

City N City Holdings Plc
Audited Financial Statements
31 December 2017

AM & COMPANY

Chartered accountant & statutory auditor
6 Westmoreland Street
Harrogate
HG1 5AT

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City N City Holdings Plc

Financial Statements

Period from 29 October 2017 to 31 December 2017

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City N City Holdings Plc

Strategic Report

Period from 29 October 2017 to 31 December 2017

Principle Activities

City N City Holdings Plc is a holding company for its investments. The company itself has not undertaken any trading activity during the course of the year and only incurred small losses for administrative purposes. The shares are not traded on any regulated or listed market and are owned privately.

Overview

The Company's development to date, financial results and position as presented in the financial statements are considered satisfactory by the directors.

Risks Faced by the Company

The company has held off from any further UK investments as a result of Brexit and the uncertainty this has created, and this has been considered the principle risk identified.

Other risks are that identified below.

Financial risk factors

The Company is exposed to credit risk, liquidity risk, currency risk and capital risk management arising from the financial instruments it holds. The risk management policies employed by the Company to manage these risks are discussed below:

Credit risk

Credit risk arises when a failure by counter parties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the reporting date. The Company has no significant concentration of credit risk. The Company has policies in place to ensure that investment and financing transactions are entered into with counterparties with an appropriate credit history and monitors on a continuous basis the ageing profile of its receivables.

Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability but can also increase the risk of losses. The Company has procedures with the object of minimising such losses such as maintaining sufficient cash and other highly liquid current assets and by having available an adequate amount of committed credit facilities.

Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Company's measurement currency. The Company is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the Ukrainian Hryvnia. The Company's management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

Capital risk management

Capital includes equity shares.

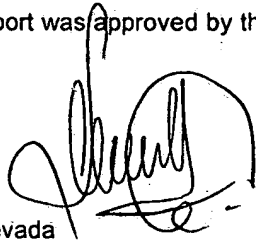
The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Company's overall strategy remains unchanged from last year.

City N City Holdings Plc

Strategic Report *(continued)*

Period from 29 October 2017 to 31 December 2017

This report was approved by the board of directors on 7 June 2019 and signed on behalf of the board by:



Mr S Levada
Director

Registered office:
89 Oakfield Road
Southgate
United Kingdom
N14 6LT

City N City Holdings Plc

Directors' Report

Period from 29 October 2017 to 31 December 2017

The directors present their report and the financial statements of the company for the period ended 31 December 2017.

Directors

The directors who served the company during the period were as follows:

Ms D Olena
Mr S Levada

Dividends

The directors do not recommend the payment of a dividend.

Future developments

The Company's development to date, financial results and position as presented in the financial statements are considered satisfactory.

Directors' responsibilities statement

The directors are responsible for preparing the strategic report, directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

City N City Holdings Plc

Directors' Report *(continued)*

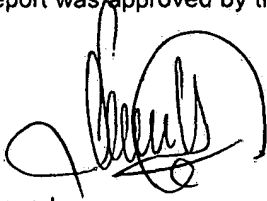
Period from 29 October 2017 to 31 December 2017

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This report was approved by the board of directors on 7 June 2019 and signed on behalf of the board by:



Mr S Levada
Director

Registered office:
89 Oakfield Road
Southgate
United Kingdom
N14 6LT

City N City Holdings Plc

Independent Auditor's Report to the Members of City N City Holdings Plc

Period from 29 October 2017 to 31 December 2017

Disclaimer of opinion

I was engaged to audit the financial statements of City N City Holdings Plc (the 'company') for the year ended 31 December 2017 which comprise the statement of income and retained earnings, statement of financial position, statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with chapter 3 of part 16 of the Companies Act 2006. My audit work has been undertaken so that I might state to the company's members those matters I am required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the company and the company's members as a body, for my audit work, for this report, or for the opinions I have formed.

We do not express an opinion on the accompanying financial statements of the company. Because of the significance of the matter described in the basis for disclaimer of opinion section of our report, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for disclaimer of opinion

The Company's investment in its subsidiary Paklinons Holdings Ltd is carried at £50,000 in the company's statement of financial position, which represents over 90% of the Company's net assets as at 31 December 2017.

We have not been given sufficient time to access the management of Paklinon Holdings Cyprus, including Paklinons auditors' and their audit documentation. As a result, we were unable to determine whether any adjustments were necessary to these financial statements. Further to this we are reliant on management representation regarding expenditure undertaken during the course of the year and future forecasts without the support of any audit evidence.

