

**OFFICE COPY**

**THE RUSSIAN ORTHODOX CHURCH**  
**"ST NICHOLAS" FUND**  
REPORT AND FINANCIAL STATEMENTS  
31 December 2018

# THE RUSSIAN ORTHODOX CHURCH "ST NICHOLAS" FUND

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## REPORT AND FINANCIAL STATEMENTS

31 December 2018

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# THE RUSSIAN ORTHODOX CHURCH "ST NICHOLAS" FUND

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## EXECUTIVE COMMITTEE AND OTHER OFFICERS

**Executive Committee:**

Vadim Pankov  
Petros Valko  
Valery Gusev  
Oleg Lapoushkin  
Yuri Pinykh  
Anton Sevryuk  
Gleb Klimov

**Company Secretary:**

Cyproservus Co. Ltd  
284 Arch. Makarios III Avenue  
3rd floor, flat 32  
Limassol, Cyprus

**Independent Auditors:**

Cube Audit Limited  
Certified Public Accountants and Registered Auditors  
Tsigarides Building  
Office 203  
P.O. Box 28092, 2090 Strovolos  
Nicosia, Cyprus

**Registered office:**

284, Arch. Makariou III Ave.  
Fortuna Court, Block B  
3105, Limassol  
Cyprus

**Registration number:**

88190

# THE RUSSIAN ORTHODOX CHURCH "ST NICHOLAS" FUND

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## REPORT OF THE EXECUTIVE COMMITTEE

The Executive Committee presents its report and audited financial statements of the Fund for the year ended 31 December 2018.

### **Principal activities and nature of operations of the Fund**

The principal activities of the Russian Orthodox Church St Nicholas Fund, which are unchanged from previous years, are the construction and maintenance of the Russian Orthodox Church "St Nicholas" in Limassol.

### **Change of Fund name**

On 3 January 2018, the Fund changed its name from The Russian Orthodox Church "St Nicholas" Fund Limited to The Russian Orthodox Church "St Nicholas" Fund.

### **Review of current position, future developments and performance of the Fund's business**

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

### **Principal risks and uncertainties**

The principal risks and uncertainties faced by the Fund are disclosed in notes 3 and 4 of the financial statements.

### **Use of financial instruments by the Fund**

The Fund is exposed to market price risk, interest rate risk and credit risk from the financial instruments it holds.

#### **Market price risk**

The Fund is exposed to equity securities price risk because of investments held by the Fund and classified on the statement of financial position either as available-for-sale or at fair value through profit or loss. The Fund is not exposed to commodity price risk.

#### **Interest rate risk**

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The Fund's income and operating cash flows are substantially independent of changes in market interest rates as the Fund has no significant interest-bearing assets. The Fund is exposed to interest rate risk in relation to its non-current borrowings. Borrowings issued at variable rates expose the Fund to cash flow interest rate risk. Borrowings issued at fixed rates expose the Fund to fair value interest rate risk. The Fund's Executive Committee monitors the interest rate fluctuations on a continuous basis and acts accordingly.

#### **Credit risk**

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Fund is exposed to credit risk from its operating activities - primarily trade receivables and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

Credit risk related to trade receivables: This is managed based on established policies, procedures and controls relating to customer credit risk management. Credit limits are established for all customers based on internal ratings. Credit quality of the customer is assessed and outstanding customer receivables are regularly monitored. The Fund does not hold collateral as security.

Credit risk related to financial instruments and cash deposits: Cash balances are held with high credit quality financial institutions and the Fund has policies to limit the amount of credit exposure to any financial institution.

#### **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 Fund 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.

### **Results**

The Fund's results for the year are set out on page 7.

### **Share capital**

The Fund is limited by guarantee without share capital up to the amount of € 1.710.

# THE RUSSIAN ORTHODOX CHURCH "ST NICHOLAS" FUND

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## REPORT OF THE EXECUTIVE COMMITTEE

### **Executive Committee**

The members of the Fund's Executive Committee as at 31 December 2018 and at the date of this report are presented on page 1. The members remained the same throughout the year ended 31 December 2018.

In accordance with the Fund's Articles of Association all Directors presently members of the Board continue in office.

There were no significant changes in the assignment of responsibilities and remuneration of the Executive Committee.

### **Independent Auditors**

The Independent Auditors, Cube Audit Limited, have expressed their willingness to continue in office and a resolution giving authority to the Executive Committee to fix their remuneration will be proposed at the Annual General Meeting.

By order of the Executive Committee,



Member

Limassol, 10 October 2019

## **Independent Auditor's Report**

### **To the Members of The Russian Orthodox Church "St Nicholas" Fund**

#### **Report on the Audit of the Financial Statements**

##### **Opinion**

We have audited the financial statements of The Russian Orthodox Church "St Nicholas" Fund (the "Fund"), which are presented in pages 7 to 22 and comprise the statement of financial position as at 31 December 2018, and the statements of income and expenses and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 31 December 2018, 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.

