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Pelon Investments Limited
Annual report and financial statements
for the period 11 June 2014 to 30 June 2015

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Pelon Investments Limited

Director's report for the period 11 June 2014 to 30 June 2015

The director presents his report and the audited financial statements of Pelon Investments Limited for the period 11 June 2014 to 30 June 2015.

Incorporation

The company was incorporated on 11 June 2014 such that the period under review covers a term of 13 months.

Principal activities

The company was incorporated to hold and manage intellectual property rights, while holding and managing investments.

Results and dividends

The results for the year are shown in the income statement on page 4.

Dividends on ordinary shares in respect of the current year amounting to EUR 269,750 were paid during the period under review.

Review of business

During the period under review, the company recorded a turnover of EUR466,666 and registered a profit before tax for the period of EUR452,486. The director of the company anticipates that the company will retain the same level of activity in the near future.

Director

The director of the company who held office during the period was:

Matias Bunge Saravia (appointed on incorporation)

In accordance with the company's Articles of Association, the director is to remain in office.

Director's responsibilities

The director is required by the Companies Act, 1995 to prepare financial statements, which give a true and fair view of the state of affairs of the company at the end of each financial year and of the income statement for that year.

In preparing the financial statements, the director is required to:

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

Pelon Investments Limited

Director's report

for the period 11 June 2014 to 30 June 2015 (continued)

Director's responsibilities (continued)

The director is responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the company and to enable the director to ensure that the financial statements comply with the Companies Act, 1995. The director is also responsible for ensuring that an appropriate system of internal control is in operation to provide them with reasonable assurance that the assets of the company are being properly safeguarded and that fraud and other irregularities will be prevented or detected.

Financial reporting framework

The director has resolved to prepare the Company's financial statements for the period 11 June 2014 to 30 June 2015 in accordance with the Accountancy Profession (General Accounting Principles for Smaller Entities) Regulations, 2009 and the Schedule accompanying and forming an integral part of those Regulations.

Disclosure of information to auditor

At the date of making this report, the director confirms the following:

- As far as the director is aware, there is no relevant information needed by the independent auditors in connection with preparing their report of which the independent auditor is unaware, and
- The director has taken all steps that he is ought to have taken as director in order to make herself aware of any relevant information needed by the independent auditor in connection with preparing his report and to establish that the independent auditor is aware of that information.

Auditors

The auditors, Mazars Malta, who have been appointed as of this period, have expressed their willingness to continue in office and a resolution proposing their reappointment and authorising the director to fix their remuneration will be put before the members at the next annual general meeting.

Approved by the director and signed on 31 August 2016:



Matias Bunge Saravia
Director

Level 1, LM Complex,
Brewery Street, Mriehel,
Birkirkara
Malta.

Independent auditor's report to the members**Report on the financial statements**

We have audited the accompanying financial statements of Pelon Investments Limited set out on pages 4 to 14 which comprise the balance sheet as at 30 June 2015, and the income statement, statement of changes in equity and statement of cash flows for the period then ended and a summary of significant accounting policies and other explanatory notes.

Director's responsibility for the financial statements

As also described in the statement of director's responsibilities on pages 1 to 2, the director is responsible for the preparation and fair presentation of the financial statements in accordance with the Accountancy Profession (General Accounting Principles for Smaller Entities) Regulations, 2009 and the Schedule accompanying and forming an integral part of those Regulations, and for such internal control as the director determines to be necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the director, as well as evaluating the overall presentation of the financial statements.

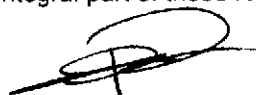
We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the company as of 30 June 2015 and of the company's financial performance and cash flows for the period then ended in accordance with General Accounting Principles for Smaller Entities.

Report on other legal and regulatory requirements

In our opinion, the financial statements have been properly prepared in accordance with the Maltese Companies Act (Chap. 386), which permits compliance with the Accountancy Profession (General Accounting Principles for Smaller Entities) Regulations, 2009 and the Schedule accompanying and forming an integral part of those Regulations, for qualifying entities as prescribed in those regulations.



*This copy of the audit report has been signed by
Ernestino Riolo (Partner) for and on behalf of*

Mazars Malta

Certified Public Accountants

Attard,

Malta.

