UNIVERSAL
GOLF ENTERPRISES PLC

29 Απριλίου 2021

Κύριο Νίκο Τρυπάτσα
Αναπληρωτή Γενικό Διευθυντή
Χρηματιστήριο Αξιών Κύπρου
ΛΕΥΚΩΣΙΑ

Αγαπητέ κ. Τρυπάτσα

ΕΤΗΣΙΑ ΓΕΝΙΚΗ ΣΥΝΕΛΕΥΣΗ

Θέλουμε να σας ενημερώσουμε ότι κατά την σημερινή συνεδρία του το Διοικητικό Συμβούλιο της Εταιρείας ενέκρινε τις επισυναπτόμενες ελεγμένες Οικονομικές Καταστάσεις της Εταιρείας για το έτος που έληξε στις 31 Δεκεμβρίου 2020.

Επίσης αποφάσισε όπως η Ετήσια Γενική Συνέλευση της Εταιρείας πραγματοποιηθεί την Τετάρτη, 9 Ιουνίου 2021 και ώρα 11:00 π.μ. στα Κεντρικά Γραφεία της Εταιρείας στη Λευκωσία.

Η Ετήσια Έκθεση της Εταιρείας για το 2020 μαζί με την Ειδοποίηση Σύγκλησης/ Πρόσκληση Ετήσιας Γενικής Συνέλευσης θα αποσταλούν σε όλους τους μετόχους.

Με εκτίμηση

ΧΑΡΑΛΑΜΠΟΣ Γ ΧΩΜΑΤΕΝΟΣ
Γραμματέας

Universal Golf Enterprises PLC

Financial Statements for the year ended
31 December 2020

FINANCIAL STATEMENTS
for the year ended 31 December 2020

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GENERAL INFORMATION

Board of Directors
Andreas Georghiou, Chairman
George Georgiou
Evan Gavas
Alexis Photiades
Pavlos Photiades
Adamos Constantinides

Company Secretary
Charalambos G. Chomatenos

Registered Office
Universal Tower
85 Dighenis Akritas Avenue
1070 Nicosia

Legal Advisors
Lellos P. Demetriades Law Office LLC

Independent Auditors
PricewaterhouseCoopers Ltd (Audit 2020)
Ernst & Young Cyprus Ltd (Audit 2019)

Declaration of the members of the Board of Directors and the Company Officials for the drafting of the financial statements

According to Article 9, subsections (3) (c) and (7) of the Transparency Requirements (Traded Securities on a Regulated Market) Act of 2007 ('Act'), we the members of the Board of Directors and other officers responsible for the financial statements of Universal Golf Enterprises PLC for the year ended 31 December 2020, we confirm that, to the best of our knowledge:

(a) the annual financial statements presented on pages 14 to 37 were:

(i) prepared in accordance with International Financial Reporting Standards as adopted by the European Union and in accordance with the provision of subsection (4) of the Act, and

(ii) give a true and fair view of assets and liabilities, financial position and the loss of Universal Golf Enterprises PLC, and

(b) The Management report provides a fair overview of the developments and performance of the business and financial position of Universal Golf Enterprises PLC, together with a description of the principal risks and uncertainties faced by the Company.

Members of the Board of Directors

Chairman

Andreas Georgiou ....

Directors

George Georgiou ....

Evan Gavas ....

Alexis Photiades ....

Pavlos Photiades ....

Adamos Constantinides ....

Responsible for Preparation of Financial Statements

Pantelis Iacovides – Chief Financial Officer ....

Nicosia, 29 April 2021

MANAGEMENT REPORT

The Board of Directors presents its report and audited financial statements of Universal Golf Enterprises PLC (the "Company") for the year ended 31 December 2020.

Incorporation

The Company was incorporated in Cyprus on 22 March 2011 as a private company under the name of Univasa Golf Enterprises Limited with limited liability under the Companies Law, Cap 113. On 20 July 2012 the Company's name changed to Universal Golf Enterprises Limited and on 2 October 2014 the Company was converted into a public company under the name Universal Golf Enterprises PLC. Its registered office is situated at 85 Dighenis Akritas Avenue, 1070 Nicosia, Cyprus.

The Company is a subsidiary of Universal Life Insurance Public Company Limited, a company incorporated in Cyprus. Copies of the Consolidated Financial Statements of Universal Life Insurance Public Company Ltd can be obtained from 85 Dighenis Akritas Avenue, 1070 Nicosia, Cyprus.

On 29 December 2014 the Company's shares were listed on the Emerging Companies' Market of the Cyprus Stock Exchange.

The number of employees of the Company as at 31 December 2020 was 2 persons (2019: 2).

Principal activities

The Company's principal activity is the ownership of plots of land in Vasa Kellakiou in Limassol. The Company holds a planning permission to develop a golf resort. The golf resort, named Limassol Hills Golf Resort, is envisioned to include a golf club, boutique hotel, a tourist village as well as an extensive residential development of luxurious residences.

Review of current position, future developments and significant risks

The Company's developments to date, financial results and position as presented in pages 14 to 15 of the financial statements are considered to be consistent with the nature and volume of its activities.

The principal risks and uncertainties faced by the Company are disclosed in Notes 4 and 15 of the financial statements.

The Cyprus economy has been adversely affected by the outbreak of the new coronavirus (COVID-19). On 11 March 2020, the World Health Organisation declared the outbreak of COVID-19 a global pandemic recognising its rapid spread across the globe. In response to the pandemic, the government of the Republic of Cyprus and various governments globally implemented and continue to implement numerous measures attempting to contain and now delay the spreading and impact of COVID-19, such as requiring self-isolation by those potentially affected, implementing social distancing measures and mass quarantines, controlling or closing borders and imposing limitations on business activity, including closure of non-essential businesses.

These measures have, among other things, severely restricted economic activity both in Cyprus and globally and they have negatively impacted, and could continue to negatively impact, businesses, market participants as well as the Cyprus and global economies as they persist for an unknown period of time.

In addition, the recent abolishment of the Cyprus Investment Program (Naturalization Plan) is expected to have a negative impact on property prices/values in general.

Review of current position, future developments and significant risks *(continued)*

Accordingly, the future effects of the COVID-19 pandemic and of the abovementioned measures as well as of the abolishment of the Cyprus Investment Program (Naturalization Plan) and consequently on the future financial performance, cash flows and financial position of the Company, including the fair values of the Company's properties, are difficult to predict and management's current expectations and estimates could differ from actual results. The Company's management believes that it is taking all the necessary measures to maintain the viability of the Company and the development of its business in the current economic environment.

Results

During the year, the Company made a loss of €8.742.735 (2019 restated loss of €795.186). The accumulated losses to date amount to €9.785.947 (2019 restated: €1.043.212).

Dividend

The Board of Directors is not in a position to declare a dividend for 2020 since the Company has no distributable profits as at 31 December 2020.

Share capital

There were no changes in the share capital of the Company during the year.

