

**“ALUMIL KOSOVO” LIMITED COMPANY**  
*Financial Statements as of*  
*31 December 2018*

**C-6 Auditor's report to the Group Auditor on the audit of financial information for group audit purposes**

Name(s) of component(s):  
Group code/component identifier:  
Year-end:  
Currency:

Alumil Kosovo Shpk  
KOS  
31 December 2018  
ALL  
Evangelos Analtis

As requested in your instructions dated November, 2018, we have audited, for the purpose of your audit of the group financial statements of Alumil S.A, the special purpose financial information "Financial Statements and Notes accompanied of Alumil Kosovo shpk as of 31 December 2018 and for the year then ended on 31 December 2018. This special purpose financial information has been prepared solely to enable Alumil S.A to prepare its group financial statements.

**Management's responsibility for the specified forms**

Management is responsible for the preparation and presentation of the specified forms in accordance with policies and instructions contained in Alumil Kosovo shpk accounting manual<sup>1</sup> and for such internal control as management determines is necessary to enable the preparation of specified forms that are free from material misstatement, whether due to fraud or error.

**Auditor's responsibility**

Our responsibility is to express an opinion on the specified forms based on our audit. We conducted our audit in accordance with International Standards on Auditing and, as requested, we performed the additional procedures on detailed in specified Section of the group audit instructions dated November, 2018. International Standards on Auditing require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the specified forms are free of material misstatement. As requested by you, we planned and performed our audit using the component materiality specified in your instructions of € 83,726,39, which is different from the materiality level that we would have used, had we been designing the audit to express an opinion on the financial statements of the component alone.

An audit involves performing procedures to obtain audit evidence about the amount and disclosures in the specified forms. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the specified forms, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the components' preparation and presentation of the specified forms 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 component's internal control. An audit also includes the evaluation of the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the specified forms

<sup>1</sup> When no accounting manual exists, replace by "with the instructions issued by [name of group]'s management on [date] and the policies contained in the [name of group] disclosed accounting policies".



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. The conclusions reached in forming our opinion are based on the component materially specified by you in the context of the audit of the group financial statements.

Opinion

In our opinion, the Financial Statements included in the specified forms for Alumil Kosovo shpk as of 31 December 2018 and for the year then ended have been prepared, in all material respects, in accordance with the policies and instructions contained in Group instructions accounting manual November 2018.

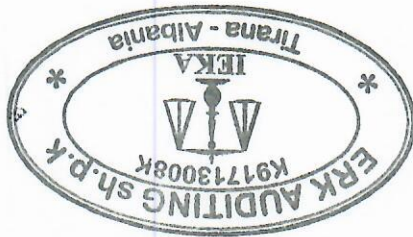
Restriction on Use and Distribution

The specified forms have been prepared for purposes of providing information to Alumil S.A Greece to enable it to prepare the group financial statements. As a result, the specified forms are not a complete set of financial statements of Alumil Kosovo shpk in accordance with [group applicable financial reporting framework underlying the group's accounting policies] and are not intended to present fairly, in all material respects (or to give a true and fair view of) the financial position of Alumil Kosovo shpk as of 31/12/2018 and of its financial performance, and its cash flow for the year then ended in accordance with [group applicable financial reporting framework underlying the group's accounting policies]. The specified forms may, therefore, not be suitable for another purpose.

This report is intended solely for the information and use of Ernst & Young in conjunction with the audit of the group financial statements of Alumil S.A Greece and should not be used by [or distributed to] anyone for any other purpose. If you have any questions on this report, please contact [details of an alternative contact if appropriate] or me.

28 February 2019

ERK AUDITING SHPK  
Thehdorag Gjoshka  
Tirane/Albania



<sup>2</sup> In some jurisdictions, requirements under local GAAs or professional responsibilities may require the auditor to use different wording for the auditors opinion

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**ALMIL KOSOVO "Limited Company**  
**Balance Sheet for the period ended December, 31<sup>th</sup> 2018**  
 (Amounts in EURO)

		Notes	31. December 2018	31. December 2017
<b>ASSETS</b>				
Non-Current assets:				
2	Property, plant and equipment		2,167,150	2,254,732
3	Intangible assets		1,129	1,371
14	Investments in subsidiaries			
	Long-term receivables			
<b>Current Assets:</b>				
4	Inventories		467,690	484,279
5	Trade receivables		24,222	19,343
6	Other receivables & Prepayments		27,199	23,605
7	Cash and cash equivalents		27,199	12,895
			<u>519,110</u>	<u>540,122</u>
			<u>2,687,390</u>	<u>2,796,226</u>
<b>EQUITY AND LIABILITIES</b>				
<b>Capital and Reserves</b>				
8	Share capital		320,000	320,000
9	Share premium			
	Reserves			
	Retained Earnings (prev. years)		1,529,712	1,434,160
Result of the period				
Total equity				
10	Non - Current liabilities			
	Long - term borrowings			
			<u>1,917,148</u>	<u>1,849,712</u>

**ALUMIL KOSOVO Limited Company**  
**Balance Sheet for the period ended December, 31<sup>th</sup> 2018**  
 (Amounts in EURO)

Other long-term liabilities	10a	-	-
Current liabilities			
Trade and other payables	12	759,016	932,671
Other Short term payables	16	11,226	8,192
Short-term borrowings	13	-	-
Current portion of long-term borrowings	10	-	-
Income tax payable	17	770,242	5,650
		<u>770,242</u>	<u>946,514</u>
		<u>2,687,390</u>	<u>2,796,226</u>

The balance sheet is to be read in conjunction with the notes set out on pages 4 to 22 and forming part of the financial statements.



