

# EDAC BIELLA SRL

## Financial statements as at 31-12-2019

Company details	
Registered Office in	VIA FILIPPO TURATI 29 MILAN MI
Tax Code	02603290020
REA (Index of Economic and Administrative Information) number	MI 2082275
VAT No.	02603290020
Share Capital Euros	50,000
Legal structure	LIMITED LIABILITY COMPANY
Main business sector (ATECO)	439909
Company in liquidation	no
Single-member company	yes
Company subject to the direction and coordination of others	no
Member of a group	no

## Balance sheet

	31-12-2019	31-12-2018
<b>Balance sheet</b>		
<b>Assets</b>		
<b>B) Fixed assets</b>		
I - Intangible fixed assets	501	1,033
II - Tangible fixed assets	4,053	3,909
Total tangible fixed assets (B)	4,554	4,942
<b>C) Current assets</b>		
I - Inventories	62,539	80,317
II - Receivables		
due within the next financial year	637,548	700,181
Total receivables	637,548	700,181
IV - Cash and cash equivalents	158,288	79,306
Total current assets (C)	858,375	859,804
D) Accruals and deferrals	-	458
Total assets	862,929	865,204
<b>Liabilities</b>		
<b>A) Shareholders' equity</b>		
I - Share capital	50,000	50,000
IV - Legal reserve	6,730	6,730
VI - Other reserves	1	110,805
VIII - Profit (loss) carried forward	(6,531)	113,722
IX - Profit (loss) for the year	(3,932)	(231,058)
Total shareholders' equity	46,268	50,199
<b>D) Payables</b>		
due within the next financial year	816,523	815,005
Total payables	816,523	815,005
<b>E) Accruals and deferrals</b>	138	-
Total liabilities	862,929	865,204

# Income statement

	31-12-2019	31-12-2018
<b>Income statement</b>		
A) Value of production		
1) revenue from sales and services	1,144,166	1,297,859
5) other revenue and proceeds		
others	2,012	5,149
Total other revenue and proceeds	2,012	5,149
Total value of production	1,146,178	1,303,008
B) Costs of production		
6) for raw and ancillary materials, consumable goods and merchandise	204,029	318,059
7) for services	182,272	505,442
8) for use of leased assets	238,030	95,796
9) for staff		
a) salaries and wages	273,046	271,697
b) social security costs	207,384	235,103
c), d), e) severance indemnity, retirement benefits, other staff costs	-	52,398
c) employee severance indemnity	-	1,599
e) other costs	-	50,799
Total personnel costs	480,430	559,198
10) amortisation/depreciation and write-downs		
a), b), c) amortisation/depreciation of tangible and intangible fixed assets, other write-downs of fixed assets	1,225	16,720
a) amortisation of intangible fixed assets	533	16,199
b) depreciation of tangible fixed assets	692	521
d) impairment of receivables including in current assets and liquid funds	-	33,253
Total amortisation/depreciation and write-downs	1,225	49,973
11) change in inventories of raw and ancillary materials, consumables and goods	17,778	(11,670)
14) other operating expenses	4,910	7,014
Total production costs	1,128,674	1,523,812
Difference between production value and costs (A - B)	17,504	(220,804)
C) Financial income and charges		
16) other financial income		
d) income other than the above		
others	1,072	3
Total income other than the above	1,072	3
Total other financial income	1,072	3
17) interest and other financial charges		
others	3,967	-
Total interest and other financial charges	3,967	-
Total financial income and charges (15 + 16 - 17 + - 17-bis)	(2,895)	3
Pre-tax profit/loss (A - B + - C + - D)	14,609	(220,801)
20) Income taxes for the year, current, deferred and prepaid		
current taxes	18,541	10,257
Total income taxes for the year, current, deferred and prepaid	18,541	10,257
21) Profit (loss) for the year	(3,932)	(231,058)

# Explanatory notes to the Financial Statements as at 31-12-2019

## **Explanatory notes, first part**

Dear Shareholders, these Explanatory Notes are an integral part of the financial statements as at 31/12/2019.

The financial statements are drawn up in condensed form as the limits have not been exceeded for two consecutive financial years as per art. 2435-bis of the Italian Civil Code.

These financial statements are in compliance with the provisions of articles 2423 et seq. of the Italian Civil Code and national accounting standards as published by the Italian Accounting Body. Therefore they clearly, truly and fairly represent the financial position and operating result of the year.

The contents of the Balance Sheet and Income Statement are those envisaged by articles 2424 and 2425 of the Italian Civil Code.

