

# **FLEXIGLOBAL HOLDINGS LIMITED**

Financial Statements  
For the year ended 31 March 2021

*DRAFT as at 3/6/2021*

**FLEXIGLOBAL HOLDINGS LIMITED**

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Financial Statements  
For the year ended 31 March 2021

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DRAFT as at 3/6/2021

# **FLEXIGLOBAL HOLDINGS LIMITED**

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## **BOARD OF DIRECTORS AND OTHER OFFICERS**

**Board of Directors:**

David Savva  
Brainservices (Nominees) Limited

**Company Secretary:**

Esano Secretarial Limited

**Independent Auditors:**

Nexia Poyiadjis  
Certified Public Accountants and Registered Auditors

**Registered office:**

2 Sophouli Street  
Chanteclair Building, 8th Floor, Flat/office 801  
1096, Nicosia  
Cyprus

**Registration number:**

HE238405

DRAFT as at 3/6/2021

# FLEXIGLOBAL HOLDINGS LIMITED

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME For the year ended 31 March 2021

	Note	2021 GB£	2020 GB£
<b>Loan interest income</b>	11	<b>1.520</b>	1.574
Loan interest expense	14	<u>(6.077)</u>	<u>(6.298)</u>
<b>Net interest expense</b>		<b>(4.557)</b>	(4.724)
Administration expenses	7	<u>(9.368)</u>	<u>(10.145)</u>
<b>Operating loss</b>		<b>(13.925)</b>	<u>(14.869)</u>
Finance income		<b>24.186</b>	-
Finance costs		<u>(20.294)</u>	<u>(2.405)</u>
Net finance income/(cost)	8	<u>3.892</u>	<u>(2.405)</u>
<b>Loss before tax</b>		<b>(10.033)</b>	(17.274)
Tax	9	<u>(457)</u>	<u>(277)</u>
<b>Net loss for the year</b>		<b>(10.490)</b>	(17.551)
<b>Other comprehensive income</b>		<u>-</u>	<u>-</u>
<b>Total comprehensive income for the year</b>		<b>(10.490)</b>	<u>(17.551)</u>

The notes on pages 6 to 23 form an integral part of these financial statements.

# FLEXIGLOBAL HOLDINGS LIMITED

## STATEMENT OF FINANCIAL POSITION

31 March 2021

	Note	2021 GB£	2020 GB£
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investments in subsidiaries	10	<b>100.000</b>	100.000
Other financial assets at amortised cost	11	<b>158.141</b>	174.305
		<b>258.141</b>	274.305
<b>Current assets</b>			
Cash at bank	12	<b>49.346</b>	50.791
<b>Total assets</b>		<b>307.487</b>	325.096
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	13	<b>96.732</b>	96.732
Accumulated losses		<b>(108.435)</b>	(97.945)
<b>Total equity</b>		<b>(11.703)</b>	(1.213)
<b>Non-current liabilities</b>			
Borrowings	14	<b>196.157</b>	211.753
<b>Current liabilities</b>			
Trade and other payables	15	<b>122.044</b>	114.024
Current tax liabilities	16	<b>989</b>	532
		<b>123.033</b>	114.556
<b>Total liabilities</b>		<b>319.190</b>	326.309
<b>Total equity and liabilities</b>		<b>307.487</b>	325.096

On ..... 2021 the Board of Directors of Flexiglobal Holdings Limited authorised these financial statements for issue.

.....  
David Savva  
Director

.....  
Brainservices (Nominees) Limited  
Director

The notes on pages 6 to 23 form an integral part of these financial statements.