**"ALUMIL KOSOVO" Limited Company**  
**Income Statement as of December, 31<sup>th</sup> 2018**  
 (Amounts in EURO)

	31. December 2018	31. December 2017
Revenue	3,573,975	3,194,129
Cost of sales	(3,121,890)	(2,792,087)
Gross profit	452,085	402,042
Other operating income		6,949
Selling, distribution expenses	(219,334)	(154,278)
Administrative expenses	(153,760)	(145,903)
Research and development expenses	-	-
Currency exchange gains/ (losses)	-	-
<b>PROFIT FROM OPERATING ACTIVITIES</b>	<b>78,991</b>	<b>108,810</b>
Finance costs	(1,343)	(1,614)
Finance income	11	7
<b>Profit from operating activities before income tax</b>	<b>77,659</b>	<b>107,203</b>
Income tax (expense) /income	(10,223)	(11,650)
<b>Net profit from the year</b>	<b>67,436</b>	<b>95,552</b>
Depreciation included in operating result	-	-

The income statement is to be read in conjunction with the notes set out on pages 4 to 22 and forming part of the financial statements.

**"ALUMIL KOSOVO" Limited Company**  
 Equity Statement as of December, 31<sup>th</sup> 2018  
 (Amounts in EURO)

Share	Share Statutory Reserve	Special Reserves	Tax-free Reserves	Total Reserves	Retained Earnings	Grand Total
Balance at 01/01/2018	320,000	-	-	-	1,529,712	1,849,712
Net income for the period	-	-	-	-	67,436	67,436
Share capital Increase	-	-	-	-	-	-
Dividends	-	-	-	-	-	-
Transfer to reserves	-	-	-	-	-	-
Other	-	-	-	-	-	-
Balance at 31/12/2018	320,000	-	-	-	1,597,148	1,917,148
Balance, 1/01/2017	320,000	-	-	-	1,434,160	1,754,160
Net income for the period	-	-	-	-	95,552	95,552
Share capital Increase	-	-	-	-	-	-
Dividends	-	-	-	-	-	-
Transfer to reserves	-	-	-	-	-	-
Other	-	-	-	-	-	-
Balance, 31/12/2017	320,000	-	-	-	1,529,712	1,849,712

*Renata Fejzaj*  
 Chief Financial Officer



*Sotirios Boulios*  
 Administrator



**"ALUMIL KOSOVO" Limited Company**  
**Notes to the financial statements for the period ended 31. December. 2018**  
**(Amounts in Euro, unless otherwise stated)**

**I. General**

"ALUMIL KOSOVO" Limited Company has started its activity with Limited responsibilities according to Certificate of Registration received by Kosovo Business Registration Agency, Pristina. The date of registration is on May 12<sup>th</sup>, 2009 and the business number is 70579200. The founding share holder of this company is "Alumil Albania" limited company. The activity of this company is regulated by the according Law No. 02/L-123, dated 27.09.2007, "About trading companies" and by its statute and the Kosovo legislation in power.

The object of the Activity:  
Wholesale and retail of aluminium profiles and accessories and others related.  
On December 31<sup>st</sup>, 2018, the structure of the shares held by the shareholders with a value of Eur 100.00 is as follows:  
-"Alumil Albania" ltd.....320 000 EUR or 100 %  
On December 31<sup>st</sup>, 2018 "ALUMIL KOSOVO" limited company had 8 employees (2017: 8).

**II. Basic Practice Framework**

**(a) Compliance Requirement Standard**

The financial statements are prepared on the historical cost basis. Alumil Kosovo Limited Company keeps its accounting books and prepares the Balance Sheet in accordance with the legal bases in the Republic of Kosovo. Alumil Kosovo has issued internal regulations for its management needs and for an exact and complete view of its financial situation. These regulations are in accordance with the International Accounting Standards (IAS) and approved by the International Accounting Standards Committee. (IASB)

The accompanying financial statements are expressed in Euro.

**(a) Cost Measurement Requirement**

The financial statements are compiled based on historical cost basis.

**(b) Functional Currency Requirement**

The financial statements are compiled in Euro.

**Valuation Method and Judgement**

Compilation of the financial statements require management views, evaluations and assumptions which influence the functioning of the decisions taken as well as the assessment of the assets, liabilities, revenues and expenses reported and accounted. Appraisals and assumptions are based on the historical experience in addition to other factors which are considered to be rational under certain circumstances. The results of the above mentioned judgements create the ground in determining the remaining figures related to claims and liabilities. Nevertheless, the actual outcomes might be different as a result of the projected assumptions. Yet, the appraisals and underlying assumptions are reviewed on periodic basis. The reviewed and updated accounting assumptions are recognized at the time when the revisions are made as well as it reflects the upcoming periods. In particular, the information regarding certain aspects made under uncertainty evaluation principle and critical judgment in compliance with accounting standards which have considerable impact on the financial statements items are foreseen on the notes to financial statements section, note number 5. Accounting standards stated below are applied to all accounting periods of the financial statements presented in the report.



