

Management accounts 30 June

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Attachment:

1. **Management accounts 30June 2018**

Non Regulated

Publication Date: 30/08/2018

NETinfo Plc

UNAUDITED FINANCIAL STATEMENTS

For the period from 1 January 2018 to 30 June 2018

NETinfo Plc**OFFICERS AND PROFESSIONAL ADVISORS****Board of Directors:****Executive**

Vassos Aristodemou
Polykarpos Hadjikyriakos
Orlando Castellanos

Non-executive

Pavlos Iosifidis
Kevin Ashby
Iacovos Koumi
Michael Kammass

Secretary

Polykarpos Hadjikyriakos

Independent Auditors

KPMG Limited

Bankers

Bank of Cyprus Public Company Ltd
Hellenic Bank Public Company Ltd
Alpha Bank Cyprus Ltd
National Bank of Greece (Cyprus) Ltd
USB Bank Plc
Eurobank Cyprus Ltd
Astrobank Ltd

Registered Office

23 Aglantzias Avenue
Netinfo Building
2108 Nicosia
Cyprus

Registration number

HE110368

NETinfo Plc**MANAGEMENT REPORT** *(continued)*

By order of the Board of Directors,



Vassos Aristodemou
Director

Nicosia, 2 August 2018

NETinfo Plc

CONSOLIDATED STATEMENT OF FINANCIAL POSITIONAs at 30 June 2018

	Note	Unaudited 30/06/2018 €	Audited 31/12/2017 €
Assets			
Non-current assets			
Property, plant and equipment	5	3,420,664	3,487,940
Intangible assets	6	3,053,324	2,954,636
Investment properties	7	482,000	482,000
Investments in associates	9	<u>156,830</u>	<u>156,830</u>
Total non-current assets		<u>7,112,818</u>	<u>7,081,406</u>
Current assets			
Inventories and work in progress	10	73,797	60,421
Trade and other receivables	11	1,254,005	993,725
Cash and cash equivalents	12	<u>388,485</u>	<u>454,670</u>
Total current assets		<u>1,716,287</u>	<u>1,508,816</u>
Total assets		<u>8,829,105</u>	<u>8,590,222</u>
Equity			
Share capital	13	2,578,767	2,578,767
Other reserves		1,123,098	918,293
Accumulated losses		<u>(758,784)</u>	<u>(626,685)</u>
Total equity		<u>2,943,081</u>	<u>2,870,375</u>
Liabilities			
Non-current liabilities			
Loans and borrowings	14	4,037,147	3,637,231
Deferred tax liabilities		77,975	77,975
Deferred income	16	<u>73,329</u>	<u>75,695</u>
Total non-current liabilities		<u>4,188,451</u>	<u>3,790,901</u>
Current liabilities			
Bank overdrafts	12	1,035,480	963,449
Short term portion of long-term loans	14	402,058	339,493
Trade and other payables	15	234,734	605,714
Deferred income	16	4,732	-
Tax liability	17	<u>20,569</u>	<u>20,290</u>
Total current liabilities		<u>1,697,573</u>	<u>1,928,946</u>
Total liabilities		<u>5,886,024</u>	<u>5,719,847</u>
Total equity and liabilities		<u>8,829,105</u>	<u>8,590,222</u>

On 2 August 2018 the Board of Directors of NETinfo Plc approved and authorised these consolidated financial statements for issue.

The notes on pages 9 to 15 are an integral part of these consolidated financial statements.

NETinfo Plc

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period from 1 January 2018 to 30 June 2018

	Share capital €	Share premium €	Fair value reserve - land and buildings €	Translation reserve €	Retained earnings €	Total equity €
Balance at 1 January 2017	2.578.767	524.601	813.499	(436.894)	(569.235)	2.910.738
Profit for the year	-	-	-	-	43.145	43.145
Exchange difference arising on the translation and consolidation of foreign companies' financial statements	-	-	-	192.734	-	192.734
Special contribution to the defence fund on deemed distribution	-	-	-	-	(25.289)	(25.289)
Balance at 30 June 2017	<u>2.578.767</u>	<u>524.601</u>	<u>813.499</u>	<u>(244.160)</u>	<u>(551.379)</u>	<u>3.121.328</u>
Balance at 1 January 2018	2.578.767	524.601	819.515	(425.823)	(626.685)	2.870.375
Loss for the period	-	-	-	-	(132.099)	(132.099)
Exchange difference arising on the translation and consolidation of foreign companies' financial statements	-	-	-	204.805	-	204.805
Balance at 30 June 2018	<u>2.578.767</u>	<u>524.601</u>	<u>819.515</u>	<u>(221.018)</u>	<u>(758.784)</u>	<u>2.943.081</u>

Companies which do not distribute 70% of their profits after tax, as defined by the Special Contribution for the Defence of the Republic Law, during 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 17% will be payable on such deemed dividend to the extent that the ultimate shareholders at the end of the period of two years from the end of the year of assessment to which the profits refer are both Cyprus tax resident and Cyprus domiciled. The amount of this deemed dividend distribution is reduced by any actual dividend paid out of the profits of the relevant year at any time. This special contribution for defence is paid by the company for the account of the shareholders.

The notes on pages 9 to 15 are an integral part of these consolidated financial statements.