During a General Meeting of the parent company, Universal Life Insurance Public Company Ltd, held on 27 November 2019 a dividend of €0,175 per share was approved. All shareholders with more than 4% of the share capital in Universal Life Insurance Public Company Ltd received the said dividend in the form of fully paid shares of Universal Golf Enterprises PLC of nominal value €0,01, valued at €1,06 per share (being the net asset value of the share at 30th September 2019).

This resulted in the reduction of Universal Life Insurance Public Company Ltd's direct shareholding in Universal Golf Enterprises PLC from 99,96% to 94,14%.

Correction of prior year errors

Until 2019, the Company classified its properties as 'Inventory'. In 2020, after careful evaluation of the current circumstances and taking into consideration the flexibility of realising the properties through a range of possible scenarios, the Company proceeded with correcting the classification of these properties as 'Investment property'. Therefore, the necessary corrections were made in the comparative amounts.

In addition, until 2019, the Company was capitalising the interest expense on the loan from the parent company to its properties. Following the correction of the classification of the properties to investment property as noted above, the Company considered that the criterion of qualifying asset is not met. The Company concluded that the properties are not qualifying assets as defined in IAS 23 and ceased capitalising borrowing costs on these properties. Accordingly, the Company proceeded with the necessary corrections in the comparative amounts.

Details of this correction can be found in Note 3 to the financial statements.

Board of Directors

The members of the Company's Board of Directors as at 31 December 2020 and as at the date of this report are presented on page 3. All of them were members of the Board of Directors throughout the year 2020.

In accordance with the Company's Articles of Association, Messrs Andreas Georghiou and Evan Gavas retire by rotation and being eligible, offer themselves for re-election. The vacancies so created will be filled by election.

Board of Directors *(continued)*
There were no significant changes in the distribution of responsibilities of the Board of Directors. The Directors' remuneration for the year were €1.000 for the Chairman and €130 per meeting for each Director who resides in Nicosia and €190 per meeting for each Director who resides outside Nicosia.

Changes in group structure
During the year there were no changes in the structure of the Company. The Company does not intend to proceed with any acquisitions or mergers.

Board of directors' interests in the Company's share capital
The direct and indirect interests of the Board of Directors in the Company's share capital, their spouses and children and of the companies they hold, as at 31 December 2020 and as at the date of this report, were as follows:

	31 December 2020	29 April 2021
	%	%
Pavlos Ph. Photiades	30,65	23,14
Alexis Ph. Photiades	19,37	19,37
George A. Georghiou	11,28	3,77
Andreas Georghiou	2,51	0,84
Adamos Constantinides	0,0029	0,0029

The member of the Board of Directors Mr. Evan Gavas and his related persons and companies do not hold any direct or indirect interests in the Company's share capital.

Major shareholders
As at 31 December 2020 and as at the date of this report, the direct and indirect shareholders of the Company holding direct or indirect interest over 5% of the Company's issued share capital, including their spouses and children and of the companies they hold, were as follows:

	31 December 2020	29 April 2021
	%	%
Universal Life Insurance Public Company Ltd	94,17	94,17
Photos Photiades Group Ltd	58,71	58,71
Magnum Investments Ltd	25,06	8,38
Hellenic Bank Public Company Limited	-	16,89
Pavlos Ph. Photiades	30,65	23,14
Alexis Ph. Photiades	19,37	19,37
George A. Georghiou	11,28	3,77

Branches
The Company did not operate through any branches during the year.

Use of financial instruments by the Company
The Company is exposed to a variety of risks from the financial instruments it holds.

Liquidity risk
Liquidity risk is the risk that the Company is unable to meet its current and future obligations in full or on time. The Company is exposed to liquidity risk, since it has to meet its current and future obligations and at the moment has no income from its operations.

Liquidity risk *(continued)*

The parent company has expressed its willingness to continue to provide adequate funds to the Company to meet its obligations and not to demand repayment of the loan from the parent company until the Company is in a position to do so.

Other payables and accrued expenses are payable within the next three months.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company has limited exposure to credit risk other than some arising from limited amount held with a local financial institution.

Concentration risk

The Company is exposed to concentration risk since it was all its cash balances with one financial institution, yet due to the relatively low balances held any exposure is contend.

Independent auditors

In 2019, the Company's parent conducted a bidding process under the European Union Regulation regarding Public Interest Entities and the implications for the mandatory rotation of existing external auditors. Following a recommendation of the parent company's Audit Committee, the Board of Directors of the parent company through a resolution at the Annual General Meeting appointed PricewaterhouseCoopers (PwC) as external auditors of the Group from 1 January 2020. Consequently, the Board of Directors of the Company through a resolution at the Annual General Meeting appointed PwC as external auditors of the Company from 1 January 2020 as well.

Events after the reporting date

Depending on the duration of the Coronavirus disease (COVID-19) pandemic, and continued negative impact on economic activity, the Company might experience negative results and incur fair value losses on its investment property in 2021. The exact impact on the Company's activities in 2021 and thereafter cannot be predicted.

There were no other material events after the reporting date, which have a bearing on the understanding of the financial statements

By Order of the Board of Directors

Charalambos G. Chomatenos
Secretary

29 April 2021

Independent Auditor's Report

To the Members of Universal Golf Enterprises PLC

Report on the Audit of the Financial Statements

Our opinion

In our opinion, the accompanying financial statements of Universal Golf Enterprises PLC (the "Company") give a true and fair view of the financial position of the Company as at 31 December 2020, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

What we have audited

We have audited the financial statements which are presented in pages 14 to 37 and comprise:

- the statement of financial position as at 31 December 2020;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

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

Independence

We are independent of the Company in accordance with the *International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code)* together with the ethical requirements that are relevant to our audit of the financial statements in Cyprus and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the Key Audit Matter
Valuation of Investment Properties at fair value As at 31 December 2020, the Investment Properties amount to €37.241.987 and constitute the most significant asset on the statement of financial position of the Company. During the year, the Company recognised a decrease in the fair value of Investment Properties of €8.479.220. Investment Properties are measured at fair value based on valuations performed in accordance with the provisions of IAS 40 and IFRS 13. Valuations performed by the management expert form the basis for the determination of the fair values by Management. These valuations involve assumptions of increased subjectivity due to the lack of available observable data which are directly comparable with the properties being valued. Assumptions and resulting estimates are subject to market conditions and may change materially over time. To assess the potential impact on the financial position and performance of the Company, Management prepares sensitivity analysis for significant assumptions. The external valuer engaged has included a material valuation uncertainty clause in the valuation reports. This clause highlights that less certainty, and consequently a higher degree of caution, should be attached to the valuations. This represents a significant estimation uncertainty in relation to the valuation of Investment Properties. The Company's disclosures in relation to the Investment Properties are included in the accounting policies, in notes 2.13, 4 and 8 of the financial statements. We consider this to be a key audit matter because of the significant impact on the Company's financial position and performance and the complex and judgmental nature of the valuation methodologies and estimates applied.	We performed the following audit procedures: • We obtained an understanding of the fair value estimation process for Investment Properties and have assessed the design and implementation of the relevant internal controls. • We evaluated the independence and competency of the external valuer used by the Company. • We confirmed the existence and ownership of Investment Properties by obtaining a statement from the Land Registry department. • We obtained the valuation reports prepared by the external valuer and examined whether the information included in the relevant reports is consistent with the Company's accounting records. • We assessed, with the involvement of auditor's experts, the appropriateness of the valuation methodologies adopted and whether the assumptions used by the external valuer were within a reasonable range. • We evaluated the adequacy of disclosures in the relevant notes to the financial statements, including the significant estimates and assumptions used, as well as the accuracy of the sensitivity analysis on key assumptions. These notes explain that there is material valuation uncertainty in relation to the fair value of the Investment Properties amounting to €37.241.987 as at 31 December 2020. The results of the above procedures were considered satisfactory.

