Nexia Poyiadjis

FLEXIGLOBAL HOLDINGS LIMITED

Financial Statements
For the year ended 31 March 2020

(Original)

FLEXIGLOBAL HOLDINGS LIMITED

FINANCIAL STATEMENTS
For the year ended 31 March 2020

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FLEXIGLOBAL HOLDINGS LIMITED

BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors:	David Savva Brainservices (Nominees) Limited
Company Secretary:	Esano Secretarial Limited
Independent Auditors:	Nexia Poyiadjis
Registered office:	2 Sophouli Street Chanteclair Building, 8th Floor, Flat/office 801 1096, Nicosia Cyprus
Registration number:	HE238405

Nexia Poyiadjis

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INVESTORS IN PEOPLE

Independent Auditor's Report

To the Members of Flexiglobal Holdings Limited

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the accompanying financial statements of parent company Flexiglobal Holdings Limited (the "Company"), which comprise the statement of financial position as at 31 March 2020, 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, except for the matter described in the basis for qualified opinion section of our report, the accompanying financial statements give a true and fair view of the financial position of parent company Flexiglobal Holdings Limited as at 31 March 2020, 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 Qualified Opinion

The Company has not disclosed the name of its ultimate controlling party as at 31 March 2020, which is required by International Accounting Standard IAS 24 Related Party Disclosures.

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 qualified 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.

Nexia Poyiadjis

Independent Auditor's Report (continued)

To the Members of Flexiglobal Holdings Limited

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.

Nexia Poyiadjis

Independent Auditor's Report (continued)

To the Members of Flexiglobal Holdings Limited

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.

Raffi Boyadjian
Certified Public Accountant and Registered Auditor
for and on behalf of
Nexia Poyiadjis
Certified Public Accountants and Registered Auditors

Nicosia, 17 June 2020

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 31 March 2020

	Note	**01/04/2019-31/03/2020 GB£**	01/04/2018-31/03/2019 GB£
Loan interest income	8	**1.574**	1.524
Loan interest expense	17	**(6.298)**	(6.096)
Net loan interest expense		**(4.724)**	(4.572)
Administration expenses	9	**(10.145)**	(8.838)
Operating loss		**(14.869)**	(13.410)
Finance income	10	**-**	2.256
Finance costs	10	**(2.405)**	(142)
Loss before tax		**(17.274)**	(11.296)
Tax	11	**(277)**	(407)
Net loss for the year		**(17.551)**	(11.703)
Other comprehensive income		**-**	-
Total comprehensive income for the year		**(17.551)**	(11.703)

The notes on pages 9 to 27 form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION
31 March 2020

	Note	31/03/2020 GB£	31/03/2019 GB£
ASSETS			
Non-current assets			
Investments in subsidiaries	12	**100.000**	100.000
Other financial assets at amortised cost	13	**174.305**	163.666
		274.305	263.666
Current assets			
Cash at bank	15	**50.791**	51.005
Total assets		**325.096**	314.671
EQUITY AND LIABILITIES			
Equity			
Share capital	16	**96.732**	96.732
Accumulated losses		**(97.945)**	(80.394)
Total equity		**(1.213)**	16.338
Non-current liabilities			
Borrowings	17	**-**	194.558
		-	194.558
Current liabilities			
Trade and other payables	18	**114.024**	103.076
Borrowings	17	**211.753**	-
Current tax liabilities	19	**532**	699
		326.309	103.775
Total liabilities		**326.309**	298.333
Total equity and liabilities		**325.096**	314.671

On 17 June 2020 the Board of Directors of Flexiglobal Holdings Limited authorised these financial statements for issue.

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Brainservices (Nominees) Limited
Director

The notes on pages 9 to 27 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
For the year ended 31 March 2020

	Share capital GB£	Accumulated losses GB£	Total GB£
Balance at 1 April 2018	**96.732**	**(68.691)**	**28.041**
Net loss for the year	-	(11.703)	(11.703)
Balance at 31 March 2019	**96.732**	**(80.394)**	**16.338**
Balance at 1 April 2019	**96.732**	**(80.394)**	**16.338**
Net loss for the year	-	(17.551)	(17.551)
Balance at 31 March 2020	**96.732**	**(97.945)**	**(1.213)**

The notes on pages 9 to 27 form an integral part of these financial statements.