Other information

The other information comprises the information included in the annual report, other than the financial statements and my auditor's report thereon. The directors are responsible for the other information. My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon.

Opinions on other matters prescribed by the Companies Act 2006

Because of the significance of the matter described in the basis for disclaimer of opinion section of our report, we have been unable to form an in our opinion, whether based on the work undertaken in the course of the audit:

- the information given in the strategic report and directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

City N City Holdings Plc

Independent Auditor's Report to the Members of City N City Holdings Plc (continued)

Period from 29 October 2017 to 31 December 2017

Matters on which i am required to report by exception

Notwithstanding our disclaimer of an opinion on the financial statements, In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit performed subject to the limitation described above we have not identified any material misstatements in the strategic report or directors report.

Arising from the limitation of our work referred to above:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether adequate accounting records have been kept

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- the financial statements are not in agreement with the accounting records and the returns;
- certain disclosures of directors' remuneration specified by law are not made;

City N City Holdings Plc

Independent Auditor's Report to the Members of City N City Holdings Plc (continued)

Period from 29 October 2017 to 31 December 2017

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

My objectives 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) 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 (UK), I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my 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 internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

City N City Holdings Plc

Independent Auditor's Report to the Members of City N City Holdings Plc (continued)

Period from 29 October 2017 to 31 December 2017

I 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 I identify during my audit.



Asim Manzoor
AM & Company
Chartered accountant & statutory auditor
6 Westmoreland Street
Harrogate
HG1 5AT

7 June 2019

City N City Holdings Plc

Statement of Income and Retained Earnings

Period from 29 October 2017 to 31 December 2017

		Period from 29 Oct 17 to 31 Dec 17 £	Period from 1 Nov 16 to 28 Oct 17 £
Administrative expenses		—	7,510
Operating loss	4	—	(7,510)
Other interest receivable and similar income	6	—	10
Loss before taxation		—	(7,500)
Tax on loss		—	—
Loss for the financial period and total comprehensive income		—	(7,500)
Retained losses at the start of the period		(19,377)	(11,877)
Retained losses at the end of the period		(19,377)	(19,377)

All the activities of the company are from continuing operations.

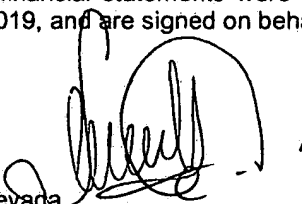
The notes on pages 12 to 16 form part of these financial statements.

City N City Holdings Plc
Statement of Financial Position
31 December 2017

	Note	31 Dec 17 £	28 Oct 17 £
Fixed assets			
Investments	7	50,000	50,000
Current assets			
Cash at bank and in hand		907	907
Creditors: amounts falling due within one year	8	20,284	20,284
Net current liabilities		19,377	19,377
Total assets less current liabilities		30,623	30,623
Net assets		30,623	30,623
Capital and reserves			
Called up share capital	9	50,000	50,000
Profit and loss account		(19,377)	(19,377)
Shareholders funds		30,623	30,623

The company has applied S399(2A) and not prepared consolidated group accounts.

These financial statements were approved by the board of directors and authorised for issue on 7 June 2019, and are signed on behalf of the board by:



Mr S Levada
 Director

Company registration number: 05973044

The notes on pages 12 to 16 form part of these financial statements.

City N City Holdings Plc

Statement of Cash Flows

Period from 29 October 2017 to 31 December 2017

	31 Dec 17 £	28 Oct 17 £
Cash flows from operating activities		
Loss for the financial period	–	(7,500)
<i>Adjustments for:</i>		
Other interest receivable and similar income	–	(10)
Accrued expenses	–	2,750
Cash generated from operations	–	(4,760)
Interest received	–	10
Net cash used in operating activities	–	(4,750)
Cash flows from financing activities		
Proceeds from borrowings	–	2,175
Net cash from financing activities	–	2,175
Net decrease in cash and cash equivalents	–	(2,575)
Cash and cash equivalents at beginning of period	907	3,482
Cash and cash equivalents at end of period	907	907

The notes on pages 12 to 16 form part of these financial statements.