## FLEXIGLOBAL HOLDINGS LIMITED

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### STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2021

	Share capital GB£	Accumulated losses GB£	Total GB£
<b>Balance at 1 April 2019</b>	<b>96.732</b>	<b>(80.394)</b>	<b>16.338</b>
Net loss for the year	-	(17.551)	(17.551)
<b>Balance at 31 March 2020</b>	<b>96.732</b>	<b>(97.945)</b>	<b>(1.213)</b>
<b>Balance at 1 April 2020</b>	<b>96.732</b>	<b>(97.945)</b>	<b>(1.213)</b>
Net loss for the year	-	(10.490)	(10.490)
<b>Balance at 31 March 2021</b>	<b>96.732</b>	<b>(108.435)</b>	<b>(11.703)</b>

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The notes on pages 6 to 23 form an integral part of these financial statements.

# FLEXIGLOBAL HOLDINGS LIMITED

## STATEMENT OF CASH FLOWS

For the year ended 31 March 2021

	Note	2021 GB£	2020 GB£
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Loss before tax</b>		<b>(10,033)</b>	(17,274)
Adjustments for:			
Unrealised exchange (profit)/loss		<b>(4,779)</b>	1,724
Interest income	11	<b>(1,520)</b>	(1,574)
Interest expense	14	<b>6,077</b>	6,298
		<b>(10,255)</b>	(10,826)
<b>Changes in working capital:</b>			
Increase in trade and other payables		<b>8,460</b>	10,875
<b>Cash (used in)/generated from operations</b>		<b>(1,795)</b>	49
Tax paid		-	(444)
<b>Net cash used in operating activities</b>		<b>(1,795)</b>	(395)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
		-	-
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
		-	-
<b>Net decrease in cash and cash equivalents</b>		<b>(1,795)</b>	(395)
Cash and cash equivalents at beginning of the year		<b>50,791</b>	51,005
Effect of exchange rate fluctuations on cash held		<b>350</b>	181
<b>Cash and cash equivalents at end of the year</b>	12	<b>49,346</b>	50,791

The notes on pages 6 to 23 form an integral part of these financial statements.

# **FLEXIGLOBAL HOLDINGS LIMITED**

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## **NOTES TO THE Financial Statements**

For the year ended 31 March 2021

### **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 2021.

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 April 2020. 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.



# FLEXIGLOBAL HOLDINGS LIMITED

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## NOTES TO THE Financial Statements

For the year ended 31 March 2021

### 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.

##### Loan interest expense

Interest expense on borrowings is charged to profit or loss account as incurred.

##### 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.

##### 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 (GBP), 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.

# FLEXIGLOBAL HOLDINGS LIMITED

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## NOTES TO THE Financial Statements

For the year ended 31 March 2021

### 4. Significant accounting policies (continued)

#### 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

##### Financial assets - Classification

The Company classifies its financial assets in the measurement category of 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 or 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.

##### 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. 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.

# FLEXIGLOBAL HOLDINGS LIMITED

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## NOTES TO THE Financial Statements For the year ended 31 March 2021

### 4. Significant accounting policies (continued)

#### Financial assets (continued)

##### Financial assets - Measurement (continued)

###### 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 measurement category into which the Company classifies its debt instruments is the following:

**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

The Company assesses on a forward-looking basis the ECL for debt instruments (including loans) measured at amortised cost and FVOCI and 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. Subsequent recoveries of amounts for which loss allowance was previously recognised are credited against the same line item.

Debt instruments carried at amortised cost are presented in the statement of financial position net of the allowance for ECL.

The impairment methodology applied by the Company for calculating expected credit losses depends on the type of financial asset assessed for impairment. Specifically:

For all financial instruments 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.

# **FLEXIGLOBAL HOLDINGS LIMITED**

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## **NOTES TO THE Financial Statements**

For the year ended 31 March 2021

### **4. Significant accounting policies (continued)**

#### **Financial assets (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.

#### **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 amortised cost 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.

#### **Classification as financial assets at amortised cost**

These amounts generally arise from transactions outside the usual operating activities of the Company. They 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.