##### **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 are independent of the Fund in accordance with the "International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants" (IESBA Code) together with the ethical requirements that are relevant to 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### **Other information**

The Executive Committee is responsible for the other information. The other information comprises the information included in the Report of the Executive Committee, 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 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 Executive Committee for the Financial Statements**

The Executive Committee is responsible for the preparation of 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 Executive Committee 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 Executive Committee is responsible for assessing the Fund'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 Executive Committee either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.



## **Independent Auditor's Report (continued)**

### **To the Members of The Russian Orthodox Church "St Nicholas" Fund**

#### **Responsibilities of the Executive Committee for the Financial Statements (continued)**

The Executive Committee is responsible for overseeing the Fund'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 judgment 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 Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Executive Committee.
- Conclude on the appropriateness of the Executive Committee's 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 Fund'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 Fund 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 the Executive Committee 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.

## **Independent Auditor's Report (continued)**

### **To the Members of The Russian Orthodox Church "St Nicholas" Fund**

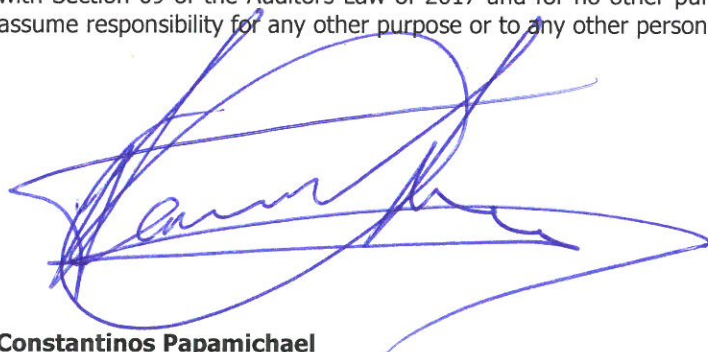
#### **Report on Other Legal Requirements**

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

- In our opinion, the Executive Committee report, whose preparation is the responsibility of the Executive Committee, 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 Fund and its environment obtained in the course of the audit, we have not identified material misstatements in the Executive Committee Report.

#### **Other Matter**

This report, including the opinion, has been prepared for and only for the Fund'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.



**Constantinos Papamichael**

Certified Public Accountant and Registered Auditor  
for and on behalf of

**Cube Audit Limited**

**Certified Public Accountants and Registered Auditors**

Tsigarides Building

Office 203

P.O. Box 28092, 2090 Strovolos

Nicosia, Cyprus

Nicosia, 10 October 2019



# THE RUSSIAN ORTHODOX CHURCH "ST NICHOLAS" FUND

## STATEMENT OF INCOME AND EXPENSES

31 December 2018

|   | 2018<br>€        | 2017<br>€      |
|---|------------------|----------------|
| <b>INCOME</b>   |                  |                |
| Member's subscriptions  | 510              | 374            |
| Donations   | 1.066.068        | 912.239        |
| Other income  | 193.157          | 2              |
| <b>Total revenue</b>  | <b>1.259.735</b> | <b>912.615</b> |
| <b>EXPENSES</b>   |                  |                |
| Common expenses   | 968              | 1.400          |
| Licenses and taxes  | 80               | -              |
| Annual levy   | 350              | 490            |
| Water supply and cleaning   | 322              | 1.461          |
| Repairs and maintenance   | 116              | -              |
| Sundry expenses   | 318              | 312            |
| Telephone and postage   | 464              | -              |
| Courier expenses  | 196              | -              |
| Stationery and printing   | 59               | 60             |
| Subscriptions and contributions                                   | 12.781           | 12.260         |
| Auditors' remuneration for the statutory audit of annual accounts | 2.380            | 2.380          |
| Other professional fees   | 1.988            | 1.320          |
| Travelling  | 1.015            | 1.593          |
| Inland travelling and accommodation                               | 3.733            | 2.793          |
| Exhibition expenses   | 620              | -              |
| Other expenses  | 2.726            | 57.141         |
| <b>Total expenses</b>   | <b>28.116</b>    | <b>81.210</b>  |
| <b>Surplus for the year</b>                                       | <b>1.231.619</b> | <b>831.405</b> |

The notes on pages 10 to 22 form an integral part of these financial statements.