**III. Summary of the Accounting Standards**

**(a) Financial Instruments**

Financial instruments (non-derivative) include investments in capital shares, accounts receivable and other receivables, monetary assets in cash and kind, claims and liabilities, accounts payable and other payables. There are no derivative financial instruments on December 31, 2018 and December 31, 2017. The financial assets are priced considering the direct transaction costs associated to them. The recognition of the non-derivative financial assets is described below.

Monetary assets in cash and kind include the surpluses in cash. The overdrafts paid out at a request represent an integral part in monetary assets administration in terms of cash flows. The accounting registration regarding financial revenues and expenses are clarified under the note III.k.

Financial instruments for joint-stock enterprises.

Joint-stock enterprises are defined as entities on which the enterprise has control on the capital invested from where they receive profits in proportion to the number of shares they own. However, it does not have any influence on the operational and financial regulations and procedures of the entity.

Shareholders' Equity

Shareholders' equity is recognized at nominal value.

Dividends

Dividends are recognized as liabilities at the time when they are declared.

Others

Other financial assets are valued at the amortization costs applying the effective interest rate as well as subtracting losses from depreciation.

**(c) Long Term Material Assets**

Time of Recording and measurement

Items of Long term material assets are recorded on historical cost basis. The company does not reassess long term material assets.

Costs consider all the direct expenses attributed to the acquisition of an asset. The costs associated to the assets build by the company comprise material costs, labor costs, other costs associated directly with proper functioning of the asset as well as costs related to reallocation of the assets. The financial costs linked to the acquisition or building of certain assets is recognized in the income statement at the time of occurring.

The parts of an item which have a depreciation period different from depreciation period of the long term material asset itself, the parts are recorded as a separate item under long term material assets.



**“ALUMIL KOSOVO” Limited Company**  
**Notes to the financial statements for the period ended 31. December.2018**  
*(Amounts in Euro, unless otherwise stated)*

**III. Summary of the Accounting Standards (continues)**

The income or loss generated from the sale an item of the long term material assets is recorded balancing the monetary incomes from the sale of the fixed asset with the retained value of the fixed material assets. This is recognized as net value under “other income” account of the income statement for the period.

(ci) Accumulated Depreciation Costs  
 The costs of partially substituting the value of a material long term assets is recognized with the accumulated cost of the item in order to allow for the remaining parts of the item to be recognized as future revenues which might be used within the company and the costs of which could be measured. The accumulated cost value of the substituted parts is not recognized.

The costs of daily services for the long term material assets is recognized in the income statement at the time of occurring.

(cii) Amortization  
 Amortization for all assets, during the year 2017, is recognized in the income statement based on straight line depreciation method according to the IFRS while the buildings and general installations are recognized on straight line depreciation method over the useful life-time of each part of an item under the fixed long term material asset. Whereas, the declining balance method is used for machinery and equipment, transport equipments, office supplies, computer supplies and other assets falling under the amortization line described below. Amortization is not recognized for land and work in process. The following represents approximations for the useful life of the assets:

	31.12.2018	31.12.2017
• Building	30	30
• General installation/maintenance	20	20
• Technical installation, machinery and Equipment	5,8,10,20	5,8,10,20
• Transport equipments	5,8	5,8
• Furniture and office equipment	5	5
• Computer equipments	4	4
• Other assets	5	5

Straight Line Method (in years)

(d) Long Term Non-material Assets  
 Business consulting expenses and other independent auditors' service expenses are classified and are capitalized as long term non-material assets. No assessments are made to observe whether research expenses are classified under accounting standard IAS 38. In addition, no feasibility analyses on trading and technological activity is made.  
 Amortization costs are recognized in the income statement based on straight line depreciation method over the useful life of the long term non-material assets. The useful life of the long term non-material assets as of December 31, 2018 is estimated to be 8 years (2017; 10 years).



**III. Summary of the Accounting Standards (continues)**

(e) Inventory  
Inventory is appraised at the lowest cost of the cost and the realized value. The inventory cost is based on the weighted average cost and it includes all the expenses made for the acquisition of the inventory, production cost or inventory transformation cost as well as other costs associated with the final inventory (in case of production and the production in process, the costs include also part of the general production expenses based on the normal business capacity).

(f) Impairment

(i) Financial Activities  
A financial activity is appraised at the financial statement closure date in order to determine if there is any indication of the financial impairment of the asset. A financial asset is considered distressed if there is objective evidence indicating that one or more than one occasions have had a negative impact on estimated future flows of the asset.  
A loss associated to the distress of the asset recognized based on the amortization cost is calculated as a difference between the remaining value of the asset and the current value of future flows estimated, discounted at the effective interest rate. Losses derived from the impairment of the tradable financial assets is calculated referring its fair value. Financial activities which are considered large independently are appraised separately to estimate the impairment value. The other financial activities are evaluated in groups, having the same characteristics in terms of credit risk. All the losses from the financial impairment are recognized in the income statement. The accumulated losses related to any other tradable financial activity (previously considered under the capital account) is transferred in the income statement. A loss from the impairment is stagnated if the stagnation is objectively linked to an event occurred after the recognition of losses from impairment phase. In terms of the financial activities valued based on their amortization costs as well as the tradable financial activities (debt shares), the stagnation is recognized in the income statement. Regarding the tradable financial activities, capital shares, the stagnation is recognized directly on shareholders' equity.