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

#### **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.

# FLEXIGLOBAL HOLDINGS LIMITED

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## NOTES TO THE Financial Statements

For the year ended 31 March 2021

### 4. Significant accounting policies (continued)

#### Financial assets (continued)

##### 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.

##### 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. 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:

##### 5.1 Cash flow and fair value interest rate risk

The Company's interest rate risk arises from interest-bearing assets and long term borrowings. Interest-bearing assets and borrowings at variable rates expose the Company to cash flow interest rate risk. Interest bearing assets and borrowings issued at fixed rates expose the Company to fair value interest rate risk.

# FLEXIGLOBAL HOLDINGS LIMITED

## NOTES TO THE Financial Statements For the year ended 31 March 2021

### 5. Financial risk management (continued)

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

	<b>2021</b>	2020
	<b>GB£</b>	GB£
<b>Fixed rate instruments</b>		
Financial assets	<b>158.141</b>	174.305
Financial liabilities	<b>(196.157)</b>	(211.753)
<b>Variable rate instruments</b>		
Financial assets	<b>49.346</b>	50.791
	<b>11.330</b>	13.343

#### Sensitivity analysis

An increase of 100 basis points in interest rates at 31 March 2021 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.

	<b>Profit or loss</b>	
	<b>2021</b>	2020
	<b>GB£</b>	GB£
Variable rate instruments	<b>493</b>	508
	<b>493</b>	508

The Company's Management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

#### **5.2 Credit risk**

Credit risk arises from cash and cash equivalents and contractual cash flows of debt investments carried at amortised cost.

##### *(i) Risk management*

Credit risk is managed on an individual basis. For banks and financial institutions, the Company has established policies whereby the majority of bank balances are held with independently rated parties.

##### *(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

# FLEXIGLOBAL HOLDINGS LIMITED

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## NOTES TO THE Financial Statements

For the year ended 31 March 2021

### 5. Financial risk management (continued)

#### 5.2 Credit risk (continued)

*(ii) Impairment of financial assets (continued)*

##### *Significant increase in credit risk*

The Company considers the probability of default upon initial recognition of the 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 financial 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. Especially the following indicators are incorporated:

- internal credit rating
- external credit rating (as far as available)
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's/counterparty's ability to meet its obligations
- actual or expected significant changes in the operating results of the borrower/counterparty
- significant increases in credit risk on other financial instruments of the same borrower/counterparty
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements
- significant changes in the expected performance and behaviour of the borrower/counterparty, including changes in the payment status of counterparty in the Company and changes in the operating results of the borrower/counterparty.

Macroeconomic information (such as market interest rates or growth rates) is incorporated as part of the internal rating model. 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 country risk of default to be the most relevant factor, and accordingly adjusts the historical loss rates based on expected changes in these factor. No significant changes to estimation techniques or assumptions were made during the reporting period.

The Company's exposure to credit risk for each class of (asset/instrument) subject to the expected credit loss model is set out below:

#### **Financial assets at amortised cost**

There were no significant financial assets at amortised costs written off during the year that are subject to enforcement activity.

# FLEXIGLOBAL HOLDINGS LIMITED

## NOTES TO THE Financial Statements For the year ended 31 March 2021

### 5. Financial risk management (continued)

#### 5.2 Credit risk (continued)

(ii) Impairment of financial assets (continued)

#### Financial assets at amortised cost (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

#### Other financial assets at amortised cost

The gross carrying amounts below represent the Company's maximum exposure to credit risk on these assets as at 31 March 2021 and 31 March 2020:

Company internal credit rating	2021 GB£	2020 GB£
Performing	<u>158.141</u>	<u>174.305</u>
<b>Total</b>	<b><u>158.141</u></b>	<b><u>174.305</u></b>

The Company does not hold any collateral as security for any financial assets at amortised cost.



# FLEXIGLOBAL HOLDINGS LIMITED

## NOTES TO THE Financial Statements For the year ended 31 March 2021

### 5. Financial risk management (continued)

#### 5.2 Credit risk (continued)

(ii) Impairment of financial assets (continued)

#### Cash and cash equivalents

The Company assesses, on a group basis, its exposure to credit risk arising from cash at bank. This assessment takes into account, ratings from external credit rating institutions and internal ratings, if external are not available.