# THE RUSSIAN ORTHODOX CHURCH "ST NICHOLAS" FUND

## STATEMENT OF FINANCIAL POSITION

31 December 2018

|                                     | Note | 2018<br>€               | 2017<br>€               |
|-------------------------------------|------|-------------------------|-------------------------|
| <b>ASSETS</b>                       |      |                         |                         |
| <b>Non-current assets</b>           |      |                         |                         |
| Property, plant and equipment       | 10   | 2.471.119               | 1.629.700               |
| Cash at bank and in hand            |      | 528.649                 | 513.684                 |
| Available-for-sale financial assets | 11   | 18.044                  | 28.247                  |
|                                     |      | <u>3.017.812</u>        | <u>2.171.631</u>        |
| <b>Current assets</b>               |      |                         |                         |
| Receivables                         | 12   | 1.642                   | 1.608                   |
| Cash at bank and in hand            | 13   | 358.855                 | 183.292                 |
|                                     |      | <u>360.497</u>          | <u>184.900</u>          |
| <b>Total assets</b>                 |      | <u><b>3.378.309</b></u> | <u><b>2.356.531</b></u> |
| <b>EQUITY AND LIABILITIES</b>       |      |                         |                         |
| <b>Equity</b>                       |      |                         |                         |
| Other reserves                      | 14   | 18.044                  | 28.247                  |
| Accumulated surplus                 |      | 3.356.841               | 2.125.223               |
| <b>Total equity</b>                 |      | <u><b>3.374.885</b></u> | <u><b>2.153.470</b></u> |
| <b>Non-current liabilities</b>      |      |                         |                         |
| Borrowings                          | 15   | -                       | 200.663                 |
|                                     |      | <u>-</u>                | <u>200.663</u>          |
| <b>Current liabilities</b>          |      |                         |                         |
| Trade and other payables            | 16   | 3.424                   | 2.398                   |
|                                     |      | <u>3.424</u>            | <u>2.398</u>            |
| <b>Total liabilities</b>            |      | <u><b>3.424</b></u>     | <u><b>203.061</b></u>   |
| <b>Total equity and liabilities</b> |      | <u><b>3.378.309</b></u> | <u><b>2.356.531</b></u> |

On 10 October 2019 the Executive Committee of The Russian Orthodox Church "St Nicholas" Fund authorised these financial statements for issue.

.....  
Member of Executive Committee

.....  
Member of Executive Committee

The notes on pages 10 to 22 form an integral part of these financial statements.

# THE RUSSIAN ORTHODOX CHURCH "ST NICHOLAS" FUND

## CASH FLOW STATEMENT

31 December 2018

|   | Note | 2018<br>€        | 2017<br>€ |
|---|------|------------------|-----------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                   |      |                  |           |
| <b>Profit before tax</b>                                      |      | <b>1.231.619</b> | 831.405   |
| Adjustments for:  |      |                  |           |
| Interest income   | 8    | (1)              | (2)       |
| Interest expense  | 8    | -                | 663       |
|   |      | <b>1.231.618</b> | 832.066   |
| <b>Changes in working capital:</b>                            |      |                  |           |
| (Increase)/decrease in receivables                            |      | (34)             | 4.211     |
| Increase/(Decrease) in trade and other payables               |      | <b>1.023</b>     | (3.220)   |
| <b>Cash generated from operations</b>                         |      | <b>1.232.607</b> | 833.057   |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                   |      |                  |           |
| Payment for purchase of property, plant and equipment         | 10   | (841.419)        | (974.408) |
| Interest received   |      | <b>1</b>         | 2         |
| <b>Net cash used in investing activities</b>                  |      | <b>(841.418)</b> | (974.406) |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                   |      |                  |           |
| Repayments of borrowings                                      |      | (503.283)        | -         |
| Proceeds from borrowings                                      |      | <b>300.000</b>   | 200.000   |
| Interest paid   |      | <b>2.620</b>     | -         |
| <b>Net cash (used in)/generated from financing activities</b> |      | <b>(200.663)</b> | 200.000   |
| <b>Net increase in cash and cash equivalents</b>              |      | <b>190.526</b>   | 58.651    |
| Cash and cash equivalents at beginning of the year            |      | <b>696.978</b>   | 638.327   |
| <b>Cash and cash equivalents at end of the year</b>           | 13   | <b>887.504</b>   | 696.978   |

The notes on pages 10 to 22 form an integral part of these financial statements.

# THE RUSSIAN ORTHODOX CHURCH "ST NICHOLAS" FUND

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## NOTES TO THE FINANCIAL STATEMENTS

31 December 2018

### 1. Incorporation and principal activities

#### Country of incorporation

The Russian Orthodox Church "St. Nicholas" Fund Limited (the "Fund") was incorporated in Cyprus on 12 August 1997 as a private limited liability company under the provisions of the Cyprus Companies Law, Cap. 113. Its registered office is at 284, Arch. Makariou III Ave., Fortuna Court, Block B, 3105, Limassol, Cyprus.

#### Change of Fund name

On 3 January 2018, the Fund changed its name from The Russian Orthodox Church "St Nicholas" Fund Limited to The Russian Orthodox Church "St Nicholas" Fund.