The explanatory notes, drafted pursuant to art. 2427 of the Italian Civil Code, also contain all information useful for providing a correct interpretation of the financial statements.

Also provided herein is the information required by numbers 3 and 4 of art. 2428 of the Italian Civil Code, since, as permitted by art. 2435-bis of the Italian Civil Code, the Management Report was not prepared.

These financial statements for the year ended 31/12/2019 show an operating result of €3,932.09.

### **Content criteria**

#### **Preparation of the financial statements**

The information included in this document is presented in the order in which the related items are specified on the balance sheet and income statement.

With regard to that which was mentioned in the introduction to these explanatory notes, note that, in accordance with art. 2423, 3rd paragraph of the Italian Civil Code, where the information required by specific provisions of law is insufficient for providing a true and correct portrayal of the company's situation, all additional information deemed necessary to this purpose is also supplied.

The financial statements, as well as these explanatory notes, have been prepared in euros.

## **Drafting principles**

The valuation of the items of the financial statements was performed in compliance with the general principles of prudence, significance and on a going-concern basis. In accordance with art. 2423-bis, para. 1, point 1-bis of the Italian Civil Code, the items are recognised and presented taking into account the substance of the transaction or contract. In preparing the financial statements, income and charges were booked on an accrual basis regardless of the actual date of payment and/or of the document, and only gains realised as at the year-end date have been included. Risks and losses pertaining to the year were taken into account, even if awareness of such was only gained after year-end.

#### **Structure and contents of the financial statements**

The balance sheet, income statement and all accounting information contained in these notes comply with the accounting records from which they have been directly disclosed.

In presenting the balance sheet and income statement, no items preceded by Arabic numerals were grouped together, as is instead permitted by art. 2423 ter of the Italian Civil Code.

In accordance with art. 2424 of the Italian Civil Code, there are no elements of assets or liabilities that fall under more than one item of the financial statements.

## **Exceptional cases pursuant to art. 2423, fifth paragraph, of the Italian Civil Code**

There were no exceptional cases that required recourse to exceptions pursuant to art. 2423, paragraphs 4 and 5 of the Italian Civil Code.

## **Changes in accounting standards**

There were no exceptional cases that required recourse to exceptions pursuant to art. 2423-bis, para. 2 of the Italian Civil Code.

## Comparability and adaptation issues

In accordance with art. 2423-ter of the Italian Civil Code, all items of the financial statements are comparable with the previous year, so there has been no need to adapt any item from last year.

## Measurement criteria applied

The criteria applied for the valuations of the items of the financial statements and value adjustments are in compliance with the provisions of the Italian Civil Code and instructions within the accounting standards issued by the Italian Accounting Body. These have not changed compared to the previous year, except as will be specified in the discussion of individual items.

In compliance with art. 2427, para. 1, no. 1 of the Italian Civil Code, the most important measurement criteria are presented, adopted in compliance with the provisions of art. 2426 of the Italian Civil Code, with particular reference to those items of the financial statements for which the law allows different measurement and adjustment criteria or for which no specific criteria are envisaged.

As at the end of the financial year the company had no assets or liabilities in foreign currency.

### Intangible fixed assets

The conditions being met as per accounting standards, intangible fixed assets are reported in balance sheet assets at purchase and/or production cost, and are amortised on a straight-line basis according to their residual useful life.

The value of the fixed assets is shown net of accumulated amortisation.

Amortisation has been calculated in accordance with the following plan, which is deemed to provide a correct division of the cost borne throughout the useful life of the relevant fixed assets:

Intangible fixed assets	Period
Start-up and expansion costs	5 years

The amortisation criterion for intangible fixed assets was systematically applied in each financial year in relation to the residual possibility of economic use of each individual asset.

Pursuant to and in compliance with art. 10 of Italian Law no. 72 of 19 March 1983, and as also mentioned by the subsequent monetary revaluation laws, it is noted that no monetary revaluation has been made for existing intangible fixed assets.

Note that there was no need to impair said fixed assets pursuant to art. 2426, paragraph 1, no. 3 of the Italian Civil Code insofar as, as envisaged by accounting standard OIC 9, no indications of potential permanent losses of value of intangible fixed assets were found.

### Start-up and expansion costs

Start-up and expansion costs were included among balance sheet assets because they have a useful life spanning several years. These costs were amortised within a period of no more than five years.

### Tangible fixed assets

Assets belonging to the category of tangible fixed assets, recognised at the date of transfer of the risks and benefits of the acquired asset, are entered in the balance sheet at purchase cost plus any ancillary costs incurred until the assets are ready for use, and in any case within the limits of their recoverable amount.