NETinfo Plc

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTSFor the period from 1 January 2018 to 30 June 2018**1. OPERATING PROFIT**

		Unaudited 01/01/2018 to 30/06/2018 €	Unaudited 01/01/2017 to 30/06/2017 €
	Note		
Operating profit is stated after charging the following items:			
Depreciation of property, plant and equipment	5	89.457	125.645
Staff costs	2	798.118	673.436
Independent auditors' remuneration for the statutory audit of annual accounts		-	7.520

2. STAFF COSTS

		Unaudited 01/01/2018 to 30/06/2018 €	Unaudited 01/01/2017 to 30/06/2017 €
	Note		
Salaries		663.052	559.317
Social insurance contributions		94.376	80.883
Social cohesion fund contributions		17.360	14.468
Pensions cost		23.330	18.768
Total staff costs	1	798.118	673.436

3. FINANCE INCOME AND EXPENSES

		Unaudited 01/01/2018 to 30/06/2018 €	Unaudited 01/01/2017 to 30/06/2017 €
Finance income			
Bank interest		3.500	-
Finance costs			
Loan interest		108.754	105.747
Other interest		187	-
Bank charges		9.564	14.663
Realised foreign exchange loss		17.789	6.651
		136.294	127.061

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTSFor the period from 1 January 2018 to 30 June 2018**7. INVESTMENT PROPERTY**

	Unaudited 30/06/2018 €	Audited 31/12/2017 €
Balance at 1 January	<u>482.000</u>	<u>482.000</u>

Investment property comprises of three apartments used as office spaces. The properties are located in a central location in Nicosia.

The fair value of investment property was determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The significant inputs and assumptions are developed in close consultation with the Directors. The valuation process and fair value changes are reviewed by the Board of Directors at each reporting date.

8. INVESTMENTS IN SUBSIDIARIES

The details of the subsidiaries are as follows:

<u>Name</u>	<u>Country of incorporation</u>	<u>Principal activities</u>	<u>Holding %</u>
NETinfo Services Limited	Cyprus	Development of software	100
NETteller Solutions S.A.	Costa Rica	Development of software	100
NETinfo Limited	United Kingdom	Development of software	100
NETinfoPAY Ltd	Cyprus	Electronic money institution	100
NETinfo CIS LLC	Russia	Development of software	100

9. INVESTMENTS IN ASSOCIATED UNDERTAKINGS

	Unaudited 30/06/2018 €	Audited 31/12/2017 €
Balance at 1 January	156.830	456.076
Exchange differences	-	11.071
Share of profit/(loss) from associates	-	(14.427)
Disposal of PlusPay LLC	-	(295.890)
	<u>156.830</u>	<u>156.830</u>

NETinfo Plc

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period from 1 January 2018 to 30 June 2018

12. CASH AND CASH EQUIVALENTS

Cash balances are analysed as follows:

	Unaudited 30/06/2018 €	Audited 31/12/2017 €
Cash at bank and in hand	21.700	102.885
Bank deposits	<u>366.785</u>	<u>351.785</u>
	<u>388.485</u>	<u>454.670</u>

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

	Unaudited 30/06/2018 €	Audited 31/12/2017 €
Cash and cash equivalents	388.486	454.670
Restricted deposits	<u>(1.785)</u>	<u>(1.785)</u>
	386.701	452.885
Bank overdrafts	<u>(1.035.480)</u>	<u>(963.449)</u>
	<u>(648.779)</u>	<u>(510.564)</u>

13. SHARE CAPITAL

	Unaudited 30/06/2018 Number of shares	Unaudited 30/06/2018 €	Audited 31/12/2017 Number of shares	Audited 31/12/2017 €
Authorised				
Ordinary shares of €1,71 each	<u>38.461.538</u>	<u>8.461.538</u>	<u>38.461.538</u>	<u>8.461.538</u>
Issued and fully paid				
Balance at 1 January	<u>11.721.670</u>	<u>2.578.767</u>	<u>11.721.670</u>	<u>2.578.767</u>
	<u>11.721.670</u>	<u>2.578.767</u>	<u>11.721.670</u>	<u>2.578.767</u>

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTSFor the period from 1 January 2018 to 30 June 2018**15. TRADE AND OTHER PAYABLES**

	Unaudited 30/06/2018 €	Audited 31/12/2017 €
Trade payables	90.985	291.064
Prepayments from clients	172	172
Social insurance and other taxes	38.054	55.140
VAT	39.436	41.879
Directors' current accounts - credit balances	8.135	47.870
Accruals	26.953	31.882
Other creditors	25.255	131.963
Special contribution to the defence fund on payable dividends	5.744	5.744
	<u>234.734</u>	<u>605.714</u>

The fair values of trade and other payables due within one year approximate to their carrying amounts as presented above.

16. DEFERRED INCOME

	Unaudited 30/06/2018 €	Audited 31/12/2017 €
Government grants	<u>78.061</u>	<u>75.695</u>
Deferred income more than one year	73.329	75.695
Deferred income within one year	4.732	-
	<u>78.061</u>	<u>75.695</u>

Government grants relate to funds received by the Human Resource Development Authority and European Bank of Research & Development in relation to innovative businesses.

17. TAX LIABILITY

	Unaudited 30/06/2018 €	Audited 31/12/2017 €
Corporation tax	19.720	19.720
Special contribution to the defence fund	849	570
	<u>20.569</u>	<u>20.290</u>

18. FAIR VALUES

The fair values of the Group's financial assets and liabilities measured at amortised cost approximate their carrying amounts at the reporting date.