The gross carrying amounts below represent the Company's maximum exposure to credit risk on these assets as at 31 March 2021 and 31 March 2020:

External credit rating	2021 GB£	2020 GB£
BBB - B	<u>49.346</u>	<u>50.791</u>
<b>Total</b>	<b><u>49.346</u></b>	<b><u>50.791</u></b>

The Company held cash and cash equivalents of GB£49.346 at 31 March 2021 (31 March 2020: GB£50.791). The cash and cash equivalents are held with a bank which is rated B1 based on Moody's Ratings.

#### 5.3 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 2021

	Carrying amounts GB£	Contractual cash flows GB£	3-12 months GB£	1-5 years GB£
Trade and other payables	9.221	9.221	9.221	-
Payables to related parties	112.823	112.823	112.823	-
Loan from parent company	<u>196.157</u>	<u>209.249</u>	<u>-</u>	<u>209.249</u>
	<b><u>318.201</u></b>	<b><u>331.293</u></b>	<b><u>122.044</u></b>	<b><u>209.249</u></b>

#### 31 March 2020

	Carrying amounts GB£	Contractual cash flows GB£	3-12 months GB£	1-5 years GB£
Trade and other payables	9.551	9.551	9.551	-
Payables to related parties	104.473	104.473	104.473	-
Loan from parent company	<u>211.753</u>	<u>232.789</u>	<u>-</u>	<u>232.789</u>
	<b><u>325.777</u></b>	<b><u>346.813</u></b>	<b><u>114.024</u></b>	<b><u>232.789</u></b>

# FLEXIGLOBAL HOLDINGS LIMITED

## NOTES TO THE Financial Statements

For the year ended 31 March 2021

### 5. Financial risk management (continued)

#### 5.4 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:

	<b>Liabilities</b>		<b>Assets</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>GB£</b>	<b>GB£</b>	<b>GB£</b>	<b>GB£</b>
United States Dollars	<b>(204.173)</b>	(220.205)	<b>162.723</b>	180.332
Euro	<b>(78.137)</b>	(95.612)	<b>14</b>	14
	<b>(282.310)</b>	(315.817)	<b>162.737</b>	180.346

#### Sensitivity analysis

A 10% strengthening of the British Pounds against the following currencies at 31 March 2020 would have increased/(decreased) 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.

	<b>Profit or loss</b>	
	<b>2021</b>	<b>2020</b>
	<b>GB£</b>	<b>GB£</b>
United States Dollars	<b>4.145</b>	3.987
Euro	<b>7.812</b>	9.560
	<b>11.957</b>	13.547

#### 5.5 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.

# FLEXIGLOBAL HOLDINGS LIMITED

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## NOTES TO THE Financial Statements

For the year ended 31 March 2021

### 6. 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.

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 5, Credit risk section.

- **Going Concern**

The Directors have reviewed the Company's financial position as at 31 March 2021 and the future projections 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.

# FLEXIGLOBAL HOLDINGS LIMITED

## NOTES TO THE Financial Statements For the year ended 31 March 2021

### 7. Administration expenses

	2021 GB£	2020 GB£
Annual levy	273	313
Auditors' remuneration	3.193	3.103
Accounting fees	1.067	1.045
Other professional fees	4.835	5.684
	<u>9.368</u>	<u>10.145</u>

### 8. Finance income/(costs)

	2021 GB£	2020 GB£
<b>Finance income</b>		
Unrealised foreign exchange profit	24.186	-
	<u>24.186</u>	<u>-</u>
<b>Finance costs</b>		
Bank charges	887	395
Realised foreign exchange loss	-	286
Unrealised foreign exchange loss	19.407	1.724
	<u>20.294</u>	<u>2.405</u>

