MFSA

ANCHOVY STUDIOS PLC

(previously known as ANCHOVY STUDIOS LIMITED)

Annual Report
and
Financial Statements

31 December 2016

Registration Number C 57419

COMPANY INFORMATION

Registration

ANCHOVY STUDIOS PLC is a Public Limited Liability company which was previously incorporated as ANCHOVY STUDIOS LIMITED as a limited liability company under the Companies Act, Cap. 386 of the Laws of Malta. The company was incorporated on the 3 September 2012.

Directors

Benjamin Borg
Zachary Borg
Ivan Bartolo – appointed on the 5 May 2017
Julian Mamo – appointed on the 5 May 2017
Christopher Mifsud – appointed on the 5 May 2017

Registered Office

682, High Street,
Hamrun, HMR1012
MALTA.

Company number

C 57419

Auditor

Roberto J. Mifsud
Certified Public Accountant
102, St. Catherine Street
Attard, ATD 2605
Malta.

ANNUAL REPORT AND FINANCIAL STATEMENTS
31 December 2016

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DIRECTORS' REPORT
Year ended 31 December 2016

The directors submit their annual report together with the audited financial statements of the company for the year ended 31 December 2016.

Principal activity
The principal activity of the company is to provide services on online marketing design and production.

Results and dividends
The income statement is shown on page 8 and the statement of changes in equity is shown on page 10. The directors proposed and paid a final net dividend of Eur 30,000 for the year ended 31 December 2016.

Review of the business and future developments
During the year ended 31 December 2016, the company generated a profit before taxation of Eur 237,073 when compared to the profit before taxation of Eur 72,619 generated in the previous year ended 31 December 2015. The company registered a net asset position of Eur 212,933 in the year ended 2016. (2015 – asset of Eur 88,517)

Events after the Balance Sheet Date
It has been resolved to increase the Authorised Share Capital of the Company to five hundred thousand Euro (€500,000) divided into:-
Four hundred & fifty three thousand (453,000) Ordinary shares of one Euro (€1) each, thirty four thousand, seven hundred & eighty (34,780) Ordinary A shares of one Euro (€1) each and twelve thousand, two hundred & twenty (12,220) Ordinary B share of one Euro (€1)

To increase the issued share capital of the Company by means of cash injection, such that the Issued Share Capital of the Company is forty-seven thousand Euro (€47,000) divided into thirty-four thousand, seven hundred and eighty (34,780) Ordinary A shares of one Euro (€1) each, 25% paid up, and twelve thousand two hundred and twenty (12,220) Ordinary B shares of one Euro (€1), of which 312 shares are fully paid up and 11,908 shares are 25% paid up.

The company has changed its legal status to a Public Limited Liability Company on 5th May 2017.

Directors
During the year ended 31 December 2016 the directors were as listed on page 1.

In accordance with the company's Memorandum and Articles of Association, the present directors shall remain in office.

Financial Reporting Framework
The directors have resolved to prepare the Company's financial statements for the year ended 31 December 2016 in accordance with the Accountancy Profession (General Accounting Principles for Smaller Entities) Regulations, 2009 and the Schedule accompanying and forming an integral part of those Regulations.

Auditor
Roberto J. Mifsud Member firm of JCA International, The Network of Independent Auditors, Accountants, Lawyers and Consultants has expressed his willingness to continue in office and a resolution for his re-appointment will be proposed at the Annual General Meeting.

Approved by the board of directors on the 20 June 2017 and signed for and on behalf of by:

Benjamin Borg
Director

Zachary Borg
Director

DIRECTORS' RESPONSIBILITIES
Year ended 31 December 2016

Company Law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for the year.

In preparing these, the directors are required to:

- adopt the going concern basis unless it is inappropriate to presume that the company will continue in the business;
- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- account for income and charges relating to the accounting year on the accruals basis;
- value separately the components of asset and liability items; and
- report comparative figures corresponding to those of the preceding accounting year.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act, Cap 386.

This responsibility includes designing; implementing and maintaining such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

ROBERTO J. MIFSUD
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INDEPENDENT AUDITOR'S REPORT
to the shareholders of ANCHOVY STUDIOS PLC

Report on the audit of the financial statements

Opinion

I have audited the accompanying financial statements of ANCHOVY STUDIOS PLC, set out on pages 8 to 19, which comprise the balance sheet as at 31 December 2016, the income statement, and notes to the financial statements for the year then ended, and a summary of significant accounting policies.

