

GRANDAEDAC SRL IN LIQUIDATION

Financial statements as at 31-12-2019

Company details	
Registered Office in	VIA TURATI FILIPPO 29 MILAN MI
Tax Code	03655890048
REA (Index of Economic and Administrative Information) number	CN 307048
VAT No.	03655890048
Share Capital Euros	10,000 fully paid
Legal structure	LIMITED LIABILITY COMPANY
Main business sector (ATECO)	439909
Company in liquidation	yes
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
Balance sheet		
Assets		
B) Fixed assets		
I - Intangible fixed assets	12,602	25,204
II - Tangible fixed assets	16,414	19,135
Total tangible fixed assets (B)	29,016	44,339
C) Current assets		
I - Inventories	30,932	2,740
II - Receivables		
due within the next financial year	318,928	191,948
Total receivables	318,928	191,948
IV - Cash and cash equivalents	10,527	(217)
Total current assets (C)	360,387	194,471
D) Accruals and deferrals	1,226	1,143
Total assets	390,629	239,953
Liabilities		
A) Shareholders' equity		
I - Share capital	10,000	50,000
IV - Legal reserve	-	1,264
VI - Other reserves	1	(1)
VIII - Profit (loss) carried forward	(49,866)	692
IX - Profit (loss) for the year	(34,008)	(165,441)
Total shareholders' equity	(73,873)	(113,486)
C) Employee severance indemnities	7,534	5,521
D) Payables		
due within the next financial year	455,989	250,252
due beyond the next financial year	-	96,687
Total payables	455,989	346,939
E) Accruals and deferrals	979	979
Total liabilities	390,629	239,953

Income statement

	31-12-2019	31-12-2018
Income statement		
A) Value of production		
1) revenue from sales and services	377,200	332,845
5) other revenue and proceeds		
others	350	312
Total other revenue and proceeds	350	312
Total value of production	377,550	333,157
B) Costs of production		
6) for raw and ancillary materials, consumable goods and merchandise	88,795	122,919
7) for services	124,715	81,282
8) for use of leased assets	28,751	55,115
9) for staff		
a) salaries and wages	88,592	90,701
b) social security costs	69,993	41,272
c), d), e) severance indemnity, retirement benefits, other staff costs	15,312	81,817
c) employee severance indemnity	7,089	6,249
e) other costs	8,223	75,568
Total personnel costs	173,897	213,790
10) amortisation/depreciation and write-downs		
a), b), c) amortisation/depreciation of tangible and intangible fixed assets, other write-downs of fixed assets	16,307	15,591
a) amortisation of intangible fixed assets	12,602	12,602
b) depreciation of tangible fixed assets	3,705	2,989
Total amortisation/depreciation and write-downs	16,307	15,591
11) change in inventories of raw and ancillary materials, consumables and goods	(28,192)	4,430
14) other operating expenses	1,666	1,212
Total production costs	405,939	494,339
Difference between production value and costs (A - B)	(28,389)	(161,182)
C) Financial income and charges		
16) other financial income		
d) income other than the above		
others	(2)	6
Total income other than the above	(2)	6
Total other financial income	(2)	6
17) interest and other financial charges		
others	2,483	4,119
Total interest and other financial charges	2,483	4,119
Total financial income and charges (15 + 16 - 17 + - 17-bis)	(2,485)	(4,113)
Pre-tax profit/loss (A - B + - C + - D)	(30,874)	(165,295)
20) Income taxes for the year, current, deferred and prepaid		
current taxes	3,134	146
Total income taxes for the year, current, deferred and prepaid	3,134	146
21) Profit (loss) for the year	(34,008)	(165,441)

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 €34,008.01. With a deed dated 24/12/2019 and with effect from 11/2/2020 the company was put into liquidation.

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 from last year.

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
Concessions, licences, trademarks and similar rights	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.

Finance lease transactions

As envisaged by law, assets acquired under financial leases are accounted for according to the equity method with recognition of the lease fees under operating costs.

Inventories

Inventories of goods are valued at the lower of the purchase or production cost, or at the estimated realisable value based on the current market.

Raw, ancillary and consumable materials

From the comparison between the purchase/production cost and the realisable value based on the market, the conditions for valuation based on a lower market value did not emerge for any of the goods in stock.

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.

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.

Employee severance indemnities

Employee severance indemnities were calculated in accordance with art. 2120 of the Italian Civil Code, taking into account all provisions of law and contract specifications and those of professional categories, and inclusive of the annual sums accrued and revaluations carried out on the basis of ISTAT coefficients.

The amount of this provision is stated net of advances paid and amounts used for any termination of employment that may have taken place during the year, and represents the certain debt due to employees at year end.

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 €15,323.

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
Value at year start			
Cost	63,010	24,261	87,271
Depreciation/amortisation (Accumulated depreciation/amortisation)	37,806	5,126	42,932
Balance sheet value	25,204	19,135	44,339
Changes during the year			
Increases for purchases	-	704	704
Depreciation/amortisation for the year	12,602	3,705	16,307
Total changes	(12,602)	(3,001)	(15,603)
Value at year end			
Cost	63,010	24,965	87,975
Depreciation/amortisation (Accumulated depreciation/amortisation)	50,408	8,551	58,959
Balance sheet value	12,602	16,414	29,016

Finance lease transactions

The following table shows the information required by law in order to represent, albeit off balance sheet, the implications arising from the accounting differences compared to the financial method, where the user company recognises the leased assets among fixed assets and calculates a depreciation charge thereon, while at the same time recognising the payable for the capital amount of the lease payments to be made. In this case, the interest and depreciation charge relating to the year would be recognised in the income statement.

	Amount
Total amount of financial lease assets at year end	33,596
Depreciation that would have accrued in the year	8,399
Current value of the lease payments not yet due at year end	21,884
Financial charges accruing in the year based on the effective interest rate	484

Current assets

Current assets increased by €165,916.

Inventories

Inventories increased by €28,192.

Receivables recorded in current assets

The receivables increased by €126,980.

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

The share capital was reduced to zero and reconstituted at the legal minimum.

Payables

Payables increased by €109,050.

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	5
Total Employees	5

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 €38,008.01.

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, 26/03/2020

The liquidator, Mr Carlo Sirombo