Reporting on other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the Management Report and the Declaration of the members of the Board of Directors and the Company Officials for the drafting of the financial statements, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our 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 our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and those charged with governance for the Financial Statements

The Board of Directors is responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats on safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal Requirements

Pursuant to the additional requirements of the Auditors Law of 2017, we report the following:

- In our opinion, the management report has been prepared in accordance with the requirements of the Cyprus Companies Law, Cap. 113, and the information given is consistent with the financial statements.

- In our opinion and in the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit we have not identified material misstatements in the management report.

Other Matters

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

Comparative figures

The financial statements of the Company for the year ended 31 December 2019, were audited by another auditor who expressed an unmodified opinion on those statements on 24 March 2020.

The engagement partner on the audit resulting in this independent auditor's report is Mr Nicos S Stavrou.

Nicos S Stavrou
Certified Public Accountant and Registered Auditor for and on behalf of

PricewaterhouseCoopers Limited
Certified Public Accountants and Registered Auditors Nicosia

PwC Central, 43 Demostheni Severi Avenue
CY-1080 Nicosia Cyprus

29 April 2021

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2020

	Note	*2020*	*2019 Restated*
		€	€
Fair value loss on investment property	8	(8.479.220)	(320.334)
Interest expense on loan from the parent company	14.1	(351.828)	(309.801)
Operating expenses	5	(175.659)	(183.887)
Loss for the year before tax		(9.006.707)	(814.022)
Income tax	6	263.972	18.836
Loss for the year		(8.742.735)	(795.186)
Other comprehensive income for the year		-	-
Total comprehensive loss		(8.742.735)	(795.186)
Basic and diluted loss per share	7	(0,255)	(0,023)

STATEMENT OF FINANCIAL POSITION
as at December 2020

	Note	2020	2019 Restated	1/1/2019 Restated
		€	€	€
ASSETS				
Non – current assets				
Investment property	8	37.241.987	45.147.000	44.917.000
Equipment and intangible assets	10	1.863	2.855	6.984
		37.243.850	45.149.855	44.923.984
Current assets				
VAT refundable		89.554	81.414	69.008
Cash at bank and at hand	11	15.659	50.265	4.849
		105.213	131.679	73.857
Total assets		37.349.063	45.281.534	44.997.841
EQUITY AND LIABILITIES				
Capital and reserves				
Share capital	12	343.280	343.280	343.280
Share premium		37.197.991	37.197.991	37.197.991
Accumulated losses		(9.785.947)	(1.043.212)	(248.026)
Total equity		27.755.324	36.498.059	37.293.245
Non- current liabilities				
Deferred tax	6	3.130	267.102	285.938
Total non-current liabilities		3.130	267.102	285.938
Current liabilities				
Loan from the parent company	14.1	9.568.315	8.490.162	7.359.266
Other payables	13	609	-	18.000
Accrued expenses		21.685	26.211	41.392
Total current liabilities		9.590.609	8.516.373	7.418.658
Total liabilities		9.593.739	8.783.475	7.704.596
Total equity and liabilities		37.349.063	45.281.534	44.997.841

On 29 April 2021 the Board of Directors of Universal Golf Enterprises PLC authorised the financial statements for issue.

Andreas Georghiou - Chairman

Evan Gavas - Director

STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2020

	Share Capital	*Share Premium (1)*	*Accumulated losses*	*Total*
	€	€	€	€
At 1 January 2019 – as originally presented	343.280	37.197.991	(2.493.876)	35.047.395
Correction of prior year error (Note 3)	-	-	2.245.850	2.245.850
At 1 January 2019 – as restated	343.280	37.197.991	(248.026)	37.293.245
Total comprehensive loss for the year – as restated	-	-	(795.186)	(795.186)
At 31 December 2019 – as restated	343.280	37.197.991	(1.043.212)	36.498.059
Total comprehensive loss for the year	-	-	(8.742.735)	(8.742.735)
At 31 December 2020	343.280	37.197.991	(9.785.947)	27.755.324

(1) Share premium is not available for distribution.

Companies which do not distribute 70% of their profits after tax, as defined by the Special Contribution for the Defence of the Republic Law, by the end of the two years after the end of the year of assessment to which the profits refer, will be deemed to have distributed this amount as dividend. Special contribution for defence at the rate of 17% will be payable on such deemed dividend to the extent that the shareholders for deemed dividend distribution purposes at the end of the period of two years from the end of the year of assessment to which the profits refer, are Cyprus tax residents and domiciled. From 1 March 2019, the deemed dividend distribution is subject to a 1,70% contribution to the National Health System, increased to 2,65% from 1 March 2020, with the exception of April 2020 until June 2020 when the 1,70% rate was applicable. The amount of this deemed dividend distribution is reduced by any actual dividend paid out of the profits of the relevant year by the end of the period of two years from the end of the year of assessment to which the profits refer. This special contribution for defence is paid by the Company for the account of the Shareholders.

STATEMENT OF CASH FLOWS
for the year ended 31 December 2020

	Note	2020	2019 Restated
		€	€
Cash flows from operating activities			
Loss before tax		(9.006.707)	(814.022)
Adjustments for:			
Fair value loss on investment property	8	8.479.220	320.334
Interest expense on loan from the parent company	14.1	351.828	309.801
Depreciation	5	1.910	5.268
		(173.749)	(178.619)
Movement in working capital			
Increase in VAT refundable		(8.140)	(12.406)
Increase / (decrease) in other payables		609	(18.000)
Decrease in accrued expenses		(4.526)	(15.181)
Net cash used in operating activities		(185.806)	(224.206)
Cash flows from investing activities			
Payment for additions of investment property	8	(574.207)	(550.334)
Payment for purchase of equipment and intangible assets	10	(918)	(1.139)
Net cash flows used in investing activities		(575.125)	(551.473)
Cash flows from financing activities			
Receipts from loan from the parent company	14.1	726.325	821.095
Net cash flows from financing activities		726.325	821.095
Net (decrease) / increase in cash and cash equivalents		(34.606)	45.416
Cash and cash equivalents at 1 January		50.265	4.849
Cash and cash equivalents at 31 December	11	15.659	50.265

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2020

1. Corporate information

The financial statements of Universal Golf Enterprises PLC, the "Company" for the year ended 31 December 2020 were authorised for issue in accordance with the resolution of the Board of Directors on 29 April 2021.

