Athol Limited

Annual Report and Financial Statements 2013

C 58151

ATHOL LIMITED

Annual Report and Financial Statements – 31 December 2013

General Information

Company registration

Athol Limited is a limited liability company registered in Malta in terms of the Companies Act of 1995. The company's registration number is C58151, registered on 08 November 2012.

Directors

Jorge Manuel de Brito Pereira Noel Buttigieg Scicluna

Company secretary

Claire Valletta Giordano

Auditors

Leading Edge (Malta) Ltd 76, Triq l-Ghenieqed Attard ATD 2661, Malta

Registered office

171 Old Bakery Street, Valletta VLT 1455, Malta

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Directors' Report

31 December 2013

The directors present their annual report together with the audited financial statements of the company for the period from date of incorporation on 08 November 2012 to 31 December 2013.

Principal Activities

The company is principally engaged as a holding company in property and shares.

Review of Business Development

The company did not trade during the period under review.

Results and Dividends

The company recorded a loss for the period before taxation amounting to €649,936. The directors do not recommend the distribution of a dividend and after accounting for taxation, the accumulated losses at the period-end amounting to €649,936 are being carried forward

Directors

The directors of the company who held office during the period were:

Jorge Manuel de Brito Pereira Noel Buttigieg Scicluna

In terms of the company's Articles of Association the present directors will continue in office.

Events After the End of the Reporting Period

No significant events, having effect on the financial results and position of the company, have taken place since the end of the reporting period.

Going Concern

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operating existence for the foreseeable future. For this reason the going concern basis in preparing financial statements continues to be adopted.

ATHOL LIMITED

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Directors' Report - continued

31 December 2013

Statement of Directors' Responsibilities

The Companies Act, 1995 requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company at the end of the financial period and of the profit or loss of the company for that period.

In preparing the financial statements, the directors are required to:-

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

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 the directors to ensure that the financial statements have been properly prepared in accordance with Accountancy Profession (General Accounting Principles for Smaller Entities) Regulations, Legal Notice 51 of 2009 (GAPSE), and the requirements of the Companies Act, 1995. 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.

Auditor

The auditors, Leading Edge (Malta) Ltd, have expressed their willingness to remain in office and a resolution proposing their reappointment will be put before the members at the annual general meeting.

Approved by the Board of Directors and signed on its behalf by:

Jorge Manuel de Brito Pereira Director **Noel Buttigieg Scicluna** Director

27 May 2014

Independent Auditors' Report

To the Shareholders of Athol Limited

We have audited the financial statements of Athol Limited which comprise the company's statement of financial position as at 31 December 2013 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the period then ended and a summary of significant accounting policies and other explanatory notes.

Directors' Responsibility for the Financial Statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with Accountancy Profession (General Accounting Principles for Smaller Entities) Regulations, Legal Notice 51 of 2009 (GAPSE), and the requirements of the Maltese Companies Act, 1995. As described in the statement of directors' responsibilities on page 2, this responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independent Auditors' Report - continued **To the Shareholders of Athol Limited**

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the company as at 31 December 2013, and of its financial performance and its cash flows for the period then ended in accordance with Accountancy Profession (General Accounting Principles for Smaller Entities) Regulations, Legal Notice 51 of 2009 (GAPSE), and have been properly prepared in accordance with the requirements of the Maltese Companies Act, 1995.

Without qualifying our opinion, we draw attention to note 1in the financial statements which indicates that the company incurred a net loss of €649,937 during the period ended 31 December 2013, and as at that date, the company's total liabilities exceeded its total assets by €647,937. These financial statements have been prepared on a going concern basis which assumes that the company's shareholders will continue to provide support to the company for the foreseeable future.

Report on Other Legal and Regulatory Requirements

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

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

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

Simon Vella For and on behalf of **Leading Edge (Malta) Ltd** Registered Auditors

Statement of Comprehensive Income

For the period ended 31 December 2013

	Note	08 Nov 12 to 31 Dec 13 €
Revenue		-
Administrative expenses		(649,941)
Operating Loss	4	(649,941)
Investment income	5	5
Profit before Tax		(649,936)
Tax expense	6	(1)
Loss for the Period		(649,937)

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Statement of Financial Position

31 December 2013

ASSETS	Note	2013 €
Current Assets		
Trade and other receivables	7	7,504,130
Cash and bank		241,184
		7,745,314
Total Assets		7,745,314
EQUITY AND LIABILITIES		
Capital and Reserves		
Share capital	8	2,000
Retained earnings		(649,937)
		(647,937)
Current Liabilities		
Trade and other payables	9	8,393,251
Total Equity and Liabilities		7,745,314

