

MAGIC STONES LTD

FINANCIAL STATEMENTS
31 December 2022

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MAGIC STONES LTD

BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors:	Christiana Georgiou
Company Secretary:	Christiana Georgiou
Independent Auditors:	M. Papadakis & Co Chartered Accountants 1 Avlonos Street Maria House 1075, Nicosia Cyprus
Registered office:	Chytron 3, Flat/Office 301 1075, Nicosia Cyprus
Registration number:	HE 415584

Independent Auditor's Report

To the Members of Magic Stones Ltd

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Magic Stones Ltd (the "Company"), which are presented in pages 4 to 10 and comprise the statement of financial position as at 31 December 2022, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2022, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Cyprus, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors for the Financial Statements

The Board of Directors is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent Auditor's Report (continued)

To the Members of Magic Stones Ltd

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other Matter

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 69 of the Auditors Law of 2017 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.

MAGIC STONES LTD

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME 31 December 2022

	Note	2022 €	2021 €
Revenue		-	-
Administration expenses	6	(8,500)	(6,895)
Other expenses		-	(4,150)
Net loss for the year		(8,500)	(11,045)
Other comprehensive income		-	-
Total comprehensive income for the year		(8,500)	(11,045)

The notes on pages 8 to 10 form an integral part of these financial statements.

MAGIC STONES LTD

STATEMENT OF FINANCIAL POSITION

31 December 2022

	Note	2022 €	2021 €
ASSETS			
Current assets			
Trade and other receivables	7	-	500
		-	500
Total assets		-	500
EQUITY AND LIABILITIES			
Equity			
Share capital	8	5,000	5,000
Accumulated losses		(19,545)	(11,045)
Total equity		(14,545)	(6,045)
Current liabilities			
Trade and other payables	9	5,950	6,545
Payables to parent	10	8,595	-
		14,545	6,545
Total equity and liabilities		-	500

On 26 April 2023 the Board of Directors of Magic Stones Ltd authorised these financial statements for issue.



Christiana Georgiou
Director

The notes on pages 8 to 10 form an integral part of these financial statements.

MAGIC STONES LTD

STATEMENT OF CHANGES IN EQUITY 31 December 2022

	Note	Share capital €	Accumula- ted losses €	Total €
Net loss for the year		-	(11,045)	(11,045)
Transactions with owners				
Issue of share capital	8	5,000	-	5,000
Balance at 31 December 2021/ 1 January 2022		5,000	(11,045)	(6,045)
Net loss for the year		-	(8,500)	(8,500)
Balance at 31 December 2022		5,000	(19,545)	(14,545)

The notes on pages 8 to 10 form an integral part of these financial statements.

MAGIC STONES LTD

CASH FLOW STATEMENT

31 December 2022

	2022 €	2021 €
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	<u>(8,500)</u>	<u>(11,045)</u>
	(8,500)	(11,045)
Changes in working capital:		
Decrease/(increase) in trade and other receivables	500	(500)
(Decrease)/increase in trade and other payables	(595)	6,545
Increase in payables to parent	<u>8,595</u>	<u>-</u>
Cash used in operations	<u>-</u>	<u>(5,000)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	<u>-</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of share capital	<u>-</u>	<u>5,000</u>
Net cash generated from financing activities	<u>-</u>	<u>5,000</u>
Net increase in cash and cash equivalents	-	-
Cash and cash equivalents at beginning of the year	<u>-</u>	<u>-</u>
Cash and cash equivalents at end of the year	<u><u>-</u></u>	<u><u>-</u></u>

The notes on pages 8 to 10 form an integral part of these financial statements.

MAGIC STONES LTD

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

1. Incorporation and principal activities

Country of incorporation

The Company Magic Stones Ltd (the "Company") was incorporated in Cyprus on 23 November 2020 as a private limited liability company under the provisions of the Cyprus Companies Law, Cap. 113. Its registered office is at Chytron 3,, Flat/Office 301, 1075, Nicosia, Cyprus.

Principal activity

The principal activity of the Company is to act as a payment agent for its parent company.

2. Basis of preparation

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

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires Management to exercise its judgment in the process of applying the Company's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on Management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

3. Adoption of new or revised standards and interpretations

During the current year the Company adopted all the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning on 1 January 2022. This adoption did not have a material effect on the accounting policies of the Company.

4. Significant accounting policies

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

5. New accounting pronouncements

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

6. Administration expenses

	2022	2021
	€	€
Annual levy	350	350
Auditors' remuneration	1,000	1,400
Other professional fees	4,760	4,100
Irrecoverable VAT	190	1,045
Administrative expenses	2,200	-
	<u>8,500</u>	<u>6,895</u>

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NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

7. Trade and other receivables

	2022 €	2021 €
Trade receivables from related parties	-	500
	-	500

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

8. Share capital

	2022 Number of shares	2022 €	2021 Number of shares	2021 €
Authorised				
Ordinary shares of €1 each	5,000	5,000	5,000	5,000
Issued and fully paid				
Balance at 1 January	5,000	5,000	-	-
Issue of shares	-	-	5,000	5,000
Balance at 31 December	5,000	5,000	5,000	5,000

9. Trade and other payables

	2022 €	2021 €
Accruals	5,950	6,545
	5,950	6,545

10. Related party transactions

The Company is controlled by Magic Stones N.V., non-tax resident in Cyprus, which owns 100% of the Company's shares.

The following transactions were carried out with related parties:

10.1 Payables to related parties

Name	2022 €	2021 €
Magic Stones N.V.	8,595	-
	8,595	-

11. Contingent liabilities

The Company had no contingent liabilities as at 31 December 2022.

12. Commitments

The Company had no capital or other commitments as at 31 December 2022.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

13. Events after the reporting period

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

Independent auditor's report on pages 2 to 3