The Company was incorporated in Cyprus on 22 March 2011 as a private company under the name of Univasa Golf Enterprises Limited with limited liability under the Companies Law, Cap 113. On 20 July 2012 the Company's name changed to Universal Golf Enterprises Limited and on 2 October 2014 the Company was converted into a public company under the name Universal Golf Enterprises PLC. The Company is a subsidiary of Universal Life Insurance Public Company Limited. Its registered office is situated at 85 Dighenis Akritas Avenue, 1070 Nicosia, Cyprus.

On 29 December 2014 the Company's shares were listed on the Emerging Companies Market of the Cyprus Stock Exchange.

The number of employees of the Company as at 31 December 2020 was 2 persons (2019: 2).

The Company is subsidiary of Universal Life Insurance Public Company Limited, a company incorporated in Cyprus. Copies of the Consolidated Financial Statements of Universal Life Insurance Public Company Ltd can be obtained from 85 Dighenis Akritas Avenue, 1070 Nicosia, Cyprus.

Operating environment

The Cyprus economy has been adversely affected by the outbreak of the new coronavirus (COVID-19). On 11 March 2020, the World Health Organisation declared the outbreak of COVID-19 a global pandemic recognising its rapid spread across the globe. In response to the pandemic, the government of the Republic of Cyprus and various governments globally implemented and continue to implement numerous measures attempting to contain and now delay the spreading and impact of COVID-19, such as requiring self-isolation by those potentially affected, implementing social distancing measures and mass quarantines, controlling or closing borders and imposing limitations on business activity, including closure of non-essential businesses.

These measures have, among other things, severely restricted economic activity both in Cyprus and globally and they have negatively impacted, and could continue to negatively impact, businesses, market participants as well as the Cyprus and global economies as they persist for an unknown period of time.

In addition, the recent abolishment of the Cyprus Investment Program (Naturalization Plan) is expected to have a negative impact on property prices/values in general.

Accordingly, the future effects of the COVID-19 pandemic, of the above measures on the Cyprus economy and of the abolishment of the Cyprus Investment Program (Naturalization Plan), and consequently on the future financial performance, cash flows and financial position of the Company, including fair values of the Company's properties, are difficult to predict and management's current expectations and estimates could differ from actual results. The Company's management believes that it is taking all the necessary measures to maintain the viability of the Company and the development of its business in the current economic environment.

1. Corporate information *(continued)*

Principal activities

The Company's principal activity is the ownership of plots of land in Vasa Kellakiou in Limassol. The Company plans to develop a golf course resort on these plots. The name of the project is Limassol Hills Golf Resort. The Company obtained the required planning permission for the project in May 2018. The project is envisioned to include a golf club, a boutique hotel, a tourist village as well as an extensive residential development of luxurious residences. Management's intention is to develop the project in association with a reputable international investor.

2. Summary of significant accounting policies

A summary of the principal accounting policies in the preparation of these financial statements are set out below.

2.1 Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and as per requirements of the Cyprus Companies Law, Cap.113.

The financial statements have been prepared on a historical cost basis, as modified by the initial recognition of financial instruments based on fair value, and by the revaluation of investment property, and are presented in Euro (€), which is the functional and presentation currency of the Company.

2.2 Going Concern

Management has prepared the financial statements on a going concern basis, based on the fact that the Company's parent has expressed its willingness to continue to provide adequate funds to the Company to meet its liabilities and not to demand repayment of the loan from the parent company for a period of at least 12 months from the date of approval of the financial statements and until the Company is in a position to do so. The Company has no external leverage and thus no onerous compliance covenants to which it needs to adhere and is in a sound positive net asset position. In addition, it has no significant liquidity needs in the next twelve months from the date of the issuance of the financial statements.

2.3 Adoption of new and revised IFRSs

As from 1 January 2020, the Company adopted all the new and revised IFRS, which are relevant to its operations and effective for accounting periods beginning on 1 January 2020. This adoption did not have a material effect on the accounting policies of the Company.

2.4 Standards, interpretations and amendments to published standards that are not yet effective

At the date of approval of these financial statements a number of new standards, interpretations and amendments to existing standards are effective for annual periods beginning after 1 January 2020 and have not been applied in preparing these financial statements. None of these is expected to have a significant effect on the financial statements of the Company, except the following set out below:

2. Summary of significant accounting policies *(continued)*

2.4 Standards, interpretations and amendments to published standards that are not yet effective *(continued)*

Classification of liabilities as current or non-current – Amendments to IAS 1 (issued on 23 January 2020 and effective for annual periods beginning on or after 1 January 2023)*
These narrow scope amendments clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Liabilities are non-current if the entity has a substantive right, at the end of the reporting period, to defer settlement for at least twelve months. The guidance no longer requires such a right to be unconditional. Management's expectations whether they will subsequently exercise the right to defer settlement do not affect classification of liabilities. The right to defer only exists if the entity complies with any relevant conditions as of the end of the reporting period. A liability is classified as current if a condition is breached at or before the reporting date even if a waiver of that condition is obtained from the lender after the end of the reporting period. Conversely, a loan is classified as non-current if a loan covenant is breached only after the reporting date. In addition, the amendments include clarifying the classification requirements for debt a company might settle by converting it into equity. 'Settlement' is defined as the extinguishment of a liability with cash, other resources embodying economic benefits or an entity's own equity instruments. There is an exception for convertible instruments that might be converted into equity, but only for those instruments where the conversion option is classified as an equity instrument as a separate component of a compound financial instrument. The Company is currently assessing the impact of the amendments on its financial statements and as of the date of issue of these financial statements the impact of the amendments is not reasonably estimable.

Classification of liabilities as current or non-current, deferral of effective date – Amendments to IAS 1 (issued on 15 July 2020 and effective for annual periods beginning on or after 1 January 2023)*
The amendment to IAS 1 on classification of liabilities as current or non-current was issued in January 2020 with an original effective date 1 January 2022. However, in response to the Covid-19 pandemic, the effective date was deferred by one year to provide companies with more time to implement classification changes resulting from the amended guidance. The Company is currently assessing the impact of the amendments on its financial statements and as of the date of issue of these financial statements the impact of the amendments is not reasonably estimable.

Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting policies (issued on 12 February 2021 and effective for annual periods beginning on or after 1 January 2023)*
IAS 1 was amended to require companies to disclose their material accounting policy information rather than their significant accounting policies. The amendment provided the definition of material accounting policy information. The amendment also clarified that accounting policy information is expected to be material if, without it, the users of the financial statements would be unable to understand other material information in the financial statements. The amendment provided illustrative examples of accounting policy information that is likely to be considered material to the entity's financial statements. Further, the amendment to IAS 1 clarified that immaterial accounting policy information need not be disclosed. However, if it is disclosed, it should not obscure material accounting policy information. To support this amendment, IFRS Practice Statement 2, 'Making Materiality Judgements' was also amended to provide guidance on how to apply the concept of materiality to accounting policy disclosures. The Company is currently assessing the impact of the amendments on its financial statements and as of the date of issue of these financial statements the impact of the amendments is not reasonably estimable.