In my opinion, the financial statements give a true and fair view of the company's financial position as at 31 December 2016, and of the company's financial performance for the year then ended in accordance with the Accountancy Profession (General Accounting Principles for Small and Medium-sized Entities) Regulation, 2015 and the schedule accompanying and forming an integral part of those Regulations (GAPSME) and the financial statements have been prepared in accordance with the requirements of the Companies Act (Cap. 386).

Basis of Opinion

I conducted my audit in accordance with International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to my audit of the financial statements in accordance with the Accountancy Profession (Code of Ethics for Warrant Holders) Directive issued in terms of the Accountancy Profession Act (Cap. 281) in Malta, and I have fulfilled my ethical responsibilities in accordance with these requirements and the IESBA Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Other information

The directors are responsible for the other information. The other information comprises of the General Information and the directors' report. My opinion on the financial statements does not cover the other information including the directors' report.

In connection with my audit of the financial statements, my responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

With respect to the directors' report, I also consider whether the directors' report includes the disclosures required by Art 177 of the Companies Act (Cap 386).

Based on the work I have performed, in my opinion:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with the Companies Act (Cap 386).

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, I am required to report if I have identified material misstatements in the directors' report and other information.
I have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT
to the shareholders of ANCHOVY STUDIOS PLC - *continued*

Responsibilities of the Directors

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with GAPSME, and for such internal control as the directors determine 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 directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the Audit of the Financial Statements

My objectives is 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 my 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, I exercise professional judgment and maintain professional scepticism throughout the audit. I 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 directors.

- Conclude on the appropriateness of the 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my 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 fair presentation.

I communicate with the 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 I identify during my audit.

INDEPENDENT AUDITOR'S REPORT
to the shareholders of ANCHOVY STUDIOS PLC - *continued*

Report on Other Legal and Regulatory Requirements
Other matters on which I am required to report by exception

I also have responsibilities under the Maltese Companies Act, 1995 to report to you if, in my opinion:

- Adequate accounting records have not been kept, or that returns adequate for my audit have not been received from branches not visited by me.
- The financial statements are not in agreement with the accounting records and returns.
- I have not received all the information and explanations I require for my audit.
- Certain disclosures of directors' remuneration specified by law are not made in the financial statements, giving the required particulars in my report.

I have nothing to report to you in respect of these responsibilities.

Roberto J. Mifsud
Certified Public Accountant

Member firm of JCA International,
The Network of Independent Auditors, Accountants,
Lawyers and Consultants

20 June 2017

INCOME STATEMENT
Year ended 31 December 2016

	Notes	2016 Eur	2015 Eur
REVENUE	2	**696,197**	602,618
Direct expenses		**(91,858)**	(238,006)
GROSS PROFIT		**604,339**	364,612
Administrative expenses		**(341,055)**	(254,396)
Selling and distribution expenses		**(25,694)**	(37,340)
OPERATING PROFIT	3	**237,590**	72,876
Interest payable		**(614)**	(285)
Interest receivable		**28**	28
Profit on disposal of property, plant and equipment		**69**	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAX		**237,073**	72,619
Taxation	4	**(82,657)**	(1,104)
PROFIT FOR THE FINANCIAL YEAR		**154,416**	71,515

The accounting policies and explanatory notes on pages 8 to 19 form an integral part of the financial statements.

BALANCE SHEET
31 December 2016

	Notes	2016 Eur	2015 Eur
ASSETS			
NON-Current assets			
Property, plant and equipment	5	**13,446**	12,922
Current assets			
Trade and other receivables	6	**246,063**	88,616
Cash at bank and in hand	11	**106,624**	118,339
		352,687	206,955
TOTAL ASSETS		**366,133**	219,877
EQUITY AND LIABILITIES			
Capital and reserves			
Called up issued share capital	7	**490**	490
Profit and loss account		**212,443**	88,027
Total equity		**212,933**	88,517
Non-Current Liabilities			
Trade and other payables	10	**-**	8,055
Current Liabilities			
Short term borrowings	8	**24,163**	8,236
Trade and other payables	9	**46,384**	106,352
Corporation tax		**82,653**	8,717
Total current liabilities		**153,200**	123,305
Total Liabilities		**153,200**	131,360
TOTAL EQUITY AND LIABILITIES		**366,133**	219,877