(ii) Non-financial Activities

The accounting value of the non-financial activities of the company, except inventory and deferred tax activities are revised every reporting date in order to determine if there is any variable indicating impairment of the activity. If such an indicator exists, then the evaluation of the remaining value of the activity is made. The value of goodwill and other intangible activities with no maturity date are estimated on the date of the reporting of the financial statements.  
The remaining value of an asset generating income is known to be the highest value between its value-in-use and the fair value minus the sale cost. During the estimation of the value-in-use, the expected future inflows are discounted at the actual price using a discounted rate before taxes which shows the actual market value and the risks associated directly to the asset. For the purpose of testing the impairment of an asset, the assets are grouped together in the smallest asset group generating incoming cash flows for the other assets or groups of assets (“cash generating units”).



**“ALUMIL KOSOVO” Limited Company**  
**Notes to the financial statements for the period ended 31. December. 2018**  
**(Amounts in Euro, unless otherwise stated)**

**III. Summary of the Accounting Standards (continues)**

Losses from impairment of an asset are recognized if the accounting value or its cash generating unit exceeds the estimated remaining value of the asset. These losses are recorded in the income statement of the company. The impairment losses of the asset recognized from the cash generating unit are used to reduce the accounting value of goodwill and then to further reduce the accounting value of other units respectively. The accumulated impairment losses are valued at the financial statement reporting date for those indicators reflecting reduction of losses or for those indicators which are not any longer present. The impairment losses are stagnated if changes were estimated in order to determine the remaining value. The impairment value is stagnated until the accounting value of the asset does not exceed the accounting value estimated minus the depreciation or amortization cost.

**(g) Employee Benefits**

**(i) Mandatory Social Security Contributions**

The company is obliged to pay only the mandatory social security contributions of the employees which is known as a pension fund plan. The Albanian government is responsible for the minimum guaranteed funds established by legislation on pension funds in Albania based on a pension fund plan. The company's contributions in the pension fund plan are recognized in the income statement at the time of occurrence.

**(iii) Paid Holiday Entitlement**

The company recognizes as an expense the real value of the costs associated to the paid holiday benefits which is expected to be paid in return of the services provided by the employees.

**(h) Risk Provisions**

Provisioning is recognized when as a result of a past event, the company has a current legal obligation which could be measured and, when it is possible to claim an outgoing flow of economic benefits. Provisions are determined by discounting the expected future cash flows with a rate of return prior to taxes which indicates the current evaluations of the market value of cash and specific risks associated with the obligation.

**(i) Restructuring**

Provisions for restructuring costs are recognized when the company has approved a detailed authorized restructuring plan and when restructuring has started or is at least made available publicly. Provisions are not estimated for future operational costs.

**(ii) Land Restoration**

In accordance with the environmental policy of the company as well as based on the legal power and legal rights, provisioning of the land restoration and the respective expenses are recognized when the land is contaminated.



Minimum financial rent expenses are divided into financial expenses and reductions of the existing obligations. Financial expenses are distributed at end reporting periods during the rental period in order to apply a fixed interest rate over the outstanding liabilities. Probable rent expenses are recorded considering the minimum down payment throughout the remaining maturity period.

(k) Rent Expenses

Operational expenses are recognized when incurred.

(l) Operational Expenses

Revenues generated from the rent are recognized as profit or loss based on the straight line recognition method along the duration of rent service. The incentives provided during the rent service period are recognized as an integral part of the total revenues generated from the rent during the period.

(iii) Rent Income

Service revenues are recognized as profit or loss respectively at the accounting year end transaction date. The last phase is computed referring to the final check of the transaction occurred.

(ii) Services

The revenues generated for goods sold are computed based on the fair value of the received cash payments or receivables, less taxes paid on sales and income taxes (excise tax, transport tax, etc.). The revenues are recognized when ownership risks and benefits are transferred to the buyer, when cash payments are achievable, costs associated with goods return could be estimated in a reliable manner, when there is no third parties involved in the management of the goods and when the total revenues could be computed based on a consistent approach. Risk and benefit transfers are subject to change depending on the terms and conditions of the sale agreement.

(i) Goods Sold

(i) Revenue Realization Principle

Provisions related to agreements "onerous" are recognized when the expected benefits of the company coming from the agreement are lower than the costs associated with fulfilling terms and conditions of the agreement. Provisions are estimated as the current value of the lowest cost between the expected cost in case of breach of agreement and the expected net costs associated with the continuation of the agreement. Prior to provisioning, the company recognizes all losses derived from the impairment of the assets associated to the agreement.

(iii) Agreement "onerous"

### III. Summary of the Accounting Standards (continues)

**"ALUMIL KOSOVO" Limited Company**  
**Notes to the financial statements for the period ended 31. December. 2018**  
*(Amounts in Euro, unless otherwise stated)*



**“ALUMIL KOSOVO” Limited Company**  
**Notes to the financial statements for the period ended 31. December. 2018**  
**(Amounts in Euro, unless otherwise stated)**

**III. Summary of the Accounting Standards (continues)**

**(I) Financial Incomes and Expenses**

Financial income includes the income generated from balanced bank interest and the income generated from the foreign exchange transactions which are recorded as profits or losses. Interest income is computed using the effective interest rate method.

