investment. In this case, the dividend is recognised in OCI if it relates to an investment measured at FVOCI.

Finance costs

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

4. Significant accounting policies (continued)

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 non-monetary items such as equities held at fair value through profit or loss are reported as part of the fair value gain 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 assets - Classification

From 1 January 2018, the Company classifies its financial assets in the following measurement categories:
- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

The classification and subsequent measurement of debt financial assets depends on: (i) the Company's business model for managing the related assets portfolio and (ii) the cash flow characteristics of the asset. On initial recognition, the Company may irrevocably designate a debt financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

For investments in equity instruments that are not held for trading, classification will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI). This election is made on an investment-by-investment basis.

All other financial assets are classified as measured at FVTPL.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

4. Significant accounting policies (continued)

Financial assets - Recognition and derecognition

All purchases and sales of financial assets that require delivery within the time frame established by regulation or market convention ("regular way" purchases and sales) are recorded at trade date, which is the date when the Company commits to deliver a financial instrument. All other purchases and sales are recognised when the entity becomes a party to the contractual provisions of the instrument.

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 the risks and rewards of ownership.

Financial assets - Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. Fair value at initial recognition is best evidenced by the transaction price. A gain or loss on initial recognition is only recorded if there is a difference between fair value and transaction price which can be evidenced by other observable current market transactions in the same instrument or by a valuation technique whose inputs include only data from observable markets.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in 'other income'. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss and other comprehensive income. Financial assets measured at amortised cost (AC) comprise: cash and cash equivalents, bank deposits with original maturity over 3 months, trade receivables and financial assets at amortised cost.

FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in "other income". Foreign exchange gains and losses are presented in "other gains/(losses)" and impairment expenses are presented as separate line item in the statement of profit or loss and other comprehensive income.

FVTPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in profit or loss and presented net within "other gains/(losses)" in the period in which it arises.

4. Significant accounting policies (continued)

Financial assets - Measurement (continued)

Equity instruments

The Company subsequently measures all equity investments at fair value. Where the Company's Management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment, any related balance within the FVOCI reserve is reclassified to retained earnings. The Company's policy is to designate equity investments as FVOCI when those investments are held for strategic purposes other than solely to generate investment returns. Dividends from such investments continue to be recognised in profit or loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at FVTPL are recognised in "other gains/(losses)" in the statement of profit or loss and other comprehensive income as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Financial assets - impairment - credit loss allowance for ECL

From 1 January 2018, the Company assesses on a forward-looking basis the ECL for debt instruments (including loans) measured at AC and FVOCI and with the exposure arising from loan commitments and financial guarantee contracts. The Company measures ECL and recognises credit loss allowance at each reporting date. The measurement of ECL reflects: (i) an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes, (ii) time value of money and (iii) all reasonable and supportable information that is available without undue cost and effort at the end of each reporting period about past events, current conditions and forecasts of future conditions.

The carrying amount of the financial assets is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of profit or loss and other comprehensive income within "net impairment losses on financial and contract assets".

Debt instruments measured at AC are presented in the statement of financial position net of the allowance for ECL. For loan commitments and financial guarantee contracts, a separate provision for ECL is recognised as a liability in the statement of financial position.

For debt instruments at FVOCI, an allowance for ECL is recognised in profit or loss and it affects fair value gains or losses recognised in OCI rather than the carrying amount of those instruments.

Expected losses are recognised and measured according to one of two approaches: general approach or simplified approach.

For trade receivables including trade receivables with a significant financing component and contract assets and lease receivables the Company applies the simplified approach permitted by IFRS 9, which uses lifetime expected losses to be recognised from initial recognition of the financial assets.

For all other financial asset that are subject to impairment under IFRS 9, the Company applies general approach - three stage model for impairment. The Company applies a three stage model for impairment, based on changes in credit quality since initial recognition. A financial instrument that is not credit-impaired on initial recognition is classified in Stage 1.