STATEMENT OF CASH FLOWS
For the year ended 31 March 2020

	Note	**01/04/2019-31/03/2020 GB£**	01/04/2018-31/03/2019 GB£
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		**(17.274)**	(11.296)
Adjustments for:			
Unrealised exchange loss/(profit)	10	**1.724**	(2.256)
Interest income	8	**(1.574)**	(1.524)
Interest expense	10	**6.298**	6.096
		(10.826)	(8.980)
Changes in working capital:			
Decrease in trade and other receivables		**-**	1.830
Increase in trade and other payables		**10.875**	7.030
Cash generated from/(used in) operations		**49**	(120)
Tax paid		**(444)**	-
Net cash used in operating activities		**(395)**	(120)
CASH FLOWS FROM INVESTING ACTIVITIES		**-**	-
CASH FLOWS FROM FINANCING ACTIVITIES		**-**	-
Net decrease in cash and cash equivalents		**(395)**	(120)
Cash and cash equivalents at beginning of the year		**51.005**	51.065
Effect of exchange rate fluctuations on cash held		**181**	60
Cash and cash equivalents at end of the year	15	**50.791**	51.005

The notes on pages 9 to 27 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2020

1. Incorporation and principal activities

Country of incorporation

Flexiglobal Holdings Limited (the "Company") was incorporated in Cyprus on 22 September 2008 as a private limited liability company under the provisions of the Cyprus Companies Law, Cap. 113. Its registered office is at 2 Sophouli Street, Chanteclair Building, 8th Floor, Flat/office 801, 1096, Nicosia, Cyprus.

Principal activities

The principal activities of the Company, which remain unchanged from prior year, are the holding of investments and the group financing.

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. The financial statements have been prepared under the historical cost convention.

The Company is not required by the Cyprus Companies Law, Cap.113, to prepare consolidated financial statements because the Company and its subsidiaries constitute a small sized group as defined by the Law and the Company does not intend to issue consolidated financial statements for the year ended 31 March 2020.

The European Commission has concluded that since parent companies are required by the EU Accounting (2013/34/EU) Directive to prepare separate financial statements and since the Cyprus Companies Law, Cap.113, requires the preparation of such financial statements in accordance with IFRS as adopted by the EU, the provisions in IFRS 10 "Consolidated Financial statements" requiring the preparation of consolidated financial statements in accordance with IFRS do not apply.

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.

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.

4. Significant accounting policies (continued)

Subsidiary companies

Subsidiaries are entities controlled by another entity (known as the parent). Control exists where the Group 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.

Revenue

Revenue is recognised on the following bases:

- **Interest income**

  Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

- **Dividend income**

  Dividend income from investments is recognized when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

Loan interest expense

Interest expense is recognised on an accrual basis using the effective interest method.

Finance income

Finance income include foreign exchange differences resulting from the settlement of transactions in currency other than the functional currency and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies.

Finance costs

Finance costs include bank charges that are charged to profit or loss as incurred and foreign exchange differences resulting from the settlement of transactions in currency other than the functional currency and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies.

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 Great Britain Pounds (GB£), 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.

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.

Dividends

Dividend distribution to the Company's shareholders is recognised in the Company's financial statements in the year in which they are approved by the Company's shareholders.

Financial assets - Classification

From 1 January 2018, the Company classifies its financial assets in the following measurement categories:

- 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.

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.

4. Significant accounting policies (continued)

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.

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. The Company classifies its debt instruments in the following category:

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.

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.

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

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 6, 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 6, Credit risk section.

Additionally the Company has decided to use the low credit risk assessment exemption for investment grade financial assets. Refer to note 6, Credit risk section for a description of how the Company determines low credit risk financial assets.

Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash at bank. 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 and other payables

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

4. Significant accounting policies (continued)

Derecognition of financial assets and liabilities

Financial assets

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

Financial liabilities

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

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

Share capital and share premium

Share capital is recognized at the fair value of consideration received. Any excess over the nominal value of shares is taken to the share premium reserve.

Cost incurred for issuing new share capital when the issuance results in a net increase or decrease to equity are charged directly to equity. Costs incurred for issuing new share capital when the issuance does not result in a change in equity are taken to profit or loss.

Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Company expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

Non-current liabilities

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

Comparatives

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

5. New accounting pronouncements

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.

6. Financial risk management

Financial risk factors

The Company is exposed to 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:

6.1 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.