### 9. Tax

	2021 GB£	2020 GB£
Corporation tax	457	277
<b>Charge for the year</b>	<u>457</u>	<u>277</u>

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

	2021 GB£	2020 GB£
Loss before tax	(10.033)	(17.274)
Tax calculated at the applicable tax rates	(1.254)	(2.159)
Tax effect of expenses not deductible for tax purposes	4.693	2.411
Tax effect of allowances and income not subject to tax	(3.023)	-
10% additional charge	41	25
<b>Tax charge</b>	<u>457</u>	<u>277</u>

The corporation tax rate is 12,5% (2020: 12,5%).

# FLEXIGLOBAL HOLDINGS LIMITED

## NOTES TO THE Financial Statements For the year ended 31 March 2021

### 10. Investments in subsidiaries

	<b>2021</b>	2020
	<b>GB£</b>	GB£
Balance at 1 April	<u>100.000</u>	100.000
<b>Balance at 31 March</b>	<b><u>100.000</u></b>	<u>100.000</u>

The details of the subsidiary is as follows:

<u>Name</u>	<u>Country of incorporation</u>	<u>Principal activities</u>	2021 Holding %	2020 Holding %	<b>2021</b>	2020
					<b>GB£</b>	GB£
Flexiglobal (UK) Ltd	United Kingdom	Distribution activities	100	100	<u>100.000</u>	<u>100.000</u>

### 11. Other financial assets at amortised cost

	<b>2021</b>	2020
	<b>GB£</b>	GB£
Balance at 1 April	<b>174.305</b>	163.666
Interest charged	<b>1.520</b>	1.574
Exchange differences	<b>(17.684)</b>	9.065
<b>Balance at 31 March</b>	<b><u>158.141</u></b>	<u>174.305</u>

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. On 8 July 2020, the parties agreed to extend the repayment date up to 9 July 2023. The loan bears interest at the rate of 1% per annum, is unsecured and is repayable on 9 July 2023.

### 12. Cash at bank

Cash balances are analysed as follows:

	<b>2021</b>	2020
	<b>GB£</b>	GB£
Cash at bank	<u>49.346</u>	50.791
	<b><u>49.346</u></b>	<u>50.791</u>

### Cash and cash equivalents by currency:

	<b>2021</b>	2020
	<b>GB£</b>	GB£
United States Dollars	<b>4.582</b>	6.027
Euro	<b>14</b>	14
Great Britain Pounds	<u>44.750</u>	44.750
	<b><u>49.346</u></b>	<u>50.791</u>

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.

# FLEXIGLOBAL HOLDINGS LIMITED

## NOTES TO THE Financial Statements For the year ended 31 March 2021

### 13. Share capital

	2021 Number of shares	2021 €	2020 Number of shares	2020 €
<b>Authorised</b>				
Ordinary shares of €1 each	<u>200.000</u>	<u>200.000</u>	200.000	200.000
		<b>GB£</b>		<b>GB£</b>
<b>Issued and fully paid</b>				
Balance at 1 April	<u>200.000</u>	<u>96.732</u>	200.000	96.732
<b>Balance at 31 March</b>	<u>200.000</u>	<u>96.732</u>	200.000	96.732

### 14. Borrowings

	2021 GB£	2020 GB£
Balance at 1 April	<b>211.753</b>	194.558
Interest charge (Note 18.1)	<b>6.077</b>	6.298
Unrealised exchange difference	<u><b>(21.673)</b></u>	10.897
<b>Balance at 31 March</b>	<u><b>196.157</b></u>	<u>211.753</u>

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. On 8 July 2020, the parties agreed to extend the payment date up to 9 July 2023. The loan bears interest at the rate of 4% per annum, is unsecured and is payable on 9 July 2023.