4. Significant accounting policies (continued)

Financial assets - impairment - credit loss allowance for ECL (continued)

Financial assets in Stage 1 have their ECL measured at an amount equal to the portion of lifetime ECL that results from default events possible within the next 12 months or until contractual maturity, if shorter ("12 Months ECL"). If the Company identifies a significant increase in credit risk ("SICR") since initial recognition, the asset is transferred to Stage 2 and its ECL is measured based on ECL on a lifetime basis, that is, up until contractual maturity but considering expected prepayments, if any ("Lifetime ECL"). Refer to note 5, Credit risk section, for a description of how the Company determines when a SICR has occurred. If the Company determines that a financial asset is credit-impaired, the asset is transferred to Stage 3 and its ECL is measured as a Lifetime ECL. The Company's definition of credit impaired assets and definition of default is explained in note 5, Credit risk section.

Additionally the Company has decided to use the low credit risk assessment exemption for investment grade financial assets. Refer to note 5, Credit risk section for a description of how the Company determines low credit risk financial assets.

Financial assets -Reclassification

Financial instruments are reclassified only when the business model for managing those assets changes. The reclassification has a prospective effect and takes place from the start of the first reporting period following the change.

Financial assets - write-off

Financial assets are written-off, in whole or in part, when the Company exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. The write-off represents a derecognition event. The Company may write-off financial assets that are still subject to enforcement activity when the Company seeks to recover amounts that are contractually due, however, there is no reasonable expectation of recovery.

Financial assets - modification

The Company sometimes renegotiates or otherwise modifies the contractual terms of the financial assets. The Company assesses whether the modification of contractual cash flows is substantial considering, among other, the following factors: any new contractual terms that substantially affect the risk profile of the asset (e.g. profit share or equity-based return), significant change in interest rate, change in the currency denomination, new collateral or credit enhancement that significantly affects the credit risk associated with the asset or a significant extension of a loan when the borrower is not in financial difficulties.

If the modified terms are substantially different, the rights to cash flows from the original asset expire and the Company derecognises the original financial asset and recognises a new asset at its fair value. The date of renegotiation is considered to be the date of initial recognition for subsequent impairment calculation purposes, including determining whether a SICR has occurred. The Company also assesses whether the new loan or debt instrument meets the SPPI criterion. Any difference between the carrying amount of the original asset derecognised and fair value of the new substantially modified asset is recognised in profit or loss, unless the substance of the difference is attributed to a capital transaction with owners.

In a situation where the renegotiation was driven by financial difficulties of the counterparty and inability to make the originally agreed payments, the Company compares the original and revised expected cash flows to assets whether the risks and rewards of the asset are substantially different as a result of the contractual modification. If the risks and rewards do not change, the modified asset is not substantially different from the original asset and the modification does not result in derecognition. The Company recalculates the gross carrying amount by discounting the modified contractual cash flows by the original effective interest rate, and recognises a modification gain or loss in profit or loss.

4. Significant accounting policies (continued)

Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprise cash at bank and in hand. Cash and cash equivalents are carried at AC because: (i) they are held for collection of contractual cash flows and those cash flows represent SPPI, and (ii) they are not designated at FVTPL.

Financial assets at amortised cost

These amounts generally arise from transactions outside the usual operating activities of the Company. These are held with the objective to collect their contractual cash flows and their cash flows represent solely payments of principal and interest. Accordingly, these are measured at amortised cost using the effective interest method, less provision for impairment. Financial assets at amortised cost are classified as current assets if they are due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current assets.

Financial liabilities - measurement categories

Financial liabilities are initially recognised at fair value and classified as subsequently measured at amortised cost, except for (i) financial liabilities at FVTPL: this classification is applied to derivatives, financial liabilities held for trading (e.g. short positions in securities), contingent consideration recognised by an acquirer in a business combination and other financial liabilities designated as such at initial recognition and (ii) financial guarantee contracts and loan commitments.

Borrowings

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

Trade payables

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

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.