The criteria for the depreciation of tangible fixed assets has not changed compared to last year.

Pursuant to and in compliance with art. 10 of Italian Law no. 72 of 19 March 1983, and as also mentioned by the subsequent monetary revaluation laws, it is noted that no monetary revaluation has been made for existing tangible fixed assets.

Note that there was no need to impair said fixed assets pursuant to art. 2426, paragraph 1, no. 3 of the Italian Civil Code insofar as, as envisaged by accounting standard OIC 9, no indications of potential permanent losses of value of tangible fixed assets were found.

**Inventories**

Inventories are valued at the lower of the purchase or production cost, or at the estimated realisable value based on the current market. The purchase cost includes any directly attributable costs.

***Raw, ancillary and consumable materials***

The cost of inventories of raw, ancillary and consumable materials of a fungible nature has been calculated at specific costs, i.e. attributing individual goods with the costs specifically incurred for them. The value thus determined was appropriately compared, as explicitly required by art. 2426, no. 9 of the Italian Civil Code, with the realisable value based on the current market.

**Receivables recorded in current assets**

Receivables recorded under current assets were valued at their presumed realisable value using the option granted by art. 2435-bis of the Italian Civil Code. The adjustment to this value was made through the allocation of a bad debt provision totalling €25,800.28.

**Cash and cash equivalents**

Cash and cash equivalents are valued according to the

- following criteria: cash, at nominal value;
- bank deposits and cheques on hand, at estimated realisable value. In this case, the realisable value coincides with the nominal value.

**Accrued income and prepayments**

Accruals and deferrals were calculated on a pro tempore basis by dividing revenues and/or costs common to several years.

**Shareholders' equity**

The items are recorded at their book value in compliance with the instructions contained in accounting standard OIC 28.

**Payables**

Payables were shown in the financial statements at nominal value, using the option granted by art. 2435-bis of the Italian Civil Code.

**Accrued liabilities and deferred income**

Accruals and deferrals were calculated on a pro tempore basis by dividing costs and/or revenues common to several years.

## Other information

**Forward repurchase transactions**

Pursuant to art. 2427, no. 6-ter, the company certifies that no transaction subject to forward repurchase agreements was executed during the year.

## Condensed explanatory notes - Assets

The changes in individual balance sheet items are analysed in detail below, according to the provisions of current law.

### **Fixed Assets**

Fixed assets decreased by €388.

#### Changes in fixed assets

This paragraph of the explanatory notes analyses the changes to intangible, tangible and financial fixed assets.

The following has been specified for each item of the fixed

- assets: the historical cost;
- any previous revaluations, write-downs and amortisation/depreciation of the fixed assets existing at the start of the year;
- purchases, changes from one item to another, sales and disposals that took place during the year;
- revaluations, write-downs and amortisation/depreciation during the year;

the final balance of the fixed asset.

	Intangible fixed assets	Tangible fixed assets	Total fixed assets
<b>Value at year start</b>			
Cost	52,663	4,970	57,633
Depreciation/amortisation (Accumulated depreciation/amortisation)	51,630	1,061	52,691
Balance sheet value	1,033	3,909	4,942
<b>Changes during the year</b>			
Increases for purchases	-	836	836
Total changes	-	836	836
<b>Value at year end</b>			
Cost	52,663	5,806	58,469
Depreciation/amortisation (Accumulated depreciation/amortisation)	52,162	1,753	53,915
Balance sheet value	501	4,053	4,554

#### Finance lease transactions

As at the year-end date, the company has no financial lease contracts in place.

### **Current assets**

Current assets decreased by €1,429.

#### Inventories

Inventories decreased by €17,778.

#### Receivables recorded in current assets

The receivables decreased by €62,633.

## Capitalised financial charges

All the interest and the other financial charges have been expensed in full during the year. In accordance with art. 2427, paragraph 1, no. 8 of the Italian Civil Code, it is therefore certified that there are no capitalisations of financial charges.



## **Condensed explanatory notes - Liabilities and shareholders' equity**

The changes in individual balance sheet items are analysed in detail below, according to the provisions of current law.

### **Shareholders' equity**

Shareholders' equity decreased by the loss of the previous year.

### **Payables**

Payables decreased by €1,518.

### **Payables with a duration of over five years and payables secured by collateral on company assets**

Pursuant to and for the purposes of art. 2427, paragraph 1, no. 6 of the Italian Civil Code, it is certified that there are no payables with a duration of more than five years or payables secured by collateral on corporate assets.

## **Condensed explanatory notes - Income statement**

The income statement shows the profit/loss for the year.