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

	31/03/2020 GB£	31/03/2019 GB£
Fixed rate instruments		
Financial assets	**174.305**	163.666
Financial liabilities	**(211.753)**	(194.558)
Variable rate instruments		
Financial assets	**50.791**	51.005
	13.343	20.113

Sensitivity analysis

An increase of 100 basis points in interest rates at 31 March 2020 would have increased 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 or loss.

	Profit or loss	
	01/04/2019- 31/03/2020 GB£	01/04/2018- 31/03/2019 GB£
Variable rate instruments	**508**	510
	508	510

6. Financial risk management (continued)

6.2 Credit risk
Credit risk arises from cash and cash equivalents, contractual cash flows of debt investments carried at amortised cost, as well as credit exposures to debtors.

(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 debtors are independently rated, these ratings are used.

Otherwise, if there is no independent rating, Management assesses the credit quality of the debtor, 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:

- financial assets at amortised cost
- cash and cash equivalents

Debt investments

Other financial assets at amortised cost

Other financial assets at amortised cost include loans to third parties.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information.

6. Financial risk management (continued)

6.2 Credit risk (continued)

(ii) Impairment of financial assets (continued)

A summary of the assumptions underpinning the Company's expected credit loss model is as follows:

Category	Company definition of category	Basis for recognition of expected credit loss provision	Basis for calculation of interest revenue
Performing	Counterparties have a low risk of default and a strong capacity to meet contractual cash flows	Stage 1: 12 month expected losses. Where the expected lifetime of an asset is less than 12 months, expected losses are measured at its expected lifetime.	Gross carrying amount
Underperforming	Counterparties for which there is a significant increase in credit risk; as significant increase in credit risk is presumed if interest and/or principal repayments are 30 days past due (see above in more detail)	Stage 2: Lifetime expected losses	Gross carrying amount
Non-performing	Interest and/or principal repayments are 90 days past due	Stage 3: Lifetime expected losses	Amortised cost carrying amount (net of credit allowance)
Write-off	Interest and/or principal repayments are 180 days past due and there is no reasonable expectation of recovery.	Asset is written off	None

While other financial assets at amortized cost are subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

6.2.3 Credit quality of financial assets

The table below shows an analysis of the Company's bank deposit by the credit rating of the bank in which they are held:

	31/03/2020	31/03/2019
Bank group based on credit ratings by Moody's	GB£	GB£
Lower than A-	50.791	51.005
	50.791	51.005

6. Financial risk management (continued)

6.2 Credit risk (continued)

The Company held cash and cash equivalents of GB£50.791 at 31 March 2020 (31/03/2019: GB£51.005). The cash and cash equivalents are held with a bank which is rated B1 based on Moody's Ratings.

Impairment on cash and cash equivalents has been measured on a 12-month expected loss basis and the identified impairment loss was immaterial.

6.3 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.

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 March 2020	Carrying amounts	Contractual cash flows	3-12 months	2-5 years
	GB£	GB£	GB£	GB£
Trade and other payables	114.024	114.024	114.024	-
Loan from parent company	211.753	232.945	-	232.945
	325.777	**346.969**	**114.024**	**232.945**

31 March 2019	Carrying amounts	Contractual cash flows	3-12 months	1-2 years
	GB£	GB£	GB£	GB£
Trade and other payables	103.076	103.076	103.076	-
Loan from parent company	194.558	202.380	-	202.380
	297.634	305.456	103.076	202.380

6.4 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 United States Dollars 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:

6. Financial risk management (continued)

	Liabilities		Assets	
	31/03/2020	31/03/2019	**31/03/2020**	31/03/2019
	GB£	GB£	**GB£**	GB£
United States Dollars	**(220.205)**	(203.009)	**180.332**	169.907
Euro	**(95.612)**	(51.555)	**14**	14
	(315.817)	(254.564)	**180.346**	169.921

Sensitivity analysis
A 10% strengthening of the British Pounds against the following currencies at 31 March 2020 would have increased 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 British Pound against the relevant currency, there would be an equal and opposite impact on the profit or loss.

	Profit or loss	
	01/04/2019-31/03/2020	01/04/2018-31/03/2019
	GB£	GB£
United States Dollars	**3.987**	3.310
Euro	**9.560**	5.154
	13.547	8.464

6.5 Capital risk management
Capital includes equity shares.

The Company's objectives in managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital.