4. Significant accounting policies (continued)

Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less loss allowance.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, in which case they are recognised at fair value. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

Trade receivables are also subject to the impairment requirements of IFRS 9.The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. See note 5, Credit risk section.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Company, and a failure to make contractual payments for a period of greater than 180 days past due.

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.

5. Financial risk management

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

5.1 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 financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss are susceptible to market price risk arising from uncertainties about future prices of the investments. The Company's market price risk is managed through diversification of the investment portfolio.

Sensitivity analysis
An increase in equity prices by 5% at 31 December 2019 would have increased equity by €446 thousand and profit or loss by €446 thousand. For a decrease of 5% there would be an equal and opposite impact on the profit and other equity.

5.2 Interest rate risk
Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The Company's income and operating cash flows are substantially independent of changes in market interest rates as the Company has no significant interest-bearing assets. The Company is exposed to interest rate risk in relation to its non-current borrowings. Borrowings issued at variable rates expose the Company to cash flow interest rate risk. Borrowings issued at fixed rates expose the Company to fair value interest rate risk. The Company's Management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

5. Financial risk management (continued)

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

	2019	2018
	€	€
Variable rate instruments		
Financial liabilities	**3,664,024**	3,797,152
	3,664,024	3,797,152

Sensitivity analysis

An increase of 100 basis points in interest rates at 31 December 2019 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
	2019	2018	**2019**	2018
	€	€	**€**	€
Variable rate instruments	**-**	-	**-**	-
Piraeus Bank loan payable	**15,650**	16,850	**15,650**	16,850
Attica Publications S.A. loan payable	**20,990**	21,122	**20,990**	21,122
	36,640	37,972	**36,640**	37,972

5.3 Credit risk
Credit risk arises from cash and cash equivalents, contractual cash flows of debt investments carried at amortised cost, at fair value through other comprehensive income (FVOCI) and at fair value through profit or loss (FVTPL), favourable derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables and contract assets.

(i) Risk management

Credit risk is managed on a group basis.

For banks and financial institutions, only independently rated parties with a minimum rating of 'C' are accepted. If customers are independently rated, these ratings are used.

Otherwise, if there is no independent rating, Management assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual credit limits and credit terms are set based on the credit quality of the customer in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored.

(ii) Impairment of financial assets

The Company has the following types of financial assets that are subject to the expected credit loss model:
- trade receivables
- cash and cash equivalents

Trade receivables and contract assets

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables (including those with a significant financing component, lease contracts and contract assets.

5. Financial risk management (continued)

5.3 Credit risk (continued)

(ii) Impairment of financial assets (continued)

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The Company defines default as a situation when the debtor is more than 90 days past due on its contractual payments. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Company has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The expected loss rates are based on the payment profiles of sales over a period of 36 months before 31 December 2019 or 1 January 2019 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Company has identified the GDP and the unemployment rate of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

Trade receivables and contract assets are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Company, and a failure to make contractual payments for a period of greater than 180 days past due.

Impairment losses on trade receivables and contract assets are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

Previous accounting policy for impairment of trade receivables

In the prior year, the impairment of trade receivables was assessed based on the incurred loss model. A provision for impairment of trade receivables was established when there was objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or delinquency in payments (more than 120 days overdue) were considered indicators that the trade receivable was impaired. The amount of the provision was the difference between the carrying amount and the recoverable amount, being the present value of estimated future cash flows, discounted at the effective interest rate.

(iii) Credit related commitments

The primary purpose of these instruments is to ensure that funds are available to a borrower as required. Guarantees which represent irrevocable assurances that the Company will make payments in the event that a counterparty cannot meet its obligations to third parties, carry the same credit risk as loans receivable. Commitments to extend credit represent unused portions of authorisations to extend credit in the form of loans or guarantees. With respect to credit risk on commitments to extend credit, the Company is potentially exposed to loss in an amount equal to the total unused commitments, if the unused amounts were to be drawn down. The Company monitors the term to maturity of credit related commitments, because longer-term commitments generally have a greater degree of credit risk than shorter-term commitments.

5.4 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.