2. Summary of significant accounting policies *(continued)*

2.4 Standards, interpretations and amendments to published standards that are not yet effective *(continued)*

Amendments to IAS 8: Definition of Accounting Estimates (issued on 12 February 2021 and effective for annual periods beginning on or after 1 January 2023)*
The amendment to IAS 8 clarified how companies should distinguish changes in accounting policies from changes in accounting estimates. The Company is currently assessing the impact of the amendments on its financial statements and as of the date of issue of these financial statements the impact of the amendments is not reasonably estimable.

** Denotes standards, interpretations and amendments which have not yet been endorsed by the European Union.*

2.5 Financial instruments

2.5.1 Date of recognition

All the financial assets are initially recognised on the trade date. Purchases or sales of financial assets, where delivery is required within a time frame established by regulations or by market convention, are also recognised on the trade date, i.e. the date that the Company commits to purchase or sell the asset.

2.5.2 Initial recognition and measurement of financial instruments

The classification of financial assets on initial recognition depends on their contractual terms and the business model for managing the instruments, as described in Note 2.5.4.

All financial instruments are measured initially at their fair value plus, in the case of financial assets and liabilities not measured at fair value through profit or loss, any directly attributable incremental costs of acquisition or issue.

2.5.3 Measurement categories of financial assets

The financial assets are classified and measured at either amortised cost, or fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVPL). The classification and measurement of financial assets depends on how these are managed as part of the Business Models the Company operates under and their contractual cash flow characteristics (whether the cash flows represent solely payments of principle and interest (SPPI)).

According to IFRS 9, the Company may elect, upon initial recognition, to designate a financial asset to be valued at FVPL, if doing so eliminates or significantly reduces a measurement inconsistency (i.e. "accounting mismatch") which would have occurred from the impairment of the financial assets or liabilities or the recognition of gain and losses from these measurement bases. By nature, these financial instruments significantly reduce a measurement or recognition inconsistency and for this reason they are remeasured at FVPL.

2.5.4 Classification and measurement of financial assets

The classification and measurement of financial assets depends on how these are managed as part of the Business Models the Company operates under and their contractual cash flow characteristics (whether the cash flows represent solely payments of principle and interest (SPPI)).

2. Summary of significant accounting policies *(continued)*

2.5 Financial instruments *(continued)*

2.5.4 Classification and measurement of financial assets *(continued)*

Business model assessment

The Company assesses the business model at a portfolio level. The portfolio level is determined at the aggregation level that reflects how the Company manages its financial assets and the business model is based on observable factors which include:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the Company's key management personnel;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way in which those risks are managed;
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected);
- The expected frequency, value and timing of sales are also important aspects of the Company's assessment.

If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

On transition to IFRS 9, business models were determined on the date of initial application based on facts and circumstances that existed on 1 January 2018 and are re-assessed at each reporting date.

Contractual cash flows characteristics test (SPPI assessment)

The Company assesses whether the individual financial assets' cash flows represent solely payments of principal and interest on the principal amount outstanding at origination (SPPI test).

For the purposes of this assessment, principal is defined as the fair value of the financial asset on initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount). Interest is defined as consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether contractual cash flows are SPPI, the Company applies judgment and considers the terms that could change the contractual cash flows so that they would not meet the condition for SPPI, and be inconsistent to a basic lending arrangement, including: (i) contingent and leverage features, (ii) interest rates which are beyond the control of the Company or variable interest rate consideration, (iii) features that could modify the time value of money, (iv) prepayment and extension options, (v) non-recourse arrangements and (vi) convertible features.

2.5.5 Financial assets measured at amortised cost

Financial assets are measured at amortised cost if they meet both of the following conditions:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows;
- The contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

2. Summary of significant accounting policies *(continued)*

2.5 Financial instruments *(continued)*

2.5.5 Financial assets measured at amortised cost *(continued)*

This classification relates to cash at bank and at hand that pass the SPPI test. These financial assets are measured at amortised cost less allowances for expected credit losses (ECL). Any interest income is recognised under Interest Income in the income statement. ECL are recognised in the income statement.

2.5.6 Derecognition of financial assets

A financial asset is derecognised when: (a) the contractual rights to receive cash flows from the asset have expired, or (b) the Company has transferred its contractual rights to receive cash flows from the asset or (c) has assumed an obligation to pay the received cash flows in full to a third party and has: either (i) transferred substantially all the risks and rewards of the asset, or (ii) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

2.5.7 Impairment of financial assets

2.5.7.1 Overview of ECL principle

The Company uses a forward looking ECL model, requiring judgement, estimates and assumptions in determining the level of ECLs. The impairment requirements are applied to the financial assets that are not measured at FVPL. Specifically, ECLs are recorded for all financial assets measured at amortised cost.

At initial recognition, impairment allowance is required for ECL resulting from default events that are possible within the next 12 months (12-month ECL). In the event of a significant increase in credit risk since initial recognition, impairment allowance is required resulting from all possible default events over the expected life of the financial instrument (lifetime ECL), otherwise the impairment is based on the 12-month ECL.

The Company groups its financial assets for ECL measurement as described below:

Stage 1: Financial assets which have not had a significant increase in credit risk since initial recognition are considered to be Stage 1 and 12-month ECL is recognised.

Stage 2: Financial assets that are considered to have experienced a significant increase in credit risk since initial recognition are considered to be Stage 2 and lifetime losses are recognised.

Stage 3: Financial assets which are considered to be credit-impaired and lifetime losses are recognised.

Expected credit losses are recognized in the income statement with a corresponding impairment provision for expected credit losses presented as a decrease in the carrying amount of financial assets measured at amortized cost in the statement of financial position. For the years ended 31 December 2019 and 2020, there was no material impact, on the financial instruments measured at amortized cost, from expected credit losses.

2.5.7.2 Significant increase in credit risk

IFRS 9 requires that in the event of a significant increase in credit risk since initial recognition, the calculation basis of the loss allowance would change from 12-month ECLs to lifetime ECLs.

2. Summary of significant accounting policies *(continued)*

2.5.7.2 Significant increase in credit risk *(continued)*

The assessment of whether credit risk has increased significantly since initial recognition, is performed at each reporting period, by considering the change in the risk of default occurring over the remaining life of the financial instrument since initial recognition

2.5.7.3 Parameters for measurement of ECLs

IFRS 9 ECL reflects an unbiased, probability-weighted estimate based on either loss expectations resulting from default events over a maximum 12-month period from the reporting date or over the remaining life of a financial instrument.

The Company calculates ECLs for bonds and cash in banks, using the following three components:
- exposure at default (EAD),
- loss given default (LGD), and
- probability of default (PD)

EAD represents the expected exposure in the event of a default during the life of a financial instrument.

PD represents the probability an exposure defaults and is calculated based on the external credit ratings.