31 August 2016

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MAZARS MALTA
CERTIFIED PUBLIC ACCOUNTANTS
VAT REG NO. MT15296002

Pelon Investments Limited

Income statement for the period 11 June 2014 to 30 June 2015

	Notes	2015 EUR
Revenue	4	466,666
Investment income	5	260
Fair value loss on investments	9	(1,509)
Administrative expenses	6	(12,931)
Profit before tax	6	452,486
Income tax expense	7	(158,898)
Profit for the period		293,588

The notes on pages 8 to 15 are an integral part of these financial statements.



Pelon Investments Limited

Balance sheet as at 30 June 2015

	Notes	2015 EUR
ASSETS		
Non current assets		
Investments	9	<u>33,825</u>
Current assets		
Trade and other receivables	10	187,546
Cash and cash equivalents	11	<u>128,033</u>
		<u>315,579</u>
		<u>349,404</u>
EQUITY AND LIABILITIES		
Capital and reserves		
Share capital	12	1,500
Foreign exchange reserve	12	5,502
Retained earnings		<u>18,336</u>
Total equity		<u>25,338</u>
Non-current liabilities		
Deferred tax	13	<u>2,962</u>
Current liabilities		
Trade and other payables	14	281,913
Current tax payable		<u>39,191</u>
Total current liabilities		<u>321,104</u>
Total liabilities		<u>324,066</u>
Total equity and liabilities		<u>349,404</u>

The notes on pages 8 to 15 are an integral part of these financial statements.

These financial statements were approved by the director, and authorised for issue on 31 August 2016 and signed by:


Matias Bunge Baravia
Director

Pelon Investments Limited

Statement of changes in equity for the period 11 June 2014 to 30 June 2015

	Share Capital	Retained earnings	Foreign Exchange Reserve	Total
	EUR	EUR	EUR	EUR
<i>Changes in equity for 2015</i>				
Issue of share capital	1,500	-	-	1,500
Profit for the period	-	293,588	-	293,588
Unrealised foreign exchange movement	-	(8,464)	8,464	-
Deferred tax thereon	-	2,962	(2,962)	-
Dividends (note 8)	-	(269,750)	-	(269,750)
Balance as at 30 June 2015	1,500	18,336	5,502	25,338

The notes on pages 8 to 15 are an integral part of these financial statements.

Pelon Investments Limited

Cash flow statement for the period 11 June 2014 to 30 June 2015

	2015 EUR
Cash flows from operating activities	
Profit before taxation	452,486
Unrealised foreign exchange	(8,464)
Fair value loss on investment	1,509
Investment income	(260)
Changes in working capital:	
Movement in trade receivables	(187,546)
Movement in trade payables	12,163
	<hr/> 269,888
Investment income	260
Taxation paid	(116,745)
Net cash used in operations	<hr/> (153,403)
Cash flow from investing activities	
Purchase of intangible assets	(35,334)
Net cash used in investing activities	<hr/> (35,334)
Cash flows from financing activities	
Issue of share capital	1,500
<i>Net cash generated from financing activities</i>	<hr/> 1,500
Net movement in cash and cash equivalents	<hr/> 119,569
Provision for exchange differences on bank balances	8,464
Cash and cash equivalents at the beginning of the period	<hr/> -
Cash and cash equivalents at the end of the period	<hr/> 128,033

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The notes on pages 8 to 15 are an integral part of these financial statements.



Pelon Investments Limited

Notes to the financial statements for the period 11 June 2014 to 30 June 2015

1 Basis of preparation

These financial statements have been prepared on the historical cost basis and in accordance with the Accountancy Profession (General Accounting Principles for Smaller Entities) Regulations, 2009 and the Schedule accompanying and forming an integral part of those Regulations.

The company was incorporated on 11 June 2014. These financial statements cover the period from the date of incorporation to 30 June 2015. A summary of the more important accounting policies adopted is set out below:

2 Significant accounting policies

Financial instruments

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially recognised at their fair value plus directly attributable transaction costs for all financial assets or financial liabilities not classified at fair value through profit or loss.

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when the company has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when the contractual rights to the cash flows from the financial assets expire or when the entity transfers the financial asset and the transfer qualifies for derecognition.

Financial liabilities are derecognised when they are extinguished. This occurs when the obligation specified in the contract is discharged, cancelled or expires.

An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

(i) Trade and other receivables

Trade receivables are classified with current assets and are stated at their nominal value. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired.

(ii) Trade payables

Trade payables are classified with current liabilities and are stated at their nominal value unless the effect of discounting is material, in which case trade payables are measured at amortised cost using the effective interest method.

(iii) Shares issued by the company

Ordinary shares issued by the company are classified as equity instruments.