The financial statements on pages 5 to 15 were approved by the Board of Directors on **27 May 2014** and signed on its behalf by:-

Jorge Manuel de Brito Pereira Director Noel Buttigieg Scicluna

Director

ATHOL LIMITED Annual Report and Financial Statements – 31 December 2013

Statement of Changes in Equity

31 December 2013

	Issued Share Capital €	Retained Earnings €	Total €
Balance at 08 November 2012	-	-	-
Issue of share capital	2,000	-	2,000
Loss for the period		(649,937)	(649,937)
Balance at 31 December 2013	2,000	(649,937)	(647,937)

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Statement of Cash Flows

For the period ended 31 December 2013

•		
		08 Nov 12
		to
		31 Dec 13
	Note	€
Operating Activities		
Loss for the period before taxation		(649,936)
Adjustment for:		(, ,
Interest receivable		(5)
interest receivable		
		(649,941)
		(047,741)
Working capital changes:		
Increase in trade and other receivables		(7,504,130)
Increase in trade and other payables		
nicrease in trade and other payables		3,865
Cash absorbed by operations		(8,150,206)
Income tax paid		(1)
Interest received		5
mierest received		
Net Cash used in Operating Activities		(8,150,202)
Net Cash used in Operating Activities		(0,130,202)
Financing Activities		
Issue of share capital		2,000
Advances from related parties		8,389,386
Advances from related parties		0,507,500
Net Cash generated from Financing Activities		8,391,386
The cash generated from Financing Activities		0,001,000
Movement in Cash and Cash Equivalents		241,184
Cash and cash equivalents at beginning of period		<u> </u>
cush and cash equivalents at beginning of period		
Cash and Cash Equivalents at End of Period	10	241,184
Chora and Chora 24 harmania ne bita of 1 citoa		

31 December 2013

1. Basis of Preparation

The financial statements have been prepared in accordance with the provisions of the Companies Act, 1995 enacted in Malta, which require adherence to Accountancy Profession (General Accounting Principles for Smaller Entities) Regulations, Legal Notice 51 of 2009 (GAPSE), and their interpretations adopted by the International Accounting Standards Board (IASB). The financial statements are prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRSs requires the use of certain accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies.

The company incurred a net loss of 649,937 during the period ended 31 December 2013, and as at that date, the company's total liabilities exceeded its total assets by €647,937. These financial statements have been prepared on a going concern basis in view of the fact that the company's shareholders have agreed to provide adequate funds for the company to meet its liabilities as they fall due.

Standards, interpretations and amendments to published standards not yet effective

Certain new standards, amendments and interpretations to existing standards have been published by the date of authorisation for issue of these financial statements that are mandatory for the company's accounting periods beginning on 1 January 2014. The company has not early-adopted these revisions to the requirements of IFRSs, as adopted by the EU, and the company's directors are of the opinion that there are no requirements that will have a possible significant material impact on the company's financial statements in the period of initial application.

2. Principal 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 the periods presented, unless otherwise stated.

Reporting currency

Functional and presentation currency

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

31 December 2013

2. Principal Accounting Policies – continue

Reporting currency - continue

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 period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the company's activities. Revenue is shown net of value-added tax or other sales taxes, returns, rebates and discounts.

Revenue is recognised as follows:

(a) Interest income

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

Income taxation

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred taxation is provided using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the unutilised deferred tax credits can be utilised.

31 December 2013

2. Principal Accounting Policies - continued

Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of debts.

Share capital

Ordinary shares are classified as equity. Dividend distribution to the company's shareholders is recognised as a liability in the company's financial statements in the period in which the dividends are approved by the company's shareholders.

Borrowings

Borrowings are recognised initially at fair value, 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 the statement of comprehensive income over the period of the borrowings using the effective interest method. 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 period.

Trade payables and provisions

Trade payables are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, billed to the company.

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 embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at face value. For the purposes of the statement of cash flows, cash and cash equivalents comprise cash in hand and deposits held at call with banks, net of bank overdrafts. In the statement of financial position, bank overdrafts are included as borrowings under current liabilities.

31 December 2013

3. Critical Accounting Estimates and Judgements

Estimates and judgements are continually evaluated and based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances.

In the opinion of the directors, the accounting estimates and judgements made in the course of preparing these financial statements are not difficult, subjective or complex to a degree which would warrant their description as critical in terms of the requirements of IAS 1 (revised).