LGD represents an estimate of the loss if default occurs at a given time. It is usually expressed as a percentage of the EAD.

The Company calculates expected credit losses for cash bank and at hand. The calculation takes into account the creditworthiness of the respective banking institution with which the Company holds cash and deposits. During the years ended 31 December 2019 and 2020, there was no material effect on the Company's Financial Statements from expected credit losses.

2.6 Cash and cash equivalents

Cash and short-term deposits, for the purpose of the statement of cash flows, comprise cash at bank and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash and cash equivalents are carried at AC because: (i) they are held for collection of contractual cash flows and those cash flows represent SPPI, and (ii) they are not designated at fair value through profit or loss.

2.7 Other payables

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

2.8 Loan from the parent company

The loan from the parent company is initially measured at fair value of the consideration received net of issue costs. Subsequently it is measured at amortised cost using the effective interest rate method.

2.9 Financial liabilities

All financial liabilities are recognised initially at fair value and in the case of loans and borrowings, less directly attributable transaction costs. The Company's financial liabilities comprise other payables and loan from the parent company.

2. Summary of significant accounting policies *(continued)*

2.9.1 Derecognition of financial liabilities

Financial liabilities

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

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

2.10 Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the statement of financial position.

2.11 Share capital

Ordinary shares are classified as equity. The difference between the fair value of the consideration received by the Company and the nominal value of the share capital being issued is taken to the share premium account.

The share premium can only be resorted to for limited purposes, which do not include the distribution of dividends, and is otherwise subject to the provisions of the Cyprus Companies Law on reduction of share capital.

2.12 Equipment and intangible assets

Equipment is measured at cost, less accumulated depreciation and any impairment in value. Depreciation of equipment and amortisation of intangible assets is calculated on cost, on a straight line basis over its estimated useful life, using the following annual rates:

Office equipment	10%
Motor vehicles	15%
Computer equipment	20%
Computer software	33,33%

At the reporting date, the carrying value of equipment is assessed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. Where the carrying value exceeds the estimated recoverable amount equipment is written down to its recoverable amount.

2.13 Investment property

Property that is held for rental and / or for capital appreciation is classified as investment property.

Investment property is initially measured at cost including transaction costs. Subsequent to initial recognition, investment property is measured at fair value as at the reporting date.

Valuations are carried out by independent valuers. Depending on the nature of the property and the existing market information the determination of fair value may require the use of estimates such as future cash flows from property and the appropriate discount rate for the flows.

2. Summary of significant accounting policies *(continued)*

2.13 Investment property *(continued)*

Gains or losses arising from changes in the fair value of investment property are included in the income statement of the period in which they arise.

Investment property also includes property that is being constructed or developed for future use as investment property.

The land owned by the Company was categorised as investment property, as it is held for a currently undetermined future use and is regarded as held for capital appreciation.

2.14 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 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.

2.15 Transactions with equity owners/common control entities

The Company enters into transactions with shareholders and common control entities. When consistent with the nature of the transaction, the Company's accounting policy is to recognise any gains or losses with equity holders and other entities which are under the control of the ultimate shareholder, directly through equity and consider these transactions as the receipt of additional capital contributions or the payment of dividends. Similar transactions with non-equity holders or common control entities, are recognised through the profit or loss in accordance with IFRS 9, 'Financial Instruments'.

2.16 Income Tax

Current income tax assets and liabilities for the current period are measured at the period expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the country where the Company operates and generates taxable income.

Deferred income 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, the 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 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 reporting date 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 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.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on the Company where there is an intention to settle the balances on a net basis.

2. Summary of significant accounting policies *(continued)*

2.17 Foreign currency translation

Functional and presentation currency

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

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 the profit or loss in the statement of comprehensive income. Non-monetary assets that are measured at historic cost in a foreign currency are retranslated using the exchange rates as at the date of the initial transactions.

3. Correction of prior year errors

1. Investment property classification

Until 2019, the Company classified its properties as 'Inventory'. In 2020, the Company proceeded with correcting the classification of these properties as 'Investment property' after taking into consideration management's intention and flexibility of realising the properties through a range of possible scenarios. Therefore, the necessary corrections were made in the comparative amounts.

The fair value of the investment property was estimated at €37.241.987 as at 31 December 2020 (2019: €45.147.000). To estimate the fair value, the Company uses valuation techniques that are appropriate under the circumstances and for which there is sufficient data available to estimate the fair value, maximizing the use of relevant observable data that are important to the fair value measurement.

The discounted cash flow (DCF) valuation model was applied by the Company for the plots of land located within the masterplan of the project, whereas the market comparison approach adjusted to specific market and ownership conditions was applied for the fair value measurement of the plots of land located outside the masterplan.

2. Borrowing costs

Until 2019, the Company was capitalising the interest expense on the loan from the parent company to its properties. Following the correction of the classification of the properties to investment property as noted above, the Company considered that the criterion of qualifying asset is not met. The Company concluded that the properties are not qualifying assets as defined in IAS 23 and ceased capitalising borrowing costs on these properties. Accordingly, the Company proceeded with the necessary corrections in the comparative amounts.

3. Correction of prior year errors *(continued)*

As a result of the above two prior year errors, the adjustments made to the financial position, cash flows and to the Company's results for the comparative year are as follows:

Statement of financial position

1 January 2019	As originally presented €	Correction from prior year error 1 €	Correction from prior year error 2 €	Restated €
Investment property	-	44.917.000	-	44.917.000
Inventory	42.671.150	(42.671.150)	-	-
Accumulated losses	(2.493.876)	2.245.850	-	(248.026)

31 December 2019	As originally presented €	Correction from prior year error 1 €	Correction from prior year error 2 €	Restated €
Investment property	-	45.147.000	-	45.147.000
Inventory	42.889.650	(42.889.650)	-	-
Accumulated losses	(3.300.562)	2.257.350	-	(1.043.212)

Statement of comprehensive income for the year ended 31 December 2019

	As originally presented €	Correction from prior year error 1 €	Correction from prior year error 2 €	Restated €
Impairment of inventory	(641.635)	331.834	309.801	-
Fair value loss on investment property	-	(320.334)	-	(320.334)
Interest expense on loan from the parent company	-	-	(309.801)	(309.801)
Total comprehensive loss	(806.686)	11.500	-	(795.186)
Basic and diluted earnings per share	0,023	0,000	0,000	0,023

Statement of cash flows the year ended 31 December 2019

	As originally presented €	Correction from prior year error 1 €	Correction from prior year error 2 €	Restated €
New cash used in operating activities	(774.540)	550.334	-	(224.206)
Net cash flows from investing activities	(1.139)	(550.334)	-	(551.473)

4. Significant accounting judgments and estimates

The preparation of financial statements in conformity with IFRS requires the Company's management to make estimates and 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 income and expenses during the reporting period. Therefore, actual results may differ from these estimates. These estimates are reviewed periodically and as adjustments become necessary, they are reported in the period in which they arise.

These assumptions and estimates with respect to the impact that may have on the results and financial position of the Company are set out below.