Pelon Investments Limited

2 Significant accounting policies (continued)

Provisions

Provisions are recognised when the company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the director's best estimate of the expenditure required to settle the present obligation at the balance sheet date. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Provisions are not recognised for future operating losses.

Investments

An investment is a financial asset which is held by the Company for the accretion of wealth through distribution, for capital appreciation or for other similar benefits to the Company.

An investment is recognised when the Company acquires a contractual right to receive cash or another financial asset from another entity, or to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the Company.

An investment is initially measured at cost, comprising its purchase price and transaction costs that are directly attributable to the acquisition of the investment.

After initial recognition, unquoted investments are carried under the cost model and measured at the lower of cost and fair value less costs to sell. Quoted investments may be carried either under the cost model, or under the fair value through equity model, with changes in fair value recognised in equity, or in profit or loss to the extent of fair value decreases in excess of any credit balance existing in the fair value reserve for that investment. Fair value increases reversing those losses are also recognised in profit or loss. Held-for-trading investments may be carried either under the cost model, or under the fair value through profit or loss model, with changes in fair value recognised in profit or loss in the period to which they relate.

Unquoted debt securities

After initial recognition, investments in debt securities not quoted in an active market are carried under the cost model.

Quoted equity instruments

After initial recognition, investments in equity instruments that are quoted in an active market are carried under the fair value through equity model.

Impairment

All assets are tested for impairment. At each balance sheet date, the carrying amount of assets is reviewed to determine whether there is any indication or objective evidence of impairment, as appropriate, and if any such indication or objective evidence exists, the recoverable amount of the asset is estimated.

Impairment losses are recognised immediately in the income statement, unless the asset is carried at a revalued amount, in which case, the impairment loss is recognised directly against the asset's revaluation surplus to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that asset.

Pelon Investments Limited

2 Significant accounting policies (continued)

Impairment reversals are recognised immediately in profit or loss, unless the asset is carried at a revalued amount, in which case, the impairment reversal is recognised directly in equity, unless an impairment loss on the same asset was previously recognised in income statement.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable in the normal course of business. Revenue is recognised to the extent that it is probable that future economic benefits will flow to the company and these can be measured reliably. The following specific recognition criteria must also be met before revenue is recognised:

(i) Provision of services

Revenue from the provision of services is recognised in the period in which the services are rendered.

Taxation

Current and deferred tax is charged or credited to income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

The charge for current tax is based on the taxable result for the period. The taxable result for the period differs from the result as reported in income statement because it excludes items which are non assessable or disallowed and it further excludes items that are taxable or deductible in other periods. It is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets, including deferred tax assets for the carry forward of unused tax losses and unused tax credits, are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets and liabilities are offset when the company has a legally enforceable right to settle its current tax assets and liabilities on a net basis.

Currency translation

The functional currency of the company is the EURO (EUR). The financial statements of the company are presented in EUR, which is the currency in which the company's share capital is denominated, in accordance with the provisions of article 187 of the Companies Act (Chap. 386). For the purpose of presenting these financial statements income and expenses are translated from the functional currency to EUR at the exchange rates ruling on the date of the transaction. Any exchange differences arising on the settlement of monetary assets and liabilities, or on translating foreign denominated monetary assets and

Pelon Investments Limited

2 Significant accounting policies (continued)

Currency translation (continued)

liabilities at the balance sheet date at rates different from those at which they were previously translated, are recognised in profit or loss.

Non-monetary assets and liabilities denominated in currencies other than the functional currency are measured at fair value, and are re-translated using the exchange rate ruling on the date the fair value was determined. Non-monetary assets and liabilities denominated in currencies other than the functional currencies are measured in terms of historical cost and are not retranslated. Exchange differences arising on the translation of non-monetary items carried at fair value are included in income statement for the period, except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, and demand deposits. Bank overdrafts that are repayable on demand and form an integral part of the company's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows and are presented in current liabilities on the balance sheet.

Borrowing costs

Borrowing costs include the costs incurred in obtaining external financing. Borrowing costs are recognised as an expense in income statement in the period in which they are incurred.

Dividends

Dividends to holders of equity instruments are recognised as liabilities in the year in which they are declared. Dividends to holders of equity instruments are debited directly to equity.

Related parties

Related parties are defined as related if one party empowers another party to exercise the control or significant influence over the other party in making financial and operating decisions. Related parties to the company are defined as shareholders, employees, members of the management board, their close relatives and companies that directly or indirectly through one or more intermediaries, control or are controlled by, or are under common control with the company except if it is impossible for one of the parties to exercise the control or significant influence over the other party in making financial and operating decisions.