**(m) Income Tax**

Income tax includes the current tax and the deferred tax. Income tax is recognized in the income statement. It excludes the income tax associated directly to capital where tax is recognized as part of capital gains or losses.

Current tax is the tax computed on the yearly generated income using tax laws and regulations in power at the time of preparing the financial statements in addition to tax adjustments associated with previous accounting periods.

Deferred income tax is computed using the liability tax allocation method where it measures the temporary differences between book income and taxable income for the financial reporting purposes. In other words, this method focuses on measuring the deferred tax liability on the balance sheet. The income statement number is the difference between the current year liability and the previous year's liability.

A deferred income tax is recognized only if profits are realized against which the assets could be used. Deferred taxed assets are abolished at the time when profits associated to the asset are not realized.

**(n) New Accounting Standards and Interpretations Applied**

On the stated date of the certified financial statements, new interpretations and amendments important for the main activity of the company were enforced and applied in preparing these financial statements as follows:

**IFRS 7 Financial Instruments; Guidelines.**

This standard requires detailed clarifications related to financial instruments of the company. The new standard replaces the SNK 30 on "Notes to the financial statements of banks and financial institutions". The standard is applicable to all units preparing the financial statements in compliance with the SNRF. The company believes that the additional notes to the financial statements will be associated to the objectives, policies and procedures of managing its financial risk.

**IFRS 8 Operational Segments/Units**

This standard requires detailed clarifications on the unit based on the components of the unit that management supervises during the decision making process related to operational matters. Operational segments are components of a unit which allows for available financial information that is continuously appraised by the person in charge of operational decision making process.



**“ALUMIL KOSOVO” Limited Company**  
**Notes to the financial statements for the period ended 31. December. 2018**  
**(Amounts in Euro, unless otherwise stated)**

**III. Summary of the Accounting Standards (continues)**

The decisions regarding the distribution of the resources and the performance evaluation are done at this stage. The company believes that the requirements of the standard will have a positive influence on the financial statements.

IFRIC 7 Application of IAS 29 Financial reporting in hyperinflationary economies

Financial reporting in hyperinflationary economies requires the compliance with IAS 29 where an economy initially is transformed into an inflationary economy, specifically in terms of recording the deferred income tax. IFRIC 7 which is a mandatory requirement in preparing the financial statements does not have an impact in the financial statements of 2018 for our company.

IFRIC 8 The purpose of IFRS 2 The share based payment addresses the issue of recording a transaction in which the entity acquires goods or services either as consideration for its equity instruments or by incurring liabilities for amounts based on the price of the entity's shares or other equity instruments of the company. The accounting requirements for the share-based payment depend on how the transaction will be settled, that is, by the issuance of equity, cash, or equity or cash. IFRIC 8, which is a mandatory standard, does not have any influence on preparing the financial statements of our company for the year 2018.

IFRIC 9 Reassessment of Embedded Derivatives requires an entity, when it first becomes a party to a hybrid contract, to assess whether any embedded derivatives contained in the contract are required to be separated from the host contract and accounted for as if they were stand-alone derivatives. IFRIC 9, which is a mandatory standard, does not have any influence on preparing the financial statements of our company for the year 2018.

IFRIC 10 Interim Financial Reporting and Impairment states that an entity shall not reverse an impairment loss recognised in a previous interim period in respect of goodwill or an investment in either an equity instrument or a financial asset carried at cost. IFRIC 10, which is a mandatory standard, does not have any influence on preparing the financial statements of our company for the year 2018.

IFRIC 11 IFRS 2 Group and treasury share transactions which require share-based payment involving an entity's own equity instruments in which the entity chooses or is required to buy its own equity instruments (treasury shares) to settle the share-based payment obligation. In addition, a parent grants rights to its equity instruments to employees of its subsidiary and finally a subsidiary grants rights to equity instruments of its parent to its employees. IFRIC 11, which is a mandatory standard, does not have any impact on preparing the financial statements of our company for the year 2018.

IFRIC 12 service concession arrangements guides the entities on recognizing and computing issues arising in accounting related to arrangements of concession services between the public sector and the private sector. IFRIC 12, which is a mandatory standard, does not have any impact on preparing the financial statements of our company for the year 2018.



### III. Summary of the Accounting Standards (continues)

Amendment of IAS 1 Presentation of financial statements; supplementary amendment of IFRS 7. The standard requires additional notes regarding the shareholders equity of the entity. However, the company does not require essential clarifications regarding the capital structure of the company.

IFRIC 13 Customer Loyalty Programmes addresses the accounting treatment of the entities which operate or are involved in customer loyalty programmes. The client can gain additional goods and services at a lower cost or at no cost. IFRIC 13, which is a mandatory standard, does not have any impact on preparing the financial statements of our company for the year 2018.

IFRIC 14 IAS 19-Prepayments of a Minimum Funding Requirement explains that compensation and reductions of the future contributions in association with the prepayment funding requirements should be recognized and it provides guidelines to the minimum funding of the asset. IFRIC 14, which is a mandatory standard, does not have any impact on preparing the financial statements of our company for the year 2018.

### IV. Managing Financial Risk

#### General Overview

The company is exposed to the following risks due to activities related to financial instruments:

- Credit risk
- Liquidity risk
- Market risk

The section provides information regarding the exposure of the company to the above mentioned risks, objectives of the company, policies and procedures used to compute the administration risk as well as the manage the shareholders' equity. Additional qualitative and quantitative notes are included in the financial statements.