Fair value of investment property

The Company's accounting policy requires the investment property to be measured at fair value. The fair value is determined at each reporting date. The valuations are performed by qualified valuers using valuation models approved by the Royal Institution of Chartered Surveyors and the International Valuation Standards Committee. For their estimates, the valuers utilise their market knowledge and professional judgment and have not relied solely on historical transaction data, given that the degree of uncertainty is increased in relation to the existence of a more active market for the fair value estimate. Depending on the nature of the property and market available information, the fair value estimate may require the use of assumptions such as future cash flows and appropriate discount rate. All these assumptions are based on local market conditions at the reporting date. The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period. The significant valuation uncertainties arising from the pandemic and the abolishment of the Cyprus Investment Program, the significant unobservable inputs as well as sensitivity analysis on significant assumptions are presented in Note 8.

5. Operating expenses

	2020	2019
	€	€
Salaries	102.150	84.969
Employer's contributions	21.951	18.376
Legal and other professional fees	19.345	17.577
Auditor's remuneration	17.870	19.150
Travelling	246	980
Annual levy	350	350
Marketing expenses	-	650
Repairs and maintenance expenses	4.822	4.941
Advertising and promotional expenses	352	21.499
Printing and stationery	405	432
Directors' fees (Note 14.2)	2.420	3.620
Secretary's fees	-	520
Bank charges	226	268
Depreciation and amortisation (Note 10)	1.910	5.268
Other expenses	3.612	5.287
	175.659	183.887

6. Income Tax

	2020	2019
	€	€
Deferred tax income		
Reversal of temporary differences	263.972	18.836

Deferred tax liabilities	Revaluation of land €
At 1 January 2019	285.938
Credited to Profit or loss:	(18.836)
At 31 December 2019/ 1 January 2020	267.102
Credited to Profit or loss:	(263.972)
At 31 December 2020	3.130

The income tax rate is 12,5% (2019: 12,5%).

The Company is a member of a group of companies for the purposes of Article 13 of the Income Tax Law. As at 31 December 2020 there were €170.856 of tax losses surrendered to its parent company, Universal Life Insurance Public Company Limited (2019: €165.448). No payments were made for the group relief.

Under current legislation, tax losses may be carried forward for five years from the end of the relevant tax year and set off against future taxable income. The Company has accumulated losses carried forward for tax purposes as at 31 December 2020 amounting to €275.635 (2019: €499.132). The carried forward losses are analysed as follows:

	2020 €	2019 €	Carried forward until
2015 (restricted in 2020 due to five-year rule)	-	223.497	2020
2016	152.362	152.362	2021
2017	123.273	123.273	2022
Total	**275.635**	**499.132**	

Deferred tax liability arises on the difference between the tax base of the properties held by the Company and their carrying value. These properties have been transferred to the Company from its parent company, Universal Life Insurance Public Company Ltd, as part of a tax approved group reorganisation. The parent company compensated the Company for any tax exposure arising up to the value at which these properties have been transferred to the Company. No deferred tax liability was recognised on initial recognition of these properties since the properties were not acquired in a business combination and the transaction did not affect the accounting profit or taxable profit at the time of transaction and therefore the initial recognition exemption requirements of IAS 12 were met at the time of transaction. Total unrecognised deferred tax liability relating to the aforesaid temporary difference amounts to €435.081 (2019: €435.081).

6. Income Tax *(continued)*

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

	2020 €	2019 Restated €
Loss before tax	(9.006.707)	(814.022)
Tax calculated at the applicable tax rates (12.5%)	(1.125.838)	(101.753)
Tax effect of:		
Expenses not deductible	1.104.797	99.908
Tax losses surrendered to the parent company	21.357	20.681
Income not taxable	(316)	-
Overprovision of prior years' deferred tax	263.972	-
Tax charge for the year	263.972	18.836

7. Earnings per share

	2020 €	*2019 Restated* €
Basic and diluted loss per share		
Loss for the year	(8.742.735)	(795.186)
Weighted average number of shares in circulation over the year	34.328.000	34.328.000
Basic and diluted loss per share	(0,255)	(0,023)

At 31 December 2020 there are no potential dilutive ordinary shares outstanding (31 December 2019: Nil).

8. Investment property

	2020 €	*2019 Restated* €
At 1 January	45.147.000	44.917.000
Additions	574.207	550.334
Change in fair value	(8.479.220)	(320.334)
At 31 December	37.241.987	45.147.000

Changes in fair values of the investment property are presented in profit or loss.

The Company's investment property consists of plots of land in Vasa Kellakiou in Limassol. The Company holds a planning permission to develop a golf resort. The golf resort, named Limassol Hills Golf Resort (the project), is envisioned to include a golf club, boutique hotel, a tourist village as well as an extensive residential development of luxurious residences. On 31 December 2020 and 2019, the Company's investment property was valued by an independent professionally qualified valuer who holds a recognised relevant professional qualification and has recent experience in the locations and segments of the investment property valued. The valuations of these properties are classified as level 3 of the fair value hierarchy.

8. Investment property *(continued)*

A discounted cash flow (DCF) valuation model was applied by the Company for the plots of land located within the masterplan of the project, whereas the market comparison approach adjusted to specific market and ownership conditions was applied for the fair value measurement of the plots of land located outside the masterplan.

For the investment properties that are within the masterplan, their current use equates to the highest and best use. For the investment properties that are outside masterplan, the highest and best use is the development of the golf project.

Emphasis should be given on the project's reliance on demand and consequently the prices from the Cyprus Investment Program (Naturalization Plan). The recent abolishment of the program is expected to have a negative impact on property prices/values in general. This fact has been taken into account by the independent valuer in determining the sales velocity and values of the units of this project. Nevertheless, the possibility of further adjustments to the relevant values in the foreseeable should not be overlooked.

In addition, the new reality resulting from the prolonged health crisis and the abolishment of the Cyprus Investment Program creates unprecedented conditions and consequently the valuations from the external valuers were made on the basis of 'material valuation uncertainty' as defined by The Royal Institution of Chartered Surveyors (VPS 3 and VPGA 10, RICS Valuation Global Standards 2020). The data on which the valuer relied consists of comparative information before the spread of the pandemic and before associated restrictions imposed by the government. These restrictions greatly limit new transaction data which is a crucial element for fair value measurements based on the definition of market value and fair value.

Information about fair value measurement using significant unobservable inputs (Level 3) – 31 December 2020

Type and area	Valuation 2020 €	Valuation method	Key unobservable Inputs	Range of unobservable inputs 2020
Vasa Kellakiou Plots (outside masterplan)	900.000	Market comparison approach	Area in sq.m.	90.279
			Annual estimated fair value per sq.m.	€10
Vasa Kellakiou Plots (within masterplan)	36.341.987	Discounted cash flow method (DCF)	Area in sq.m.	1.986.986
			Annual estimated fair value per sq.m.	€18
			Discount rate	15,4%
			Sales velocity	25 years
			Selling prices for residences	€4.981 / m2
			Direct construction costs	€1.350 - €1.800 / m2
			Professional fees	5%
Total	**37.241.987**			

8. Investment property *(continued)*

In view of the uncertainty observed in the market, any changes in unobservable inputs may lead to a measurement of a significantly higher or lower fair value.