3 Judgements in applying accounting policies and key sources of estimation uncertainty

In the process of applying the company's accounting policies, management has made no judgments which can significantly affect the amounts recognised in the financial statements. At the balance sheet date, there were no key assumptions concerning the future, or any other key sources of estimation uncertainty, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Pelon Investments Limited

4 Revenue

Revenue represents income derived from the assignment and transfer of image rights.

	2015 EUR
Professional services	466,666

5 Investment income

	2015 EUR
Dividend income from investment	260

6 Profit before tax

	2015 EUR
The profit before tax is stated after charging/(crediting):	
Audit fee	1,300
Legal and professional fees	12,088
Realised exchange differences	4,907
Unrealised exchange differences	(8,464)
Other differences	3,100
	12,931

7 Income tax expense

The company tax expense for the period is EUR 155,936.

	2015 EUR
Deferred tax charge	(2,962)
Current tax charge	(155,936)
	(158,898)

The tax on the company's activities differs from the theoretical amount that would arise using the basic tax rate as follows:

	2015 EUR
Profit on ordinary activities before tax	452,486
Tax at the applicable rate of 35%	(158,370)
Tax effect of:	
Unrecognised deferred tax movement	(528)
Income tax expense	(158,898)

Pelon Investments Limited

8 Dividends

In respect of the current period, on 30 June 2015, the company paid a net dividend of EUR 181.65 per ordinary A share (total dividend: EUR 269,750) to the shareholders.

9 Financial investments

	2015 EUR
Acquisitions at cost	35,334
Fair value loss	(1,509)
Carrying amount at 30 June 2015	33,825

These financial assets represent foreign listed and unlisted investments which present the company with opportunity for return through dividend or interest income and capital appreciation.

10 Trade and other receivables

	2015 EUR
Trade receivables	175,000
Due from shareholders	8,649
Prepayments	1,890
Other receivables	2,007
	187,546

Amounts due from shareholders are unsecured and interest free.

11 Cash and cash equivalents

Analysis of the balance of cash and cash equivalents as shown in the cash flow statement:

	2015 EUR
Cash and cash equivalents	
Cash at bank	128,033

12 Equity and reserves

Share capital

	2015 EUR
Authorised	
1,485 Ordinary A shares of EUR1 each	1,485
15 Ordinary B of EUR1 each	15
	1,500

Pelon Investments Limited

12 Equity and reserves (continued)

Issued and 100% paid up

1,485 Ordinary A shares of EUR1 each	1,485
15 Ordinary B of EUR1 each	15
	<hr/>
	1,500

Holders of ordinary A shares are entitled to one vote in the general meetings and to a dividend payment, whereas holders of ordinary B are not entitled to vote and receive dividends.

Exchange reserve

Unrealised exchange differences are recognized in profit or loss for the period and reclassified to a non-distributable exchange reserve.

13 Deferred tax

Deferred tax is recognized at 35% as follows:

	2015 EUR
Exchange differences on monetary assets	2,962

14 Trade and other payables

	2015 EUR
Payables	8,372
Amounts due to shareholder	269,750
Accruals	3,791
	<hr/>
	281,913

Shareholders balances are unsecured, interest free and have no fixed date of repayment.

15 Related parties

The company has relationships with its director and parent company. Trading transactions with these parties are carried out at arms-length and consisted of:

	2015 EUR
Shareholders	
Dividends paid	269,750

Amounts due to related parties at year end are disclosed in the notes 10 and 14.

Pelon Investments Limited

16 Statutory information

Pelon Investments Limited is a limited liability company and is incorporated in Malta. Its parent company is Nemo Limited, a limited liability company incorporated in Malta.

Pelon Investments Limited

Income statement for the period 11 June 2014 to 30 June 2015

	Page	2015 EUR
Revenue		466,666
Investment income		260
Fair value loss on investment		(1,509)
Administrative expenses	17	(12,931)
Profit before tax		452,486

Pelon Investments Limited

Administrative expenses for the period 11 June 2014 to 30 June 2015

	Page	2015 EUR
Administrative expenses		
Audit fee		1,300
Bank charges		828
Company secretary		1,055
Legal and professional fees		12,088
Realised exchange difference		4,907
Registration fees		100
Rent		527
Stationery and postages		590
Unrealised exchange difference		(8,464)
	16	<hr/> 12,931 <hr/>