5. Financial risk management (continued)

5.4 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 2019	Carrying amounts	Contractual cash flows	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years
	€	€	€	€	€	€	€
Bank loans	1,565,000	1,644,184	411,046	1,233,138	-	-	-
Trade and other payables	167,258	167,258	167,258	-	-	-	-
Payables to related parties	47,745	47,745	47,745	-	-	-	-
Loan from parent company	2,099,024	2,099,024	2,099,024	-	-	-	-
	3,879,027	**3,958,211**	**2,725,073**	**1,233,138**	**-**	**-**	**-**

31 December 2018	Carrying amounts	Contractual cash flows	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years
	€	€	€	€	€	€	€
Bank loans	1,685,000	1,833,497	49,795	147,273	1,636,429	-	-
Trade and other payables	138,717	138,717	138,717	-	-	-	-
Payables to related parties	47,745	47,745	47,745	-	-	-	-
Loan from parent company	2,112,152	2,112,152	2,112,152	-	-	-	-
	3,983,614	4,132,111	2,348,409	147,273	1,636,429	-	-

5.5 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 and the Euro. 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**
	2019	2018	**2019**	2018
	€	€	**€**	€
United States Dollars	**(44,293)**	(36,312)	**104,217**	193,413
	(44,293)	(36,312)	**104,217**	193,413

5. Financial risk management (continued)

Sensitivity analysis
A 10% strengthening of the Euro against the following currencies at 31 December 2019 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
	2019	2018	**2019**	2018
	€	€	**€**	€
United States Dollars	**5,992**	7,534	**5,992**	7,534
	5,992	7,534	**5,992**	7,534

6. Critical accounting estimates, judgments and assumptions

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.

Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. 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 4.

- **Provision for obsolete and slow-moving inventory**

  The Company reviews its inventory records for evidence regarding the saleability of inventory and its net realizable value on disposal. The provision for obsolete and slow-moving inventory is based on Management's past experience, taking into consideration the value of inventory as well as the movement and the level of stock of each category of inventory.

  The amount of provision is recognised in profit or loss. The review of the net realisable value of the inventory is continuous and the methodology and assumptions used for estimating the provision for obsolete and slow-moving inventory are reviewed regularly and adjusted accordingly.

- **Income taxes**

  Significant judgment is required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

6. Critical accounting estimates, judgments and assumptions (continued)

Critical judgements in applying the Company's accounting policies

- **Fair value of financial assets**

  The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Company uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at each reporting date. The fair value of the financial assets at fair value through other comprehensive income has been estimated based on the fair value of these individual assets.

- **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 financial assets**

  The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in note 5, Credit risk section.

- **Impairment of intangible assets**

  Intangible assets are initially recorded at acquisition cost and are amortized on a straight line basis over their useful economic life. Intangible assets that are acquired through a business combination are initially recorded at fair value at the date of acquisition. Intangible assets with indefinite useful life are reviewed for impairment at least once per year. The impairment test is performed using the discounted cash flows expected to be generated through the use of the intangible assets, using a discount rate that reflects the current market estimations and the risks associated with the asset. When it is impractical to estimate the recoverable amount of an asset, the Company estimates the recoverable amount of the cash generating unit in which the asset belongs to.

7. Revenue

(a) Disaggregation of revenue from contracts with customers

Analysis of revenue by category under revenue recognition guidance effective prior to 1 January 2018:

	2018
	€
Rendering of services	204,154
	204,154

8. Other operating income

	2019	2018
	€	€
Interest income	-	804
Exchange profit	3,399	9,200
Dividend income	480,000	340,000
Other income	42	25,000
Sundry operating income	12,000	12,000
	495,441	387,004

Interest income is analysed as follows:

	2019	2018
	€	€
Interest on VAT refund	-	804
	-	804

9. Other expenses

	2019	2018
	€	€
Fair value losses on financial assets at fair value through profit or loss	2,604	6,770
	2,604	6,770

10. Operating profit

	2019	2018
	€	€
Operating profit is stated after charging the following items:		
Auditors' remuneration	5,450	5,000