Sensitivity of fair value measurement to changes in significant unobservable inputs:

Vasa Kellakiou Plots (within masterplan):

	Impact on fair value of investment property
	2020
	€
Discount rate: 15%	1.950.000
Discount rate: 16%	(2.770.000)
Sales velocity: 30 years (+5 years)	(5.020.000)
Selling prices for residences: -10% (€4.483 / μ2)	(12.000.000)
Direct construction costs: +€100 / m2	(3.170.000)
Direct construction costs: -€100 / m2	3.180.000
Professional fees: +2% (7%)	(1.530.000)

Vasa Kellakiou Plots (outside masterplan):

	Impact on fair value of investment property
	2020
	€
Annual estimated fair value per sq.m.: +10%	90.000
Annual estimated fair value per sq.m.: -10%	(90.000)

Information about fair value measurement using significant unobservable inputs (Level 3) – 31 December 2019

Type and area	Valuation method	Key unobservable input	2019
Vasa Kellakiou-plots (within Masterplan)	DCF approach	Total area (within Masterplan)	1.969.594 m^2
		Estimated selling price per m^2	€22,38
Vasa Kellakiou-plots (outside Masterplan)	Market comparison approach	Total area (outside Masterplan)	107.671 m^2
		Estimated selling price per m^2	€10,00

9. Segmental information

The Company considers that there are no separate operating segments under IFRS 8 "Operating Segments" for which there is discrete financial information for making decisions on allocating resources and evaluating their performance. The Management of the Company (Board of Directors) (upper body for making operational decisions) take decisions for resource allocation and assessing their performance based on internal reports at Company level. These reports are in accordance with IFRS used for the preparation of the financial statements. There is no additional information on the performance of individual segments.

10. Equipment and intangible assets

	Motor Vehicle	Computer Hardware	Office Equipment	Computer Software	Total
	€	€	€	€	€
2020					
Cost					
1 January	28.750	6.279	205	3.840	39.074
Additions	-	918	-	-	918
Disposals	-	(3.295)	-	-	(3.295)
31 December	28.750	3.902	205	3.840	36.697
Depreciation					
1 January	28.750	5.782	80	1.607	36.219
Disposals	-	(3.295)	-	-	(3.295)
Charge for the year (Note 5)	-	771	21	1.118	1.910
31 December	28.750	3.258	101	2.725	34.834
Net book value					
31 December	-	644	104	1.115	1.863
2019					
Cost					
1 January	28.750	5.140	205	3.840	37.935
Additions	-	1.139	-	-	1.139
31 December	28.750	6.279	205	3.840	39.074
Depreciation					
1 January	25.875	4.526	60	490	30.951
Charge for the year (Note 5)	2.875	1.256	20	1.117	5.268
31 December	28.750	5.782	80	1.607	36.219
Net book value					
31 December	-	497	125	2.233	2.855

11. Cash at bank

	2020	*2019*
	€	€
Cash at bank and at hand	15.659	50.265

Cash at bank represents amounts in a current account that earned no interest during the year (2019: Nil).

12. Share capital

	2020 €	2019 €
Authorised		
50.000.000 shares of €0,01 each	500.000	500.000
Issued and fully paid		
34.328.000 shares of €0,01 each	343.280	343.280

13. Other payables

Other payables are measured at amortised cost, are denominated in Euro, payable on demand and bear no interest. Their fair values approximate their carrying amounts at the statement of financial position date.

14. Related party transactions

The Company is a subsidiary of Universal Life Insurance Public Company Limited. The parent company is controlled by Photos Photiades Group Ltd, which is registered in Cyprus and holds 54,10% of the parent company's shares. The remaining percentage of the parent company's shares is widely dispersed and there is no final person exercising control.

The ultimate parent company which prepares the consolidated financial statements of the largest body of undertakings of which the Company forms part as a subsidiary undertaking, is Photos Photiades Group Limited, incorporated in Cyprus with registered office at 8 Stasinou, Photou Photiade Building, 6th Floor, 1060 Nicosia, Cyprus and its consolidated financial statements are available at its registered address. Universal Life Insurance Public Company Limited, incorporated in Cyprus with registered office at 85, Digeni Akrita, Universal Tower, 1070 Nicosia, Cyprus is the parent company which prepares the consolidated financial statement of the smallest body of undertakings of which the Company forms part as a subsidiary undertaking.

The following transactions were carried out with related parties:

14.1 Loan from the parent company

The loan from the parent company is measured at amortised cost, is denominated in Euro, payable on demand and carries interest at 4% (2019: 4%).

	2020 €	2019 €
At beginning of year	8.490.162	7.359.266
Borrowings advanced during year	726.325	821.095
Interest charged using effective interest rate method	351.828	309.801
At end of year	9.568.315	8.490.162

14.2 Emoluments of directors

	2020	*2019*
	€	*€*
Non-executive directors	2.420	3.620

14.3 Surrender of tax losses

Tax losses amounting to €170.856 (2019: €165.448) were surrendered to the parent company as explained in Note 6.

15. Financial risk management

The Company is exposed to a variety of risks from the financial instruments it holds, the most significant of which are the following.

Liquidity Risk

Liquidity risk is the risk that the Company is unable to meet its current and future obligations in full or on time. The Company is exposed to liquidity risk, since it has to meet its current and future obligations and at the moment has no income from its operations. Other payables and accrued expenses are payable within the next three months.

The parent company has expressed its willingness to continue to provide adequate funds to the Company to meet its liabilities and not to demand repayment of the loan from the parent company until the Company is in a position to do so.

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company has limited exposure to credit risk arising from some limited amount held with a local financial institution.

Concentration Risk

The Company is exposed to concentration risk since it has all its cash balances with one financial institution, yet due to the relatively low balances held any exposure is contend.

16. Capital management

The Company sets objectives to maintain healthy capital ratios in order to support its business objectives and maximize value for shareholders.

Adjustments to capital levels may occur in the light of changes in the economic situation and the risks specific to the activities of the Company. In order to maintain the required capital, the Company may adjust the amount of dividends paid to the parent company, return capital to shareholders and issue new shares.

Capital as defined by management comprises equity and loan from the parent company as presented on the Company's statement of financial position.

17. Fair value of financial instruments

The fair value represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between markets participants at the measurement date.

The Company's management believes that the fair value of the financial assets and liabilities of the Company is approximately equal to their carrying value at the reporting date.

18. Events after the reporting date

Depending on the duration of the Coronavirus disease (COVID-19) pandemic, and continued negative impact on economic activity, the Company might experience negative results and incur fair value losses on its investment property in 2021. The exact impact on the Company's activities in 2021 and thereafter cannot be predicted.

There were no other material events after the reporting date, which have a bearing on the understanding of the financial statements

Independent auditor's report on pages 9 to 13