Fair value estimation

The fair values of the Company's financial assets and liabilities approximate their carrying amounts at the reporting date.

7. Critical accounting estimates and judgments

In the application of the Company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

7. Critical accounting estimates and judgments (continued)

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.

- **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.

- **Impairment of investments in subsidiaries**

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

- **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 6, Credit risk section.

- **Going concern**

  The Directors have reviewed the Company's financial position as at 31 March 2020 and are of the opinion that the Company is in a position to meet its future commitments as they fall due. Based on the aforementioned going concern analysis, it is concluded that the Company is deemed a going concern.

8. Loan interest income

	01/04/2019-31/03/2020	01/04/2018-31/03/2019
	GB£	GB£
Loan interest income (Note 13)	**1.574**	1.524
	1.574	1.524

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2020

9. Administration expenses

	01/04/2019-31/03/2020	01/04/2018-31/03/2019
	GB£	GB£
Annual levy	**313**	313
Auditors' remuneration	**3.103**	3.070
Accounting fees	**1.045**	1.032
Other professional fees	**5.684**	4.423
	10.145	8.838

10. Finance income/(costs)

	01/04/2019-31/03/2020	01/04/2018-31/03/2019
	GB£	GB£
Finance income		
Unrealised foreign exchange profit	**-**	2.256
	-	2.256
Finance costs		
Bank charges	**395**	-
Realised foreign exchange loss	**286**	142
Unrealised foreign exchange loss	**1.724**	-
	2.405	142

11. Tax

	01/04/2019-31/03/2020	01/04/2018-31/03/2019
	GB£	GB£
Corporation tax	**277**	407
Charge for the year	**277**	407

11. Tax (continued)

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

	01/04/2019-31/03/2020 GB£	01/04/2018-31/03/2019 GB£
Loss before tax	**(17.274)**	(11.296)
Tax calculated at the applicable tax rates	**(2.159)**	(1.412)
Tax effect of expenses not deductible for tax purposes	**2.411**	2.064
Tax effect of allowances and income not subject to tax	**-**	(282)
10% additional charge	**25**	37
Tax charge	**277**	407

The corporation tax rate is 12,5% (31/03/2019: 12,5%).

12. Investments in subsidiaries

	31/03/2020 GB£	31/03/2019 GB£
Balance at 1 April	**100.000**	100.000
Balance at 31 March	**100.000**	100.000

The details of the subsidiary is as follows:

Name	Country of incorporation	Principal activities	**31/03/2020 Holding %**	31/03/2019 Holding %	**31/03/2020 GB£**	31/03/2019 GB£
Flexiglobal (UK) Ltd	United Kingdom	Distribution activities	**100**	100	**100.000**	100.000

13. Other financial assets at amortised cost

	31/03/2020 GB£	31/03/2019 GB£
Balance at 1 April	**-**	-
Effect of initial application of IFRS 9 - reclassification (Note 14)	**-**	150.838
Balance at 1 April - reclassified	**163.666**	150.838
Interest charged (Note 8)	**1.574**	1.524
Exchange differences	**9.065**	11.304
Balance at 31 March	**174.305**	163.666

13. Other financial assets at amortised cost (continued)

On 9 July 2012, the Company entered into a loan agreement with a third party, where the Company provided funds amounting to US$200.000. The loan carries an interest rate of 1% per annum, is unsecured and is repayable on 9 July 2023.

The interest income for the year amounting to GB£1.574 (US$2.000) (31/03/2019: GB£1.524) was recognised through profit or loss.

The exposure of the Company to credit risk in relation to loans receivable is reported in note 6 of the financial statements.

14. Loans receivable

	31/03/2020	31/03/2019
	GB£	GB£
Balance at 1 April	**-**	150.838
Effect of initial application of IFRS 9 - reclassification (Note 13)	**-**	(150.838)
Balance at 31 March	**-**	-

15. Cash at bank

Cash balances are analysed as follows:

	31/03/2020	31/03/2019
	GB£	GB£
Cash at bank	**50.791**	51.005
	50.791	51.005

For the purposes of the statement of cash flows, the cash and cash equivalents include the following:

	31/03/2020	31/03/2019
	GB£	GB£
Cash at bank	**50.791**	51.005
	50.791	51.005

Cash and cash equivalents by currency:

	31/03/2020	31/03/2019
	GB£	GB£
United States Dollars	**6.027**	6.241
Euro	**14**	14
Great Britain Pounds	**44.750**	44.750
	50.791	51.005

The exposure of the Company to credit risk and impairment losses in relation to cash and cash equivalents is reported in note 6 of the financial statements.