The accounting policies and explanatory notes on pages 8 to 19 form an integral part of the financial statements

These financial statements were approved by the board of directors, authorised for issue on the 20 June 2017 and signed for and on behalf of by:

Benjamin Borg
Director

Zachary Borg
Director

STATEMENT OF CHANGES IN EQUITY
For the year ending 31 December 2016

	Share Capital Eur	Profit and loss Account Eur	Total Eur
FINANCIAL YEAR ENDED 31 December 2015			
At 1 January 2015	490	40,206	40,696
Profit for the financial year	-	71,515	71,515
Dividends paid	-	(23,694)	(23,694)
At 31 December 2015	**490**	**88,027**	**88,517**
FINANCIAL YEAR ENDED 31 December 2016			
At 1 January 2016	490	88,027	88,517
Profit for the financial year	-	154,416	154,416
Dividends paid	-	(30,000)	(30,000)
At 31 December 2016	**490**	**212,443**	**212,933**

The accounting policies and explanatory notes on pages 8 to 19 form an integral part of the financial statements

CASH FLOW STATEMENT
Year ended 31 December 2016

	2016 Eur	2015 Eur
CASH FLOW FROM OPERATING ACTIVITIES		
Profit on ordinary activities before taxation	237,073	72,619
Add back depreciation of property, plant and equipment	5,827	4,200
Add back profit on sale of property, plant and equipment	(69)	-
Operating profit before working capital changes	242,831	76,819
Movement in receivables	(157,447)	(37,417)
Movement in payables	(59,968)	93,556
Taxation paid	(8,721)	(12,102)
Net cash generated from operating activities	16,695	120,856
CASH FLOW USED IN INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(6,972)	(10,625)
Proceeds from sale of property, plant and equipment	690	-
Net cash used in investing activities	(6,282)	(10,625)
CASH FLOW FROM FINANCING ACTIVITIES		
Dividends paid	(30,000)	(23,694)
Movement in shareholders' loans	(8,055)	-
Net cash used in financing activities	(38,055)	(23,694)
NET MOVEMENT IN CASH AND CASH EQUIVALENTS	(27,642)	86,537
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	110,103	23,566
CASH AND CASH EQUIVALENTS AT END OF YEAR (note 11)	82,461	110,103

The accounting policies and explanatory notes on pages 8 to 19 form an integral part of the financial statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these individual financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

1.1. BASIS OF PREPARATION

Basis of measurement and Statement of compliance

The financial statements have been prepared in accordance with the Accountancy Profession (General Accounting Principles for Small and Medium-Sized Entities) Regulations, Legal Notice 289 of 2015 (GAPSME), and the requirements of the Companies Act, 1995.

The company first adopted GAPSME during the year ended 31 December 2016, with a date of transition to GAPSME of 1 January 2016. The company's financial statements for the year ended 31 December 2016 are the first financial statements that comply with GAPSME.

The prior year financial statements prepared in accordance with the Accountancy Profession (General Accounting Principles for Smaller Entities) Regulations, Legal Notice 51 of 2009 (GAPSE) were for the year ended 31 December 2015.

GAPSE differ in certain respects from GAPSME. When preparing the Company's 2016 financial statements, management amended certain accounting and valuation methods applied in the GAPSE financial statements to comply with GAPSME. The comparative figures in respect of 2015 were restated to reflect these adjustments. Reconciliations and descriptions of the effect of the transition from GAPSE to GAPSME on the company's equity and its profit are given in note 12.

Functional and presentation currency

The financial statements are presented in *Euros*, which is the company's functional currency.

1.2. SIGNIFICANT ACCOUNTING POLICIES

Revenue recognition
Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Rendering of services
Revenue is recognised on the performance of the service, net of sales taxes and discounts.

Interest income
Revenue is recognised as the interest accrues, unless collectability is in doubt.