#### Principal activities

The principal activities of the Russian Orthodox Church St Nicholas Fund, which are unchanged from previous years, are the construction and maintenance of the Russian Orthodox Church "St Nicholas" in Limassol.

### 2. Significant accounting policies

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

#### Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) and the requirements of the Cyprus Companies Law, Cap.113. The financial statements have been prepared under the historical cost convention as modified by the revaluation of and available-for-sale financial assets.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires Executive Committee to exercise its judgment in the process of applying the Fund's accounting policies. It also requires the use of 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 amounts of revenues and expenses during the reporting period. Although these estimates are based on Executive Committee's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

#### Adoption of new and revised IFRSs

During the current year the Fund adopted all the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning on 1 January 2018. This adoption did not have a material effect on the accounting policies of the Fund.

At the date of approval of these financial statements, standards and interpretations were issued by the International Accounting Standards Board which were not yet effective. Some of them were adopted by the European Union and others not yet. The Executive Committee expects that the adoption of these accounting standards in future periods will not have a material effect on the financial statements of the Fund.

#### Revenue recognition

Donations are credited to the Statement of profit or loss in the year in which they are received. Other revenues earned by the Fund are recognized on the following basis:

# THE RUSSIAN ORTHODOX CHURCH "ST NICHOLAS" FUND

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## NOTES TO THE FINANCIAL STATEMENTS

31 December 2018

### 2. Significant accounting policies (continued)

#### Revenue recognition (continued)

- **Income from subscriptions**

Income from subscriptions is recognised on an accrual basis in the accounting period in which the subscriptions are earned.

- **Interest income**

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

#### Finance income

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

#### Finance costs

Interest expense and other borrowing costs are charged to profit or loss as incurred.

#### Foreign currency translation

**(1) Functional and presentation currency**

Items included in the Fund'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 Fund's functional and presentation currency.

**(2) 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 profit or loss. Translation differences on available-for-sale financial assets are recognised in other comprehensive income and then included in the fair value reserve in equity.

#### Tax

The Fund is a not for profit organisation and is not subject to corporation tax in Cyprus.

Current tax liabilities and assets are measured at the amount expected to be paid to or recovered from the taxation authorities, using the tax rates and laws that have been enacted, or substantively enacted, by the reporting date.

#### Property, plant and equipment

Property, plant and equipment are stated at historical cost. The church chappel is a prefabricated wooden building which has been imported from Russia and set up on land donated by the Archbishop of Cyprus. The chapel is not depreciated, as it is still under construction.

Properties in the course of construction for production, rental or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Fund's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Where the carrying amount of an asset is greater than its estimated recoverable amount, the asset is written down immediately to its recoverable amount.



# THE RUSSIAN ORTHODOX CHURCH "ST NICHOLAS" FUND

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## NOTES TO THE FINANCIAL STATEMENTS

31 December 2018

### 2. Significant accounting policies (continued)

#### Property, plant and equipment (continued)

Expenditure for repairs and maintenance of property, plant and equipment is charged to profit or loss of the year in which it is incurred. The cost of major renovations and other subsequent expenditure are included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Fund. Major renovations are depreciated over the remaining useful life of the related asset.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

#### Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets, other than goodwill, that have suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

#### Financial instruments

Financial assets and financial liabilities are recognised in the Fund's statement of financial position when the Fund becomes a party to the contractual provisions of the instrument.

##### Financial assets

##### *(1) Classification*

The Fund classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. The classification depends on the purpose for which the financial assets were acquired. Executive Committee determines the classification of financial assets at initial recognition.

- Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets, unless Executive Committee intends to dispose of the investment within twelve months of the reporting date.

##### *(2) Recognition and measurement*

Regular way purchases and sales of financial assets are recognised on trade-date which is the date on which the Fund commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in profit or loss. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are carried at amortised cost using the effective interest method.

# THE RUSSIAN ORTHODOX CHURCH "ST NICHOLAS" FUND

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## NOTES TO THE FINANCIAL STATEMENTS

31 December 2018

### 2. Significant accounting policies (continued)

#### Financial instruments (continued)

##### Financial assets (continued)

Gains or losses arising from changes in the fair value of the "financial assets at fair value through profit or loss" category are presented in profit or loss in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the profit or loss when the Fund's right to receive payments is established.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Fund establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same and discounted cash flow analysis, making maximum use of market inputs and relying as little as possible on entity specific inputs. Equity investments for which fair values cannot be measured reliably are recognised at cost less impairment.

Changes in the fair value of monetary securities denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. The translation differences on monetary securities are recognised in profit or loss, while translation differences on non-monetary securities are recognised in other comprehensive income. Changes in the fair value of monetary and non-monetary securities classified as available-for-sale are recognised in other comprehensive income.

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in other comprehensive income are included in profit or loss as gains and losses on available-for-sale financial assets.