16. Share capital

	31/03/2020 Number of shares	31/03/2020 €	31/03/2019 Number of shares	31/03/2019 €
Authorised				
Ordinary shares of €1 each	**200.000**	**200.000**	200.000	200.000
		GB£		GB£
Issued and fully paid				
Balance at 1 April	**200.000**	**96.732**	200.000	96.732
Balance at 31 March	**200.000**	**96.732**	200.000	96.732

17. Borrowings

	31/03/2020 GB£	31/03/2019 GB£
Balance at 1 April	**194.558**	175.297
Interest charge (Note 21.1)	**6.298**	6.096
Unrealised exchange difference	**10.897**	13.165
Balance at 31 March	**211.753**	194.558

On 9 July 2012, the Company entered into a loan agreement with its parent company, where the Company obtained funds amounting to US$200.000. The loan carries an interest rate of 4% per annum, is unsecured and is repayble on 9 July 2023. The interest expense for the year amounting to GB£6.298 (US$8.000) (31/03/2019: GB£6.096) was recognised through profit or loss.

	31/03/2020 GB£	31/03/2019 GB£
Current borrowings		
Loan from parent company (Note 21.3)	**211.753**	-
Non-current borrowings		
Loan from parent company (Note 21.3)	**-**	194.558
Total	**211.753**	194.558

Maturity of non-current borrowings:

	31/03/2020 GB£	31/03/2019 GB£
Within one year	**211.753**	-
Between one and five years	**-**	194.558
	211.753	194.558

17. Borrowings (continued)

The Company's borrowings are denominated in the following currencies:

	31/03/2020	31/03/2019
	GB£	GB£
United States Dollars	**211.753**	194.558
	211.753	194.558

18. Trade and other payables

	31/03/2020	31/03/2019
	GB£	GB£
Shareholders' current accounts - credit balances (Note 21.4)	**61.390**	61.390
Accruals	**6.357**	4.959
Other creditors	**3.194**	1.809
Payables to own subsidiary (Note 21.2)	**43.083**	34.918
	114.024	103.076

The Company's trade and other payables are denominated in the following currencies:

	31/03/2020	31/03/2019
	GB£	GB£
United States Dollars	**8.452**	8.451
Euro	**95.612**	51.555
Great Britain Pounds	**9.960**	43.070
	114.024	103.076

19. Current tax liabilities

	31/03/2020	31/03/2019
	GB£	GB£
Corporation tax	**532**	699
	532	699

20. 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.

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

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2020

21. Related party transactions

Related parties exist if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. The Company is controlled by Flexituff International Limited, incorporated in India, which owns 100% of the Company's shares. The ultimate controlling parties of the Company are individuals, who are not residents in the Republic of Cyprus.

The related party transactions made during the current and prior year, are as follows:

21.1 Loan interest expense (Note 17)

Nature of relationship	Nature of transactions	**01/04/2019-31/03/2020 GB£**	01/04/2018-31/03/2019 GB£
Parent company	Trade - Finance	**6.298**	6.096
		6.298	6.096

21.2 Payables to related parties (Note 18)

Nature of relationship	Nature of transactions	**31/03/2020 GB£**	31/03/2019 GB£
Subsidiary	Finance	**43.083**	34.918
		43.083	34.918

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

21.3 Loans from related parties (Note 17)

Nature of relationship	Nature of transactions	**31/03/2020 GB£**	31/03/2019 GB£
Parent company	Trade - Finance	**211.753**	194.558
		211.753	194.558

21.4 Shareholder's current account - credit balance (Note 18)

	31/03/2020 GB£	31/03/2019 GB£
Shareholder's current account	**61.390**	61.390
	61.390	61.390

The shareholder's current account is interest free and has no specified repayment date.

22. Going concern

The Company incurred a loss of GB£17.551 and, as at that date its current liabilities exceeded its current assets by GB£1.213. The Company is dependent upon the continuing financial support of its shareholders 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 shareholders have indicated their 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.

23. Contingent liabilities

The Company had no contingent liabilities as at 31 March 2020.

24. Commitments

The Company had no capital or other commitments as at 31 March 2020.

25. 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 4