	2021 GB£	2020 GB£
<b>Current borrowings</b>		
<b>Non-current borrowings</b>		
Loan from parent company (Note 18.3)	<u><b>196.157</b></u>	211.753
	<u><b>196.157</b></u>	<u>211.753</u>

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

	2021 GB£	2020 GB£
United States Dollars	<u><b>196.157</b></u>	211.753
	<u><b>196.157</b></u>	<u>211.753</u>

# FLEXIGLOBAL HOLDINGS LIMITED

## NOTES TO THE Financial Statements For the year ended 31 March 2021

### 15. Trade and other payables

	<b>2021</b>	2020
	<b>GB£</b>	GB£
Payables to parent (Note 18.2)	<b>60.639</b>	61.390
Accruals	<b>6.829</b>	6.357
Other creditors	<b>2.392</b>	3.194
Payables to own subsidiary (Note 18.2)	<b>52.184</b>	43.083
	<b><u>122.044</u></b>	<u>114.024</u>

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

	<b>2021</b>	2020
	<b>GB£</b>	GB£
United States Dollars	<b>8.016</b>	8.452
Euro	<b>78.137</b>	69.681
Great Britain Pounds	<b>35.891</b>	35.891
	<b><u>122.044</u></b>	<u>114.024</u>

### 16. Current tax liabilities

	<b>2021</b>	2020
	<b>GB£</b>	GB£
Corporation tax	<b>989</b>	532
	<b><u>989</u></b>	<u>532</u>

### 17. 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.

This operating environment may have a significant impact on the Company's operations and financial position. Management is taking necessary measures to ensure sustainability of the Company's operations. However, the future effects of the current economic situation are difficult to predict and Management's current expectations and estimates could differ from actual results.

The Company's Management is unable to predict all developments which could have an impact on the Cyprus economy and consequently, what effect, if any, they could have on the future financial performance, cash flows and financial position of the Company.

# FLEXIGLOBAL HOLDINGS LIMITED

## NOTES TO THE Financial Statements

For the year ended 31 March 2021

### 18. 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 Ventures International Limited, incorporated in India, listed on the Bombay Stock Exchange and the National Stock Exchange of Indian, which owns 100% of the Company's shares.

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

#### 18.1 Loan interest expense (Note 14)

<u>Nature of relationship</u>	<u>Nature of transactions</u>	<b>2021</b> <b>GB£</b>	2020 GB£
Parent company	Trade - Finance	<b>6.077</b>	6.298
		<b>6.077</b>	<b>6.298</b>

#### 18.2 Payables to related parties (Note 15)

<u>Nature of relationship</u>	<u>Nature of transactions</u>	<b>2021</b> <b>GB£</b>	2020 GB£
Subsidiary company	Finance	<b>52.184</b>	43.083
Parent company	Finance	<b>60.639</b>	61.390
		<b>112.823</b>	<b>104.473</b>

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

#### 18.3 Loans from related parties (Note 14)

<u>Nature of relationship</u>	<u>Terms</u>	<b>2021</b> <b>GB£</b>	2020 GB£
Parent company	Trade - Finance	<b>196.157</b>	211.753
		<b>196.157</b>	<b>211.753</b>

The terms and conditions of the loans from related parties are described in note 14.

### 19. Going concern

The Company incurred a loss of GB£10.490 for the year ended 31 March 2021, and, as of that date the Company's liabilities exceeded its assets by GB£11.703. The Company is dependent upon the continuing financial support of its parent company without which there would be significant doubt about its ability to continue as a going concern as well as its ability to realise its assets and discharge its liabilities in the ordinary course of business. The parent company has indicated its intention to continue providing such financial assistance to the Company to enable it to continue as a going concern and to meet its obligations as they fall due.

### 20. Contingent liabilities

The Company had no contingent liabilities as at 31 March 2021.

### 21. Commitments

The Company had no capital or other commitments as at 31 March 2021.



## **FLEXIGLOBAL HOLDINGS LIMITED**

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NOTES TO THE Financial Statements  
For the year ended 31 March 2021

### **22. 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.

*DRAFT as at 3/6/2021*