City N City Holdings Plc

Notes to the Financial Statements

Period from 29 October 2017 to 31 December 2017

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is 89 Oakfield Road, Southgate, N14 6LT, United Kingdom.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'. The company has taken advantage of S399(2A) under the CA which provides an exemption to produce consolidated group accounts.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity:

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant judgements

The judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as follows:

Impairment of investments in subsidiaries/associates

The Company periodically evaluates the recoverability of investments in subsidiaries/associates whenever indicators of impairment are present. Indicators of impairment include such items as declines in revenues, earnings or cash flows or material adverse changes in the economic or political stability of a particular country, which may indicate that the carrying amount of an asset is not recoverable. If facts and circumstances indicate that investment in subsidiaries/associates may be impaired, the estimated future discounted cash flows associated with these subsidiaries/associates would be compared to their carrying amounts to determine if a write-down to fair value is necessary.

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Listed investments are measured at fair value with changes in fair value being recognised in profit or loss.

City N City Holdings Plc

Notes to the Financial Statements *(continued)*

Period from 29 October 2017 to 31 December 2017

3. Accounting policies *(continued)*

Investments in associates

Investments in associates accounted for in accordance with the cost model are recorded at cost less any accumulated impairment losses.

Investments in associates accounted for in accordance with the fair value model are initially recorded at the transaction price. At each reporting date, the investments are measured at fair value, with changes in fair value recognised in other comprehensive income/profit or loss. Where it is impracticable to measure fair value reliably without undue cost or effort, the cost model will be adopted.

Dividends and other distributions received from the investment are recognised as income without regard to whether the distributions are from accumulated profits of the associate arising before or after the date of acquisition.

Investments in joint ventures

Investments in jointly controlled entities accounted for in accordance with the cost model are recorded at cost less any accumulated impairment losses.

Investments in jointly controlled entities accounted for in accordance with the fair value model are initially recorded at the transaction price. At each reporting date, the investments are measured at fair value, with changes in fair value recognised in other comprehensive income/profit or loss. Where it is impracticable to measure fair value reliably without undue cost or effort, the cost model will be adopted.

Dividends and other distributions received from the investment are recognised as income without regard to whether the distributions are from accumulated profits of the joint venture arising before or after the date of acquisition.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Financial instruments

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument.

City N City Holdings Plc

Notes to the Financial Statements *(continued)*

Period from 29 October 2017 to 31 December 2017

3. Accounting policies *(continued)*

Financial instruments *(continued)*

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Where investments in non-convertible preference shares and non-puttable ordinary shares or preference shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in profit or loss. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in profit or loss, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

4. Operating profit

Operating profit or loss is stated after crediting:

Period from 29 Oct 17 to 31 Dec 17 £	Period from 1 Nov 16 to 28 Oct 17 £
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5. Auditor's remuneration

Period from 29 Oct 17 to 31 Dec 17 £	Period from 1 Nov 16 to 28 Oct 17 £
—	2,750

Fees payable for the audit of the financial statements

City N City Holdings Plc

Notes to the Financial Statements *(continued)*

Period from 29 October 2017 to 31 December 2017

6. Other interest receivable and similar income

	Period from 29 Oct 17 to 31 Dec 17 £	Period from 1 Nov 16 to 28 Oct 17 £
Interest on bank deposits	—	10

7. Investments

	Shares in group undertakings £
Cost	
At 29 October 2017 and 31 December 2017	50,000
Impairment	
At 29 October 2017 and 31 December 2017	—
Carrying amount	
At 31 December 2017	50,000
At 28 October 2017	50,000

Subsidiaries, associates and other investments

	Registered office	Class of share	Percentage of shares held
Subsidiary undertakings			
Parklinon Holdings Ltd	Egypt Street 12 PC 1097 Nicosia Cyprus	Ordinary	100

City N City Holdings has taken advantage of the exemption to not produce group consolidated accounts, under SEC 399 for entities that would normally be exempt under the small company regime other than being a PLC.

The results and capital and reserves for the period are as follows:

	Capital and reserves		Profit/(loss) for the year	
	31 Dec 17 £	28 Oct 17 £	31 Dec 17 £	28 Oct 17 £
Subsidiary undertakings				
Parklinon Holdings Ltd	—	(50,326)	—	—

City N City Holdings Plc

Notes to the Financial Statements *(continued)*

Period from 29 October 2017 to 31 December 2017

8. Creditors: amounts falling due within one year

	31 Dec 17 £	28 Oct 17 £
Accruals and deferred income	2,750	2,750
Director loan accounts	17,534	17,534
	<u>20,284</u>	<u>20,284</u>

9. Called up share capital

Issued, called up and fully paid

	31 Dec 17		28 Oct 17	
	No.	£	No.	£
Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>

10. Directors' advances, credits and guarantees

At the year end the director was owed £17,534 (2016: £15,359).

11. Ultimate controlling party

The ultimate controlling party is Mr S Levada.