Interest on available-for-sale securities calculated using the effective interest method is recognised in the profit or loss. Dividends on available-for-sale equity instruments are recognised in profit or loss when the Fund's right to receive payments is established.

The Fund assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets the cumulative loss which is measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss, is removed from equity and recognised in profit or loss.

For financial assets measured at amortised cost, if in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of available for sale equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. In respect of available for sale debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

##### Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprise cash at bank and in hand.

# THE RUSSIAN ORTHODOX CHURCH "ST NICHOLAS" FUND

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## NOTES TO THE FINANCIAL STATEMENTS

31 December 2018

### 2. Significant accounting policies (continued)

#### Financial instruments (continued)

##### Borrowings

Borrowings are recorded initially at the proceeds received, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

#### Derecognition of financial assets and liabilities

##### Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired;
- the Fund retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- the Fund has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

##### 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.

#### 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.

#### Share capital

The Fund is limited by guarantee without share capital up to the amount of € 1.710.

#### Non-current liabilities

Non-current liabilities represent amounts that are due more than twelve months from the reporting date.

# THE RUSSIAN ORTHODOX CHURCH "ST NICHOLAS" FUND

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2018

### 3. Financial risk management

#### Financial risk factors

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

#### 3.1 Market price risk

The Fund is exposed to equity securities price risk because of investments held by the Fund and classified on the statement of financial position either as available-for-sale or at fair value through profit or loss. The Fund is not exposed to commodity price risk.

The Fund's equity investments that are publicly traded are included in the [Cyprus Stock Exchange General Index] and the [Athens Stock Exchange Composite Index].

Post-tax profit for the year would increase/decrease as a result of gains/losses on equity securities classified as at fair value through profit or loss. Other components of equity would increase/decrease as a result of gains/losses on equity securities classified as available-for-sale.

To manage its price risk arising from investments in equity securities, the Fund diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Fund's Executive Committee.

#### 3.2 Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The Fund's income and operating cash flows are substantially independent of changes in market interest rates as the Fund has no significant interest-bearing assets. The Fund is exposed to interest rate risk in relation to its non-current borrowings. Borrowings issued at variable rates expose the Fund to cash flow interest rate risk. Borrowings issued at fixed rates expose the Fund to fair value interest rate risk. The Fund's Executive Committee monitors the interest rate fluctuations on a continuous basis and acts accordingly.

At the reporting date the interest rate profile of interest-bearing financial instruments was:

|                                  | 2018<br>€             | 2017<br>€             |
|----------------------------------|-----------------------|-----------------------|
| <b>Fixed rate instruments</b>    |                       |                       |
| Financial liabilities            | -                     | 200.000               |
| <b>Variable rate instruments</b> |                       |                       |
| Financial assets                 | <u>887.500</u>        | <u>696.972</u>        |
|                                  | <u><b>887.500</b></u> | <u><b>896.972</b></u> |

#### Sensitivity analysis

An increase of 100 basis points in interest rates at 31 December 201 would have increased/(decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. For a decrease of 100 basis points there would be an equal and opposite impact on the profit.

|                           | Profit or loss      |                     |
|---------------------------|---------------------|---------------------|
|                           | 2018<br>€           | 2017<br>€           |
| Variable rate instruments | <u><b>8.875</b></u> | <u><b>6.970</b></u> |

# THE RUSSIAN ORTHODOX CHURCH "ST NICHOLAS" FUND

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2018

### 3. Financial risk management (continued)

#### 3.3 Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Fund is exposed to credit risk from its operating activities - primarily trade receivables and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

Credit risk related to trade receivables: This is managed based on established policies, procedures and controls relating to customer credit risk management. Credit limits are established for all customers based on internal ratings. Credit quality of the customer is assessed and outstanding customer receivables are regularly monitored. The Fund does not hold collateral as security.

Credit risk related to financial instruments and cash deposits: Cash balances are held with high credit quality financial institutions and the Fund has policies to limit the amount of credit exposure to any financial institution.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

|  | <b>2018</b>    | 2017    |
|--|----------------|---------|
|  | <b>€</b>       | €       |
| Bank current accounts                      | <b>887.500</b> | 696.974 |
| Annual subscriptions by members receivable | <b>34</b>      | -       |
|  | <b>887.534</b> | 696.974 |

#### 3.4 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 Fund 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.