The management is responsible for the establishment and control system of running the risk. The management reports its activities periodically to the supervisory council

Policies for risk management of the company are approved in order to identify and analyse risks encountered by the company, to identify the necessary controls for each and every risk type and finally to monitor risk and application of the constraints.

#### (i) Credit Concentration Risk

The business activities of the company are related mainly to distribution and marketing of the industrial products through trading of all goods available involving all the stakeholders. The company has diversified its clients and in addition it does not have receivables from third parties.

**“ALUMIL KOSOVO” Limited Company**  
**Notes to the financial statements for the period ended 31. December. 2018**  
**(Amounts in Euro, unless otherwise stated)**

**IV. Managing Financial Risk (continues)**

The financial state of the customers and their relationship in the future might have a significant impact on the financial position of the company.

The credit risk is the risk of financial losses of the company if a customer or a financial instrument does not fulfill the contractual obligations. It comes mainly as a result of obligations from the customers as well as from the investments stocks.

Customers and other liabilities

The exposure of the company against credit risk is affected mainly by the individual characteristics of its customers. The customer individual ground in the company including the industry risk of the long term non material assets, has a lower influence in the credit risk.

However, there is no geographic concentration of the credit risk.

The company has not applied any crediting policy to its clients.

The trade receivables are related to clients of the company. The goods and services are sold holding the risks and rewards while the company does request collateral to back up its trade credits.

**Investments**

The company does not have financial investments.

(ii) Liquidity Risk is the risk that arises when the company faces difficulty in meeting its financial obligations at maturity. In order to manage liquidity, the company ensure enough liquidity in order to pay off all the due obligations at the maturity date under expected and unexpected circumstances without incurring any substantial loss to the company.



**“ALUMIL KOSOVO” Limited Company**  
**Notes to the financial statements for the period ended 31. December. 2018**  
*(Amounts in Euro, unless otherwise stated)*

**2. Property, plant and equipment**

Property, plant and equipment consisted as follows:

Historic Cost	ACCUMULATED DEPRECIATION						NET BOOK VALUE
	As at, 01/01/2018	Additions	Disposals	Reclass. From CIP	As at, 31/12/2018		
	Land	Buildings	Machinery	Transportation assets	Furniture & Equipment	Construction Progress (CIP)	Total
As at, 01/01/2018	686,157	1,773,037	35,714	54,107	133,337	-	2,682,352
Additions	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
Reclass. From CIP	-	-	-	-	-	-	-
As at, 31/12/2018	686,157	1,773,037	35,714	54,107	133,337	-	2,682,352
As at, 01/01/2018	-	-	-	-	-	-	-
Depreciation	-	59,042	1,786	9,221	17,533	-	87,583
Deferred depreciation	-	-	-	-	-	-	-
As at, 31/12/2018	-	383,774	11,455	28,465	91,507	-	515,202
As at, 01/01/2018	686,157	1,448,305	26,044	34,863	59,363	-	2,254,732
As at, 31/12/2018	686,157	1,389,263	24,259	25,642	41,830	-	2,167,151

There are no changes in Property, Plant & Equipment.

**“ALUMIL KOSOVO” Limited Company**  
**Notes to the financial statements for the period ended 31. December. 2018**  
*(Amounts in Euro, unless otherwise stated)*

**3. Long Term Non-material Assets**

As of December 31, 2018 and December 31, 2017 the long term non-material assets are as follows:

<u>Costs</u>	31/12/2018	31/12/2017
Beginning period 01.01.2018 (softwares)	-	-
Beginning period 01.01.2018 (other assets)	2,420	2,420
Increases during the period/year (softwares)	-	-
Increases during the period/year (other assets)	-	-
<b>Ending period 31.12.2018</b>	<b>2,420</b>	<b>2,420</b>
<b>Accumulated Depreciation</b>		
Beginning period 01.01.2018 (softwares)	-	-
Beginning period 01.01.2018 (other assets)	1,049	807
Depreciation during the period (year) forsoftwares	242	242
Depreciation during the period (year) for other assets	242	807
<b>Ending period 31.12.2018</b>	<b>1,291</b>	<b>807</b>
Net accumulated value at the end of the period (Softwares)	-	-
Net accumulated value at the end of the period (other assets)	1,129	1,371
Total accumulated net valueat the end of the period / year	1,129	1,371

The depreciation is according to the IFRS percentages.

**4. Inventories**

The consistency of the inventory is shown as below:

Cost of inventories recognized as an expense	Period-end Inventories	Period purchases	Start-up Inventories	Merchandise, goods for re-sale.	By-products and scrap.	Subtotal	Less: Provision for obsolete inventories.	Total
3,121,890	464,369	3,105,300	480,958	480,958	3,321	484,279	-	484,279
-	-	-	-	-	-	-	-	-
3,121,890	467,690	3,105,300	484,279	480,958	3,321	484,279	-	484,279

The inventories are decreased.