It provides a representation of operations, using a summary of positive and negative income components that contributed to the profit or loss. Positive and negative income components recognised in the financial statements in compliance with article 2425-bis of the Italian Civil Code are broken down according to which type of operations they belong to: core, ancillary and financial.

Core operations consist of income components generated by transactions that occur on a continuous basis and related to the company's core business, the activity for which it was founded.

Financial operations consist of transactions that generate financial income and charges.

On a residual basis, ancillary activities involve transactions that generate income components which form part of the ordinary activities but that do not fall under the core and financial activities.

### **Value of production**

Revenues are recognised in the financial statements on an accrual basis, net of returns, allowances, discounts and bonuses, as well as directly related taxes.

Revenues from the provision of services are recognised when the service is rendered. For the provision of continuous services, the related revenues are recognised for the amount accrued.

### **Cost of production**

Costs and expenses are recognised on an accrual basis and by nature, net of returns, allowances, discounts and bonuses, in compliance with the principle of correlation with revenues, and recorded under the corresponding items in compliance with accounting standard OIC 12. As regards the purchase of goods, the related costs are recognised when the material and non-formal transfer of ownership occurs, taking the transfer of risks and benefits as the parameter of reference for the material transfer. In the case of purchase of services, the related costs are recognised when the service is received or concluded, while for continuous services the related costs are recognised for the amount accrued.

### **Financial income and charges**

Financial income and charges are recognised on a pro tempore basis in relation to the amount accrued during the financial year.

### **Amount and nature of individual items of income/expenditure of exceptional magnitude or incidence**

During the year under review, no revenues or other positive components deriving from events of an exceptional amount or impact were recognised.

During the year, no costs arising from events of an exceptional amount or impact were recognised.

### **Income taxes for the year, current, deferred and prepaid**

The company allocated annual taxes based on the application of current tax regulations. Current taxes refer to taxes for the year as detailed in the tax returns.

#### **Deferred and prepaid taxes**

No provision has been made in the income statement for deferred tax assets and liabilities as there are no temporary differences between the balance sheet and the theoretical tax liability.

## **Condensed explanatory notes - Other information**

Additional information required by the Italian Civil Code appears below.

### **Headcount numbers**

The table below specifies the average number of employees, broken down by category and calculated considering the daily average.

	Average number
Blue-collar workers	14
Total Employees	14

### **Remuneration, advances and loans granted to directors and statutory auditors and commitments made on their behalf**

The Company has not approved any remuneration, nor are there any advances to or receivables from the governing body. Moreover, it has not made any commitments on behalf of such body as a result of guarantees of any kind.

### **Potential commitments, guarantees and liabilities not recorded by balance sheet**

There are no off-balance sheet commitments, guarantees or contingencies.

### **Disclosure of transactions with related parties**

For the purpose of the provisions of current law, during the year no related party transactions were executed.

### **Disclosure of off-balance sheet agreements**

During the year no off-balance sheet agreements were stipulated.

### **Information on significant events occurring after year-end**

With regard to point 22-quater of art. 2427 of the Italian Civil Code, there were no significant events occurring subsequent to the reporting date that materially impacted the company's financial position.

### **Businesses that draft the consolidated financial statements of the smallest group of businesses they are a part of as a subsidiary**

This case does not exist as per art. 2427, no. 22-sexies of the Italian Civil Code.

### **Information relating to derivative financial instruments pursuant to Art. 2427-bis of the Italian Civil Code**

No derivative financial instruments were used.

## **Overview of the Financial Statements of the company performing the activity of management and coordination**

In accordance with art. 2497-bis, para. 4 of the Italian Civil Code, it is noted that the company is not subject to the direction and coordination of a third party.

## **Treasury stock of parent companies**

In accordance with art. 2435-bis and article 2428, paragraph 3, points 3 and 4 of the Italian Civil Code, note that during the year the company did not hold any shares or quotas in the parent company.

## **Proposed allocation of profits or coverage of losses**

Dear Shareholders, in light of the above the governing body proposes to carry forward the operating loss of €3,932.09.

## **Explanatory notes - Final part**

Dear Shareholders, we can confirm that these financial statements, consisting of the balance sheet, income statement and explanatory notes, provide a true and fair view of the company's equity and financial situation as well as the economic result for the year, and are consistent with the underlying accounting records. We therefore invite you to approve the financial statements as at 31/12/2019 together with the proposed allocation of the annual result as decided by the governing body.

The Financial Statements are true and real and comply with the accounting records.

Milan, 19/03/2019

The Sole Director, Riccardo Iovino