The following tables detail the Fund's remaining contractual maturity for its financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Fund can be required to pay. The table includes both interest and principal cash flows.

| <b>31 December 2018</b>  |  | Carrying amounts | Contractual cash flows | 3 months or less | 3-12 months  | 1-5 years      | More than 5 years |
|--------------------------|--|------------------|------------------------|------------------|--------------|----------------|-------------------|
|                          |  | €                | €                      | €                | €            | €              | €                 |
| Trade and other payables |  | 3.423            | 3.423                  | 94               | 3.329        | -              | -                 |
|                          |  | <b>3.423</b>     | <b>3.423</b>           | <b>94</b>        | <b>3.329</b> | -              | -                 |
| <b>31 December 2017</b>  |  | Carrying amounts | Contractual cash flows | 3 months or less | 3-12 months  | 1-5 years      | More than 5 years |
|                          |  | €                | €                      | €                | €            | €              | €                 |
| Bank loans               |  | 200.663          | 204.500                | 663              | -            | 203.837        | -                 |
| Trade and other payables |  | 2.400            | 2.400                  | 20               | 2.380        | -              | -                 |
|                          |  | <b>203.063</b>   | <b>206.900</b>         | <b>683</b>       | <b>2.380</b> | <b>203.837</b> | -                 |

#### 3.5 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 Fund's measurement currency. The Fund is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the Euro. The Fund's Executive Committee monitors the exchange rate fluctuations on a continuous basis and acts accordingly.



# THE RUSSIAN ORTHODOX CHURCH "ST NICHOLAS" FUND

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2018

### 3. Financial risk management (continued)

The carrying amounts of the Fund's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

|                       | 2018           | Assets<br>2017 |
|-----------------------|----------------|----------------|
|                       | €              | €              |
| United States Dollars | 333.184        | 325.045        |
| Russian Roubles       | 232            | 6.236          |
|                       | <u>333.416</u> | <u>331.281</u> |

#### Sensitivity analysis

A 10% strengthening of the Euro against the following currencies at 31 December 2016 would have increased (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. For a 10% weakening of the Euro against the relevant currency, there would be an equal and opposite impact on the profit.

|                       | 2018        | Profit or loss<br>2017 |
|-----------------------|-------------|------------------------|
|                       | €           | €                      |
| United States Dollars | (30.289)    | (29.550)               |
| Russian Roubles       | <u>(21)</u> | <u>(567)</u>           |

### 3.6 Capital risk management

Capital includes equity shares and share premium, convertible preference shares and loan from parent company.

The Fund 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 Fund's overall strategy remains unchanged from last year.

### 4. Critical accounting estimates and judgments

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires Executive Committee to exercise its judgment in the process of applying the Fund's accounting policies. It also requires the use of 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 amounts of revenues and expenses during the reporting period. Although these estimates are based on Executive Committee's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

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

#### *Critical accounting estimates and assumptions*

The Fund makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

- **Deferred revenue**

The amount allocated to the points, granted through a customer loyalty programme, is estimated by reference to the fair value of the discounted products for which they could be redeemed, since the fair value of the points themselves is not directly observable. The fair value of the right to purchase products at a discount for which the points can be redeemed takes into account the amount of the discount, adjusted to take into account the expected forfeiture rate.

# THE RUSSIAN ORTHODOX CHURCH "ST NICHOLAS" FUND

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2018

### 4. Critical accounting estimates and judgments (continued)

*Critical judgements in applying the Fund's accounting policies*

- **Impairment of available-for-sale financial assets**

The Fund follows the guidance of IAS 39 in determining when an investment is other-than-temporarily impaired. This determination requires significant judgment. In making this judgment, the Fund evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost and the financial health and near-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

- **Impairment of non-financial assets**

The impairment test is performed using the discounted cash flows expected to be generated through the use of non-financial assets, using a discount rate that reflects the current market estimations and the risks associated with the asset. When it is impractical to estimate the recoverable amount of an asset, the Fund estimates the recoverable amount of the cash generating unit in which the asset belongs to.

### 5. Revenue

|                        | 2018                    | 2017                  |
|------------------------|-------------------------|-----------------------|
|                        | €                       | €                     |
| Member's subscriptions | 510                     | 374                   |
| Donations              | <u>1.066.068</u>        | <u>912.239</u>        |
|                        | <u><b>1.066.578</b></u> | <u><b>912.613</b></u> |

### 6. Other operating income

|            | 2018                  | 2017            |
|------------|-----------------------|-----------------|
|            | €                     | €               |
| VAT refund | <u>177.667</u>        | <u>-</u>        |
|            | <u><b>177.667</b></u> | <u><b>-</b></u> |

### 7. Operating profit

|  | 2018                | 2017                |
|--|---------------------|---------------------|
|  | €                   | €                   |
| Surplus for the year is stated after charging the following items: |                     |                     |
| Auditors' remuneration   | <u><b>2.380</b></u> | <u><b>2.380</b></u> |

# THE RUSSIAN ORTHODOX CHURCH "ST NICHOLAS" FUND

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2018

### 8. Finance income/(costs)

|                                  | 2018           | 2017            |
|----------------------------------|----------------|-----------------|
|                                  | €              | €               |
| Interest income                  | 1              | 2               |
| Exchange profit                  | 15.489         | -               |
| <b>Finance income</b>            | <b>15.490</b>  | <b>2</b>        |
| Net foreign exchange losses      | (647)          | (45.449)        |
| Interest expense                 | -              | (663)           |
| Sundry finance expenses          | (2.079)        | (11.029)        |
| <b>Finance costs</b>             | <b>(2.726)</b> | <b>(57.141)</b> |
| <b>Net finance income/(cost)</b> | <b>12.764</b>  | <b>(57.139)</b> |

### 9. Tax

The Fund is a non for profit organisation and it is not subject to corporation tax in Cyprus.