4.	Operating Loss	
	of same-8	08 Nov 12
		to
		31 Dec 13
		€
	This is stated after charging/(crediting):	
	Auditors' remuneration	708
	Realised exchange gains	(58,280)
	Unrealised exchange gains	(18,945)
5.	Investment Income	
		08 Nov 12
		to
		31 Dec 13
		€
	Interest on bank deposits	5
6.	Taxation	
	The taxation charge for the year is made up as follows:	
	The manifest crimbe for the four to make up the force we.	08 Nov 12
		to
		31 Dec 13
		€
	Current tax expense at 35%	-
	Withholding tax expense at 15%	1
		1
		1

31 December 2013

6. Taxation - continued

The tax on the company's results before tax differs from the theoretical amount that would arise using the statutory tax rate of 35% as follows:

08 Nov	12
	to
31 Dec	13
	€

Loss for the period before tax

(649,936)

Tax income at the statutory tax rate *Tax effect of:*

(227,478)

Income taxed at different rates Unallowable deductions

(1) 227,480

Tax expense

1

7. Trade and Other Receivables

2013

Prepayments

7,504,130

Prepayments mainly relate to an amount of $\[< \]$ 7,500,000 deposit paid on a Promise of Sale of property in Monaco. The vendor of the said property is obliged to complete works thereon by the 4^{th} quarter of 2016. In the event that the company defaults on the Promise of Sale, the deposit paid will be forfeited.

8. Share Capital

2013

€

Authorised

2,000 ordinary shares of €1 each

2,000

Issued and Fully Paid-Up

2,000 ordinary shares of €1 each

2,000

Notes to the Financial Statements 31 December 2013

9. Trade and Other Payables

2013

€

Amounts due to shareholders Accruals

8,389,386 3,865

8,393,251

Amounts due to shareholders are unsecured, interest free and repayable on demand.

10. Cash and Cash Equivalents

For the purposes of the cash flow statement, the cash and cash equivalents at the end of the year comprise the following:

2013

€

Cash at bank and in hand Bank overdrafts

281,184

281,184

11. Related Party Transactions

The company is fully owned by Mr. Sindika Dokolo, a foreign national bearing passport number 204898581 and residing in Angola.

Transactions with the beneficial owner of the company are considered to be related party transactions. The following transactions were carried out with related parties:

2013

€

Advances from shareholders (note 9)

8,389,386

12. Financial Instruments

At the period end, the company's main financial assets on the statement of financial position comprised trade and other receivables and cash and bank balances. There were no unreported financial assets in the statement of financial position at the period end.

At the period end, the company's main financial liabilities on the statement of financial position consisted of amounts due to shareholders and accrued charges. There were no unreported financial liabilities in the statement of financial position at the period end.

Notes to the Financial Statements 31 December 2013

12. Financial Instruments - continued

Credit Risk

Financial assets which potentially subject the company to concentrations of credit risk consist principally of cash at bank and other receivables. The company's cash is placed with prime financial institutions. Debtors are presented net of impairment provision for receivables.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. Due to the nature of the underlying business, company treasury aims at maintaining flexibility in funding by keeping committed credit lines available.

Foreign exchange risk

The company operates a foreign currency bank account and is consequently exposed to foreign exchange risk arising on such transactions that arise from various currency exposures primarily with respect to the US Dollar.

Fair values of non-derivative financial instruments

At 31 December 2013 the carrying amounts of cash at bank, trade and other receivables, trade and other payables and short-term borrowings approximated their fair values. The fair values of loans and receivables and long-term borrowings are not materially different from their carrying amounts.

13. Contingent Liabilities

There were no contingent liabilities at 31 December 2013 that have a material effect on the financial position of the company.

14. Capital Commitments

There were no capital commitments at 31 December 2013 that have a material effect on the financial position of the company.

15. General Information

Athol Limited is a limited liability company domiciled and incorporated in Malta.

Detailed Accounts

Schedule

1 Administrative Expenses

Administrative Expenses

For the period ended 31 December 2013

	30 Nov 12 to 31 Dec 13 €
Audit fee	708
Bank charges	316
Difference on exchange - realised	(58,280)
Difference on exchange - unrealised	(18,945)
Directors' fees	4,130
Formation expenses	3,299
Intermediary fees	650,000
Professional and legal fees	67,441
Registration fees	140
Rent	725
Sundry expenses	407
	649,941