**“ALUMIL KOSOVO” Limited Company**  
**Notes to the financial statements for the period ended 31. December. 2018**  
*(Amounts in Euro, unless otherwise stated)*

**5. Trade receivables**  
 Trade receivables are shown as below:

	31. December 2018	31. December 2017
Trade receivable (Third parties)	24,222	26,457
<b>Subtotal</b>	<b>24,222</b>	<b>26,457</b>
Less: allowance for doubtful balances	(7,114)	(7,114)
<b>Total</b>	<b>17,108</b>	<b>19,343</b>

The movement in the allowance for doubtful balances is as follows:

All the trade debtors are within the country. Some of them paid on January 2019. Value 7,114.07 euro are provisioned on 2017 due to Management decision (4Vellezerit ntp 3,776.87 euro, Glob Door shpk 2,603.03 euro, Arking ntp 734.17 euro). It is a decision from GM to clear from books fro these customer.

**6. Other receivables & Prepayments**

Other receivables & Prepayments are shown as below:

	31. December 2018	31. December 2017
VAT receivable	-	-
Prepaid and withheld taxes	-	-
Advances to personnel	-	-
Advances to suppliers	-	-
Other receivables	23,605	23,605
Prepayments	-	-
<b>Subtotal</b>	<b>23,605</b>	<b>23,605</b>
Less: allowance for doubtful other receivables is as follows	-	-
<b>Total</b>	<b>23,605</b>	<b>23,605</b>

In other Creditor is a payment for 23604.56 euro that Alumil Kosovo has made for BMP but this money didnt get to BMP account. The payment was done on 26/04/2017 in another bank account that was sent by email to Alumil Kosovo from the same address email that they use with BMP but in fact was not of BMP but in another country from unknown individuals. It was made a request to the police station for further investigations. In 2018 it is a decision of Gm to make provision this value.

**“ALUMIL KOSOVO” Limited Company**  
*Notes to the financial statements for the period ended 31. December. 2018*  
*(Amounts in Euro, unless otherwise stated)*

**7. Cash and Cash Equivalents**

Cash and Cash Equivalents include monetary value in cash and the statements of bank accounts are shown as below:

	31. December 2018	31. December 2017
Cash in hand	5,889	3,324
Cash in banks	21,310	9,571
Short-term deposits	-	-
<b>Total</b>	<b>27,199</b>	<b>12,895</b>

Cash and cash equivalents, as included in the above note, analyzed to the following currencies:

	31 December 2018	31. December 2017
<b>EURO</b>	27,199	12,895
<b>US DOLLAR</b>	-	-
<b>Total</b>	<b>27,199</b>	<b>12,895</b>

The company has accounts in 4 different Banks and doesn't have any particulars of any mortgages, charges or pledges on the fixed and other assets of the company and of any guarantees on our behalf in favor of third parties.

**8. Share Capital**

	31. December 2018	31. December 2017
Authorized, Issued & Fully paid.	320,000	320,000
Value of each share (in EURO)	100	100
<b>Name of Shareholder</b>	<b>Number of shares</b>	<b>Holding Percentage</b>
Alumil Albania shpk	3,200	100%
<b>Total</b>	<b>3,200</b>	<b>100%</b>
		<b>Value of shares</b>
		320 000
		320 000

No changes on share capital.



**"ALUMIL KOSOVO" Limited Company**  
**Notes to the financial statements for the period ended 31. December. 2018**  
 (Amounts in Euro, unless otherwise stated)

**12. Trade and Other Payables**

Trade creditors (Alumil Group companies)	751,242	924,834
Trade creditors (Third parties)	7,773	7,837
<b>Total</b>	<b>759,016</b>	<b>932,671</b>
	<b>31. December 2018</b>	<b>31. December 2017</b>

The trade creditors of the Group for Alumil Kosovo is Alumil SA with the value 26.526,50 Euro Alumil-Albania with the value 724.715,88 euro the rest are within the country which are paid on January 2019

**16. Other Payables**

Customer advances	625	77
Salaries and wages payable	-	-
Social Security payable	1,179	1,153
Taxes payable (VAT, payroll, withholding, etc.)	9,423	6,962
Other creditors	-	-
Accruals*	-	-
<b>Total</b>	<b>11,226</b>	<b>8,192</b>
	<b>31. December 2018</b>	<b>31. December 2017</b>

Social securities 1.178,60 euro, taxes 9.422,46 euro are paid on January 2019. Customer advanced 624,57 euro are some different customers that paid by mistake their invoices, this value will be adjust on their future payments.

**17. Income tax payable**

Income tax expense for the year	10,223	11,650
Less: Income tax paid during the year	-	(6,000)
Plus / Less	(10,223)	-
<b>INCOME TAX PAYABLE AT BALANCE SHEET</b>	<b>0</b>	<b>5,650,43</b>
<b>Profit per accounts before tax</b>	<b>77,659</b>	<b>107,203</b>
Plus : Disallowable expenses	24,573	9,301
Non - tax deductible Taxes & other expenses	-	-
Additional taxes & Tax fines	-	-
<b>Total</b>	<b>24,573</b>	<b>9,301</b>
<b>Total Profits</b>	<b>102,232</b>	<b>116,504</b>
Minus : Non - taxable income	-	-

**“ALUMIL KOSOVO” Limited Company**

*Notes to the financial statements for the period ended 31. December. 2018  
(Amounts in Euro, unless otherwise stated)*

Prior years' tax losses

	Total	Taxable Profits	Tax Rate	Income tax expense for the year
	-	-	10%	10,223
	-	102,232	10%	11,650