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

1.2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Investment Property

Investment property, principally comprising land and buildings, is held for long-term rental yields or for capital appreciation or both, and is not occupied by the company. Property that is being constructed or developed for future use as investment property is classified as property, plant and equipment and stated at cost until construction or development is complete, at which time it is reclassified and subsequently accounted for as investment property.

Investment property is measured initially at its historical cost, including related transaction costs (and borrowing costs). Historical cost includes expenditure that is directly attributable to the acquisition of the items. Borrowing costs which are incurred for the purpose of acquiring or constructing a qualifying investment property are capitalised as part of its cost, in accordance with accounting policy.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the company and the cost of the item can be measured reliably.

All other repairs and maintenance costs are charged to profit or loss during the financial year in which they are incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

After initial recognition, investment property is carried at historical cost, less subsequent depreciation for buildings, and impairment.

Land is not depreciated as it is deemed to have an indefinite life. The capitalised cost of buildings is amortised using the straight-line method over a maximum of 50 periods, in accordance with their useful lives. Useful lives are reviewed, and adjusted if appropriate, at the end of each reporting year.

A property's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Investment properties are derecognised either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal.

Gains and losses on disposals are determined by comparing the proceeds with carrying amount and are recognised in profit or loss.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment. Its cost and accumulated depreciation at the date of the reclassification becomes its cost and accumulated depreciation for subsequent accounting purposes.

When the company decides to dispose of an investment property without development, the company continues to treat the property as an investment property. Similarly, if the company begins to redevelop an existing investment property for continued future use as investment property, it remains an investment property during the redevelopment.

If an item of property, plant and equipment becomes an investment property because its use has changed, its cost and accumulated depreciation at the date of the reclassification becomes its cost and accumulated depreciation for subsequent accounting purposes.

Where an investment property undergoes a change in use, evidenced by commencement of development with a view to sale, the property is transferred to inventories. A property's deemed cost for subsequent accounting as inventories is its carrying amount at the date of change in use.

1.2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and cash equivalents
Cash in hand and at banks and short-term deposits which are held to maturity are carried at cost.

For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash in hand and at bank with maturities of 3 months and less, net of overdrawn bank balances.

Foreign currency translation
(a) Functional and presentation currency
The company's financial results and financial position are measured in the functional currency, i.e. Euros, which is the currency of the primary economic environment in which the company operates.

These financial statements are presented in Euro, i.e. the presentation currency, which is the currency in which the company's share capital is denominated.

(b) Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. 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.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement within 'finance income or cost'. All other foreign exchange gains and losses are presented in the income statement within 'other income/(expense)'.

Property, plant and equipment
Property, plant and equipment are stated at historical cost less accumulated depreciation. Depreciation is calculated to write off the cost of tangible assets on a straight line basis over the expected useful lives of the assets concerned. The annual rates used for this purpose which are consistent with those of the previous year, are:-

Equipment	25%
Air conditioners	16.66%
Furniture and fittings	10%

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the item will flow to the company and the cost can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial year in which they are incurred.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater that it estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement. When revalued assets are sold, the amounts included in other reserves are transferred to retained earnings.

Share capital
Ordinary shares are classified as equity.

1.2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Trade and other payables
Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is 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 liabilities.

Payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Provisions
Provisions for legal claims 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 the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

Current and deferred income tax
The tax expense comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised directly in equity. In this case, the tax is also recognised in equity.

The current income tax charge is calculated on the basis of the tax law enacted or substantively enacted at the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation.

It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting year and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred income tax is determined using the current rate of corporate taxation at the balance sheet date and which is expected to apply when the related deferred tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

1.2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Dividend distribution
Dividend distribution to the company's shareholder(s) is recognised as a liability in the company's financial statements in the year in which the dividends are approved by the company's shareholders.

Borrowings
Borrowings are recognised initially at the fair value of proceeds received, net of transaction costs incurred, and subsequently measured in accordance with the policy described. On derecognition, any difference between the carrying amount and the redemption or settlement amount is recognised in profit or loss.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting year.