### 10. Property, plant and equipment

|  | Wooden chapel<br>€ | Church under construction<br>€ | Total<br>€       |
|--|--------------------|--------------------------------|------------------|
| <b>Cost</b>  |                    |                                |                  |
| Balance at 1 January 2017                          | 45.517             | 609.775                        | 655.292          |
| Additions  | -                  | 974.408                        | 974.408          |
| <b>Balance at 31 December 2017/ 1 January 2018</b> | <b>45.517</b>      | <b>1.584.183</b>               | <b>1.629.700</b> |
| Additions  | -                  | 841.419                        | 841.419          |
| <b>Balance at 31 December 2018</b>                 | <b>45.517</b>      | <b>2.425.602</b>               | <b>2.471.119</b> |
| <b>Net book amount</b>                             |                    |                                |                  |
| <b>Balance at 31 December 2018</b>                 | <b>45.517</b>      | <b>2.425.602</b>               | <b>2.471.119</b> |
| <b>Balance at 31 December 2017</b>                 | <b>45.517</b>      | <b>1.584.183</b>               | <b>1.629.700</b> |

An agreement was signed on 14 May 1997 between Archbishop Chrysostomos acting in the capacity of the Archbishop of Cyprus and Patriarch Sergey acting in the capacity of the Patriarch of the Russian Orthodox Church for the transfer, by a way of gift, of the land from the Church of Cyprus to the Russian Orthodox Church. Under this agreement, the Church of Cyprus donated to the Russian Orthodox Church the plots of land numbered 572, 573, 574, 575 and 576 of Φ/ΣΧ LIV44 which are situated at Yermasogia, Limassol, under the condition that these would be used for the construction on them of a church and ancillary buildings to be used by the Russian Orthodox people. The donated plots of land were registered in the name of the Russian Orthodox Church by the Lands and Surveys Department on 17 November 2010.

During 2016, The Russian Orthodox Church "St Nicholas" Fund Limited initiated the construction of the Church Bell, which has been completed in 2017 and the Fund proceeded with the construction of the church.

The construction of the Church is still in progress.

# THE RUSSIAN ORTHODOX CHURCH "ST NICHOLAS" FUND

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2018

### 11. Available-for-sale financial assets

|                               | 2018<br>€     | 2017<br>€     |
|-------------------------------|---------------|---------------|
| Balance at 1 January          | 28.247        | 37.810        |
| Revaluation loss              | (10.203)      | (9.563)       |
| <b>Balance at 31 December</b> | <b>18.044</b> | <b>28.247</b> |

Based on a decision made by the Eurogroup on 25 March 2013, the bank deposits of the Fund in Bank of Cyprus have been impaired by €232.678. Based on a decree issued by the Central bank of Cyprus, 232.678 shares of Bank of Cyprus of a nominal value of €1 each have been issued to the Fund. These shares were not traded in any Stock Exchange. In addition, there are no sufficient indications of the fair value of those shares as well as of the feasibility to realise them. As a result, the Executive Committee has fully impaired the financial assets held by the Fund in Bank of Cyprus as at 31 December 2013.

During 2014, the shares re-entered Cyprus stock exchange and the market value as at 31 December 2014 was €0,22 per share, whereas the market value as at 31 December 2015 was €0,15 per share.

On 18 January 2017, the shares in Bank of Cyprus were converted into shares in Bank of Cyprus Holding Public Limited, at a rate of 1:20, therefore the 232.678 shares in Bank of Cyprus, were converted into 11.634 shares in Bank of Cyprus Holding Public Limited.

The market value of the shares in Bank of Cyprus Holding Public Limited has decreased to €2,428 per share as at 31 December 2017, therefore a revaluation loss of €9.563 has been recorded.

The market value of the shares has decreased to €1,551 per share as at 31 December 2018, therefore a revaluation loss amounting to €10.203 has been recorded.

Available-for-sale financial assets, comprising principally marketable equity securities, are fair valued annually at the close of business on 31 December. For investments traded in active markets, fair value is determined by reference to Stock Exchange quoted bid prices. For other investments, fair value is estimated by reference to the current market value of similar instruments or by reference to the discounted cash flows of the underlying assets. Equity investments for which fair values cannot be measured reliably are recognised at cost less impairment.