11. Finance costs

	2019	2018
	€	€
Net foreign exchange losses	1,773	7,562
Interest expense	178,492	180,008
Sundry finance expenses	3,238	2,830
Finance costs	183,503	190,400

12. Tax

	2019	2018
	€	€
Overseas tax	840	1,128
Defence contribution	-	241
Charge for the year	840	1,369

12. Tax (continued)

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

	2019	2018
	€	€
Profit before tax	**135,227**	863
Tax calculated at the applicable tax rates	**16,903**	108
Tax effect of expenses not deductible for tax purposes	**591**	1,835
Tax effect of allowances and income not subject to tax	**(60,425)**	(43,750)
Tax effect of tax losses brought forward	**-**	41,807
Tax effect of tax loss for the year	**42,931**	-
Defence contribution current year	**-**	241
Overseas tax in excess of credit claim used during the year	**840**	1,128
Tax charge	**840**	1,369

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.

13. Intangible assets

	Patents and trademarks
	€
Cost	
Balance at 1 January 2018	5,000
Balance at 31 December 2018/ 1 January 2019	**5,000**
Balance at 31 December 2019	**5,000**
Amortisation	
Balance at 1 January 2018	5,000
Balance at 31 December 2018/ 1 January 2019	**5,000**
Balance at 31 December 2019	**5,000**
Net book amount	
Balance at 31 December 2019	**-**

14. Investments in subsidiaries

	2019	2018
	€	€
Balance at 1 January	**3,366,850**	3,366,850
Balance at 31 December	**3,366,850**	3,366,850

The details of the subsidiaries are as follows:

Name	Country of incorporation	Principal activities	2019 Holding %	2018 Holding %	**2019** **€**	2018 €
Attica Media RMN Srl	Romania	Magazine Publications	100	100	**1**	1
Airlink S.A	Greece	Magazine Publications	100	100	**3,366,849**	3,366,849
					3,366,850	3,366,850

15. Investments in associates

	2019	2018
	€	€
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	**2019 Holding %**	2018 Holding %	**2019** **€**	2018 €
Attica Imako - Media Srl	Romania	Publishing and related activities	50	50	**1**	1
Delapi Ltd	Cyprus	Sale of magazines	50	50	**874**	874
					875	875

16. Available-for-sale financial assets

	2019	2018
	€	€
Balance at 1 January	**-**	18,302
Reclassification to financial assets at FVOCI	**-**	(18,302)
Balance at 31 December	**-**	-

17. Inventories

	2019	2018
	€	€
Finished products	**700**	700
	700	700

Inventories are stated at cost.

18. Trade and other receivables

	2019	2018
	€	€
Trade receivables	**136,968**	170,097
Less: credit loss on trade receivables	**(60,954)**	(60,954)
Trade receivables - net	**76,014**	109,143
Receivables from own subsidiaries (Note 25.3)	**210,000**	50,000
Receivables from associates (Note 25.3)	**45,404**	45,404
Deposits and prepayments	**34,553**	-
Refundable VAT	**19,433**	20,293
	385,404	224,840

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

Movement in provision for impairment of receivables:

	2019	2018
	€	€
Balance at 1 January	**60,954**	60,954
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 5 of the financial statements.

19. Financial assets at fair value through profit or loss

	2019	2018
	€	€
	2019	2018
	€	€
Balance at 1 January	**11,532**	-
Additions	**-**	18,302
Change in fair value	**(2,604)**	(6,770)
Balance at 31 December	**8,928**	11,532

The financial assets at fair value through profit or loss are marketable securities and are valued at market value at the close of business on 31 December by reference to Stock Exchange quoted bid prices. Financial assets at fair value through profit or loss are classified as current assets because they are expected to be realised within twelve months from the reporting date.

In the cash flow statement, financial assets at fair value through profit or loss are presented within the section on operating activities as part of changes in working capital. In the statement of profit or loss and other comprehensive income, changes in fair values of financial assets at fair value through profit or loss are recorded in operating income.