2. REVENUE

The company's revenue is represented by the income from services provided and on-line services given during the year under review which is as follows:-

	2016 Eur	2015 Eur
Total income from services	696,197	602,618

3. OPERATING PROFIT

The operating profit is stated after charging:-

	2016 Eur	2015 Eur
Depreciation of property, plant and equipment	5,827	4,200
Directors' remuneration	70,769	61,086
Wages and salaries	212,103	154,994

4. TAXATION

	2016 Eur	2015 Eur
Tax at 35%	82,552	31,098
Tax at 15%	4	4
Investment tax credit utilised in 2016	-	(10,283)
Under/over provision in 2015 -Investment tax credit	101	(19,715)
Tax expense	82,657	1,104

4. TAXATION - *continued*

The tax expense differs from the theoretical taxation expense that would apply on the company's profit before taxation using the applicable tax rate in Malta of 35% as follows:

	2016 Eur	2015 Eur
Profit on ordinary activities before tax	237,073	72,619
Taxation on ordinary activities at 35%	82,975	25,417
Tax effect of:		
- expenses not allowed	-	5,691
- interest at 15%	(6)	(6)
- over provision in previous years	-	(19,715)
- Investment tax credit	-	(10,283)
-unrecognised deferred tax asset	(312)	-
Tax expense	82,657	1,104

5. PROPERTY, PLANT AND EQUIPMENT

	Furniture & fittings Eur	Office Equipment Eur	Air conditioners Eur	Total Eur
Year ended 31 December 2016				
Opening net book amount	4,090	5,642	3,190	12,922
Additions	320	6,652	-	6,972
Disposal	(690)	-	-	(690)
Depreciation charge	(424)	(4,621)	(782)	(5,827)
Realised on disposal	69	-	-	69
Closing net book amount	3,365	7,673	2,408	13,446
At 31 December 2016				
Cost	4,241	18,479	4,692	27,412
Accumulated depreciation	(876)	(10,806)	(2,284)	(13,966)
Net book amount	**3,365**	**7,673**	**2,408**	**13,446**
At 31 December 2015				
Cost	4,611	11,827	4,692	21,130
Accumulated depreciation	(521)	(6,185)	(1,502)	(8,208)
Net book amount	4,090	5,642	3,190	12,922

NOTES TO THE FINANCIAL STATEMENTS
31 December 2016

6. TRADE AND OTHER RECEIVABLES

	2016 Eur	2015 Eur
Trade receivables	241,704	83,811
Other receivables	21	500
Prepayments	4,338	4,305
	246,063	88,616

7. CALLED UP ISSUED SHARE CAPITAL

	2016 Eur	2015 Eur
Authorised		
888 Ordinary 'A' shares of Eur1.00 each	888	888
312 Ordinary 'B' shares of Eur1.00 each	312	312
	1,200	1,200
Issued and paid up to 'A' 20% & 'B' 100%		
888 Ordinary 'A' shares of Eur1.00 each – 20% paid	178	178
312 Ordinary 'B' shares of Eur1.00 each – 100% paid	312	312
	490	490

8. SHORT TERM BORROWINGS

	2016 Eur	2015 Eur
CURRENT		
Bank overdraft	24,163	8,236
Short term borrowings	24,163	8,236

9. TRADE AND OTHER PAYABLES

	2016 Eur	2015 Eur
Current Liabilities		
Trade payables	18,201	19,452
Other payables	1,576	-
VAT Liability	24,910	21,708
Accruals	1,697	65,192
	46,384	106,352

NOTES TO THE FINANCIAL STATEMENTS
31 December 2016

10. TRADE AND OTHER PAYABLES

	2016 Eur	2015 Eur
Non-Current Liabilities		
Amounts payable to shareholders - note	-	2,325
Amount due to third party -note	-	5,730
	-	8,055

Note:
This amount is unsecured, interest free and has no fixed date of repayment.

11. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash in hand and balance with banks. Cash and cash equivalents included in the statement of cash flows comprise the following balance sheet amounts.

	2016 Eur	2015 Eur
Cash at bank and in hand	106,624	118,339
Bank overdraft	(24,163)	(8,236)
	82,461	110,103

12. FIRST TIME ADOPTION OF GAPSME

As explained in note 1.1, the Company first-time adopted GAPSME in these financial statements. The date of transition to GAPSME is 1 January 2016.

The accounting policies applied by the Company upon transition to GAPSME were consistent with those applied under GAPSE (General Accounting Principles for Smaller Entities).

As a result, the transition to GAPSME had no effect on the Company's reported position and financial performance.