### 12. Receivables

|                                      | 2018<br>€    | 2017<br>€    |
|--------------------------------------|--------------|--------------|
| Subscriptions receivable (Note 17.1) | 34           | -            |
| Deposits and prepayments             | 1.608        | 1.608        |
|                                      | <b>1.642</b> | <b>1.608</b> |

The fair values of receivables due within one year approximate to their carrying amounts as presented above.

The exposure of the Fund to credit risk and impairment losses in relation to receivables is reported in note 3 of the financial statements.

# THE RUSSIAN ORTHODOX CHURCH "ST NICHOLAS" FUND

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2018

### 13. Cash at bank and in hand

|                          | 2018<br>€      | 2017<br>€      |
|--------------------------|----------------|----------------|
| Cash at bank and in hand | <u>887.504</u> | <u>696.978</u> |
|                          | <b>887.504</b> | <b>696.978</b> |

|                           | 2018<br>€      | 2017<br>€      |
|---------------------------|----------------|----------------|
| <b>Maturity analysis:</b> |                |                |
| On demand                 | <u>358.855</u> | <u>183.294</u> |
| Within one and five years | <u>528.649</u> | <u>513.684</u> |
|                           | <b>887.504</b> | <b>696.978</b> |

The deposits in FBME Bank amounting to € 528.649 have been presented as non current assets in the Statement of Financial Position since due to restrictions imposed they are not expected to be realised within the year 2019.

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

|                          | 2018<br>€      | 2017<br>€      |
|--------------------------|----------------|----------------|
| Cash at bank and in hand | <u>887.504</u> | <u>696.978</u> |
|                          | <b>887.504</b> | <b>696.978</b> |

Bank deposits are readily convertible to cash available for the purpose of short-term liquidity needs and the conversion is subject to insignificant change risk

The exposure of the Fund to credit risk and impairment losses in relation to cash and cash equivalents is reported in note 3 of the financial statements.

### 14. Other reserves

|  | Fair value reserve -<br>available-for-sale<br>financial assets<br>€ | Total<br>€      |
|--|---|-----------------|
| Balance at 1 January 2017                          | 37.811  | 37.811          |
| Revaluation loss                                   | <u>(9.564)</u>  | <u>(9.564)</u>  |
| <b>Balance at 31 December 2017/ 1 January 2018</b> | <b>28.247</b>   | <b>28.247</b>   |
| Revaluation loss                                   | <u>(10.203)</u>   | <u>(10.203)</u> |
| <b>Balance at 31 December 2018</b>                 | <b>18.044</b>   | <b>18.044</b>   |

The fair value reserve for investments represents accumulated gains and losses arising on the revaluation of available-for-sale financial assets that have been recognised in other comprehensive income, net of amounts reclassified to profit or loss when those assets have been disposed of or are determined to be impaired.

### 15. Borrowings

|                               | 2018<br>€ | 2017<br>€      |
|-------------------------------|-----------|----------------|
| <b>Non-current borrowings</b> |           |                |
| Bank loans                    | <u>-</u>  | <u>200.663</u> |



# THE RUSSIAN ORTHODOX CHURCH "ST NICHOLAS" FUND

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2018

### 15. Borrowings (continued)

Maturity of non-current borrowings:

|                            | 2018 | 2017    |
|----------------------------|------|---------|
|                            | €    | €       |
| Between two and five years | -    | 200.663 |

The Russian Orthodox Church St. Nicholas Fund has entered into a loan agreement on 28 October 2016 for a credit facility amounting to €1.500.000. During 2017, the Fund utilized an amount of €200.000 and during 2018, the Fund utilized an amount of €300.000. The loan facility carried interest at 0,55% per annum and was repayable within 48 months from dawnpayment. Therefore, the amount of €500.000 was repayable not later than 26 May 2021. During the year 2018, the amount of €500.000 was repaid to the bank by a donator and therefore the loan payable has been terminated.

### 16. Trade and other payables

|                          | 2018         | 2017         |
|--------------------------|--------------|--------------|
|                          | €            | €            |
| Prepayments from members | 74           | -            |
| Accruals                 | 3.350        | 2.398        |
|                          | <u>3.424</u> | <u>2.398</u> |

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

### 17. Related party transactions

The following transactions were carried out with related parties:

#### 17.1 Subscriptions receivable (Note 12)

|  | 2018 | 2017 |
|--|------|------|
|  | €    | €    |
| Annual subscriptions by members receivable | 34   | -    |

As per Memorandum and Articles of Association of the Fund, each member is obliged to pay the annual subscription amounting to €34.

### 18. Contingent liabilities

The Fund had no contingent liabilities as at 31 December 2018.

### 19. Commitments

The Fund had no capital or other commitments as at 31 December 2018.

### 20. Events after the reporting period

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

**Independent auditor's report on pages 4 to 6**