There are some hospitality expenses for customer office 968.31 euro and insurance expense for branch manager and sales manager of Alumil Kosovo without invoice. The other 23,604.07 euro is a provision for advance payment to supplier BMP. In total disallowable expenses are 24,572.87 euro

**19. Intercompany transactions and balances**

Company	Currency	SALES				Purchases			
		Fixed assets	Services	Inventories	Fixed assets	Services	Inventories	Payable (e.g. loans etc)	
Alumil Albania	Eur	-	-	-	-	2,830,852	724,716	-	
MILONAS SA (MOTHER)	Eur	-	-	-	-	111,897	26,526	-	
Alumil SRB		-	-	-	-	-	-	-	
BMP		-	-	-	-	48,032	-	-	
Total		-	-	-	-	2,990,781	751,242	-	

**1. Revenues and expenses**

**a) Sales**

Sales of products  
Sales of merchandise  
Rendering of services  
Total of : a) Sales

31. December 2018	31. December 2017
3,573,975	3,194,129
-	-
3,573,975	3,194,129
3,573,975	3,194,129



**"ALUMIL KOSOVO" Limited Company**

**Notes to the financial statements for the period ended 31. December. 2018**  
(Amounts in Euro, unless otherwise stated)

**1. Revenues and expenses (continued)**

**b) Other operating income**

Income from services to third parties  
Gain on disposal of property, plant and equipment  
Other income (please explain below)  
**Total of : b) Other operating income**

31. December 2018	31. December 2017
-	-
-	-
6,949	6,949
-	-
<b>6,949</b>	<b>6,949</b>

**c) Cost of sales**

Depreciation and amortisation  
Costo of inventories recognised as an expenses.  
Staff costs  
Other expenses

**Total of: c) Cost of sales**

31. December 2018	31. December 2017
-	-
3,121,890	2,792,087
-	-
-	-
<b>3,121,890</b>	<b>2,792,087</b>

**d) Selling & distribution expenses**

Depreciation and amortisation

Staff costs

Third party fees and expenses

Advertising expenses

Rental

Insurance expenses

Other facilities

Taxes and duties

Provision for doubtful debts and other receivables

Transportation expenses

Other expenses (Please explain below)

**Total of: d) Selling & distribution expenses**

31. December 2018	31. December 2017
78,345	73,955
36,943	-
69,710	37,570
3,458	1,833
-	-
715	944
20,648	22,826
955	986
-	7,114
2,553	3,099
6,006	5,950
<b>219,334</b>	<b>154,278</b>

**“ALUMIL KOSOVO” Limited Company**  
**Notes to the financial statements for the period ended 31. December. 2018**  
*(Amounts in Euro, unless otherwise stated)*

**1. Revenues and expenses (continued)**

**e) Administrative expenses**

Depreciation and amortisation	9,480	12,008
Staff costs	41,780	75,661
Loss on disposal of property, plant and equipment	-	6,547
Third party fees and expenses	59,001	28,620
Advertising expenses	5,018	3,898
Rental	-	-
Insurance expenses	1,670	1,901
Other facilities	8,141	9,895
Taxes and duties	636	637
Transportation expenses	-	-
Other expenses (Please explain below)	28,035	6,737
<b>Total of: e) Administrative expenses.</b>	<b>153,761</b>	<b>145,903</b>

**f) Research & Development expenses**

Depreciation and amortisation	-	-
Staff costs	-	-
Third party fees and expenses	-	-
Other facilities	-	-
Taxes and duties	-	-
Other expenses	-	-
<b>Total of : ) Reseach &amp; Development expenses</b>	<b>-</b>	<b>-</b>

**h) Net Finance cost-income**

Interest on long-term debt	-	-
Interest on short-term borrowing	-	-
Other financial expenses	1,343	1,614
<b>Total financial cost</b>	<b>1,343</b>	<b>1,614</b>
Interest income	-	-
Income from investments	-	-
Other interest and related income	11	7
<b>Total financial income</b>	<b>11</b>	<b>7</b>
<b>Total net financial (cost) income</b>	<b>1,332</b>	<b>1,607</b>

**31. December 2018**      **31. December 2017**



**“ALUMIL KOSOV“ Limited Company**  
**Notes to the financial statements for the period ended 31. December. 2018**  
*(Amounts in Euro, unless otherwise stated)*

**I. Revenues and expenses (continued)**

**i) Staff cost**

	31. December 2018	31. December 2017
Gross salaries and wages	74,259	72,058
Employers' social security contributions	4,464	3,603
<b>Total</b>	<b>78,723</b>	<b>75,661</b>
Other staff cost	-	-
Pension charge for the year	-	-
<b>Total</b>	<b>78,723</b>	<b>75,661</b>

The Company's average number of employees for the period ended 31 December 2018 and 31 December 2017 are analysed as follows:

	31. December 2018	31. December 2017
Hourly paid (waged) workers	8	8
Salared employees	8	8
<b>Total</b>	<b>8</b>	<b>8</b>

**j) Depreciation**

Depreciation is included within expense headings in the Statement as follows:

	31. December 2018	31. December 2017
Cost of sales	-	-
Administrative expenses	9,480	12,008
Selling & Distribution costs	78,345	73,955
Research & Development expenses	-	-
<b>Total depreciation</b>	<b>87,825</b>	<b>85,963</b>

The revenues and expenses are provided in an analytical manner.