20. Cash at bank and in hand

Cash balances are analysed as follows:

	2019	2018
	€	€
Cash at bank and in hand	52,795	174,506
	52,795	174,506

The exposure of the Company to credit risk and impairment losses in relation to cash and cash equivalents is reported in note 5 of the financial statements.

21. Share capital

	2019 Number of shares	2019 €	2018 Number of shares	2018 €
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

22. Borrowings

	2019	2018
	€	€
Current borrowings		
Bank loans	1,565,000	120,000
Loan from parent company (Note 25.5)	2,099,024	2,112,152
	3,664,024	2,232,152
Non-current borrowings		
Bank loans	-	1,565,000
Total	3,664,024	3,797,152

Maturity of non-current borrowings:

	2019	2018
	€	€
Between two and five years	-	1,565,000

The bank loan in the original amount of €1,905,000 is repayable by quarterly instalments of €30,000 each though to September 2020 and a final balloon payment of €1,475,000 on 20 December 2020.

The bank loans are secured as follows:

- Guarantees from the parent company.

22. Borrowings (continued)

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

	2019	2018
	%	%
Bank loans	**Euribor (360 days) + 5%**	Euribor (360 days) + 5%
Loan from parent company	**Euribor (3 months) + 5%**	Euribor (3 months) + 5%

23. Trade and other payables

	2019	2018
	€	€
Trade payables	**44,293**	14,466
Prepayments from clients	**570**	570
Accruals	**39,145**	32,696
Other creditors	**122,395**	123,681
Payables to own subsidiaries (Note 25.4)	**47,745**	47,745
	254,148	219,158

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

24. Operating Environment of the Company

On 11 March 2020, the World Health Organisation declared the Coronavirus COVID- 19 outbreak to be a pandemic in recognition of its rapid spread across the globe. Many governments are taking increasingly stringent steps to help contain, and in many jurisdictions, now delay, the spread of the virus, including: requiring self-isolation/ quarantine by those potentially affected, implementing social distancing measures, and controlling or closing borders and "locking-down" cities/regions or even entire countries. These measures have slowed down the economies both in Cyprus but globally as well with the potential of having wider impacts on the respective economies as the measures persist for a greater period of time.

25. 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:

25.1 Sales of goods and services

		2019	2018
	Nature of transactions	**€**	€
Attica Publications S.A.	Trade	**12,000**	12,000
		12,000	12,000

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

25. Related party transactions (continued)

25.2 Interest expense

	2019	2018
	€	€
Attica Publications S.A.	**96,000**	96,154
	96,000	96,154

25.3 Receivables from related parties (Note 18)

		2019	2018
Name	Nature of transactions	€	€
International Radio Network Holdings	Trade	**45,404**	45,404
Airlink S.A.	Dividend receivable	**210,000**	50,000
		255,404	95,404

The receivables from related parties were provided interest free, and there was no specified repayment date.

25.4 Payables to related parties (Note 23)

		2019	2018
Name	Nature of transactions	€	€
Airlink S.A.	Financial support	**47,745**	47,745
		47,745	47,745

The payables to related parties were provided interest free, and there was no specified repayment date.

25.5 Loans from related parties (Note 22)

	2019	2018
	€	€
Attica Publications S.A.	**2,099,024**	2,112,152
	2,099,024	2,112,152

The loan from the parent company bears interest at Euribor 3 months plus 5% margin and is repayable by 31 December 2019.

26. Contingent liabilities

The Company had no contingent liabilities as at 31 December 2019.

27. Commitments

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

28. Accounting policies up to 31 December 2018

Accounting policies applicable to the comparative period ended 31 December 2018 that were amended by IFRS 16, are as follows.

29. Events after the reporting period

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

Industries such as tourism, hospitality and entertainment are expected to be directly disrupted significantly by these measures. Other industries such as manufacturing and financial services are expected to be indirectly affected and their results to also be negatively affected.

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

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

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

Independent auditor's report on pages 2 to 4