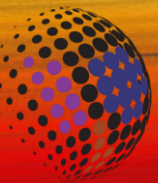




C&N AUDITORS LTD

TRANSPARENCY REPORT

1 July 2021 to 30 June 2022



The transparency report has been prepared in accordance with the provision of Article 13 of Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of Public Interest Entities.



The transparency report relates to the Audit of Financial Statements for the year 2020 and 2021, covering audit opinions issued during the period 01 July 2021 to 30 June 2022.



The term “firm” will normally denote the audit firm C&N Auditors Ltd throughout this document.



C&N Auditors Ltd is Cyprus registered entity authorised to perform statutory audits in Cyprus. A full description of the legal structure of the firm will be set on page 5-7 of this report.

REGULATORY CONTEXT

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FOREWORD

A NOTE FROM THE CEO



Address by our CEO and Managing Director

C&N Auditors Ltd is a firm of auditors - Chartered Certified Accountants regulated by the Institute of Certified Public Accountants of Cyprus (ICPAC). We offer a wide range of professional services, such as regulatory / statutory audits, tax and business advisory services since 1997. Operating from offices in Nicosia and Limassol, C&N Auditors Ltd offers services in Cyprus, both to Cypriot and international clients.

We are pleased to share the Transparency Report 2022 of C&N Auditors Ltd covering the period 1st of July 2021 to 30th of June 2022 .

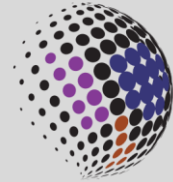
The report contains useful information and insight about our performance, our structure and the importance we place on our people, our greatest asset. We also elaborate on areas such as our audit methodology and quality assurance process which ensure that we apply the highest industry standards and professionalism in our work. Our ethics framework and risk management approach safeguards our independence as auditors. Our report is forward looking as we also provide information on our future strategy targeting growth and sustainability.



FOREWORD

A NOTE FROM THE CEO

Address by our CEO and Managing Director (cont/d)



Despite our forward looking strategy, the past two years have not been the same as before. We have been and we still are facing challenging times in our audit profession, as the Covid-19 pandemic disrupted both our work as auditors, but most importantly the work of our clients. However, despite the disruption, we took the opportunity to introduce “more technology” in our work, with teleconferencing, meetings using web tools and working remotely from home. Needless to say that all the health protocols were followed in our office, with regular testing and social distancing.

Today, with the war in Ukraine and the revival of the cold war, challenging times are far from over. We are witnessing a supply driven inflation, with increased energy prices and global recession. Besides these, we should make sure that both we as auditors and our clients, need to follow and comply with the sanctions imposed by the EU / USA and UN to various entities and individuals.

No matter the challenges we need to face in the global environment, our firm is proud of its growth and sustainability strategy, as we will continue investing in our people, as we believe that they are our biggest asset, investing in innovative technologies and continue our commitment to quality and integrity by setting high standards of ethics and professionalism.

Costas Constantinou

CEO and Managing Director





REPORT FROM THE LEADER OF AUDIT & ASSURANCE



In today's global challenges with rapid changes in every aspect of the business environment the assurance of the audit quality in our engagements remains a top priority for our firm.

One of the biggest challenges we faced during the period from the 1st of July 2021 to the 30th of June 2022 in order to ensure and enhance quality audits was the physical protection of our staff during engagements, in order to ensure that they had minimum infection risk from Covid-19, primarily for their own and their families' well being as well as for the impact on the quality of audits as the continuity of staff during engagements does not only provide more efficiency but additionally enhances the overall quality of audit engagements.

Additionally, Covid-19 pandemic government restrictions and health protocols released by the government, made face-to-face contact with clients more challenging. However, our firm managed to overcome the difficulties resulting from these conditions by introducing health and safety procedures which enabled us to perform our audits without any discounts in quality. Client meetings took place by following all measures in accordance with the Government protocols and guidance at the time and the quality and efficiency of work performed was similar as there was no pandemic



REPORT FROM THE LEADER OF AUDIT & ASSURANCE



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C&N

Before, during and after the audits, we encourage and ensure that our audit personnel maintain the culture of professional behaviour and high ethical standards. In this respect, we organise in-house continuing professional development courses with external trainers. These courses are attended by all staff, including top level management staff to the administrative staff. Having a professional culture in the firm, is vitally important as it enables us to sustain our firm's reputation and quality commitment.

In the 21st century, we are moving towards a paperless audit function which ensures that the digitisation of audits encompass all areas of risk and quality assurance.

C&N Auditors value and develop its people to ensure that our team can meet the desired culture and behaviour, competence and skills. The company is investing in our people's training and professional development but also for acquisition of the audit profession qualification. We are a Gold ACCA employer offering opportunities to young talent. High professional standards training, and professional development of our team is of a key importance and our effort to strengthen quality and meet the challenges we face in our everyday work is continuous. We are and we will continue providing quality services to our client, exceeding every expectation.

Silviya Goceva

Leader – Audit Assurance

STRUCTURE & GOVERNANCE

Operating since 2007 as a limited liability company and from 1997 to 2007 as a partnership

Offices in Nicosia and Limassol

Regulated by ICPAC

Gold ACCA employer



C&N Auditors Ltd is a limited liability audit company registered in Cyprus on the 19th of May 2007, with registration number HE195576. Before the 19th of May 2007, the firm used to operate as a partnership under the name C&N Constantinou & Co Chartered Certified Accountants since the 13th of June 1997.

The registered and head office address of the firm is in Nicosia. We operate from Office 201 at 10 Yianni Kranidioti Street, Nice Day House, 1065 Nicosia, Cyprus. We also operate from Limassol from Office 102, at 54 Kimonos Street, 3095 Limassol.

The firm is regulated by the Institute of Certified Public Accountants of Cyprus (ICPAC) and is authorised to conduct regulatory / statutory audits.

C&N Auditors holds a licence from ICPAC to practice as an audit firm in terms of the Law of 2009 on Statutory Audits of Annual and Consolidated Accounts.

The firm has also been awarded by the Association of Chartered Certified Accountants (ACCA) the Gold Employer status for trainees of the Association.

Besides audit services, we provide tax and business advisory services.



STRUCTURE & GOVERNANCE

9

Shareholding Structure



The firm has two types of shares, ownership and management shares. All the management shares are owned by Costas Constantinou, the CEO and Managing Director of the firm. The ownership shares of C&N Auditors on the 30 of June 2022 are held as follows:

- Mr. Costas Constantinou - owner of 67% of the company's share capital, CEO and Managing Director at C&N Auditors Ltd.

Costas Constantinou is the founding partner of the partnership C&N Constantinou Chartered Certified Accountants in June 1997, which subsequently in May 2007 continued operating under the company C&N Auditors Ltd. He is a fellow member of the Association of Chartered Certified Accountants (ACCA) and a member of the Institute of Certified Public Accountants of Cyprus. He holds a Bachelors in Accounting and a Master degree in Accounting from the University of Glasgow (UK). Costas served on the Board of Directors of the Cyprus Stock Exchange from 2014 until 2016.

- Mr. Nicos Nicolaides - owner of 33% of the company's share capital

Mr Nicolaides has more than 30 years of experience in accounting and private consulting matters. He served as a member of several local and national councils and used to run his own hospitality business, including hotels and leisure organisations. He served on the Board of Directors of several private local companies, including hotels and management companies. He is assisting on the operations of the Limassol office as a liaison and business development specialist.

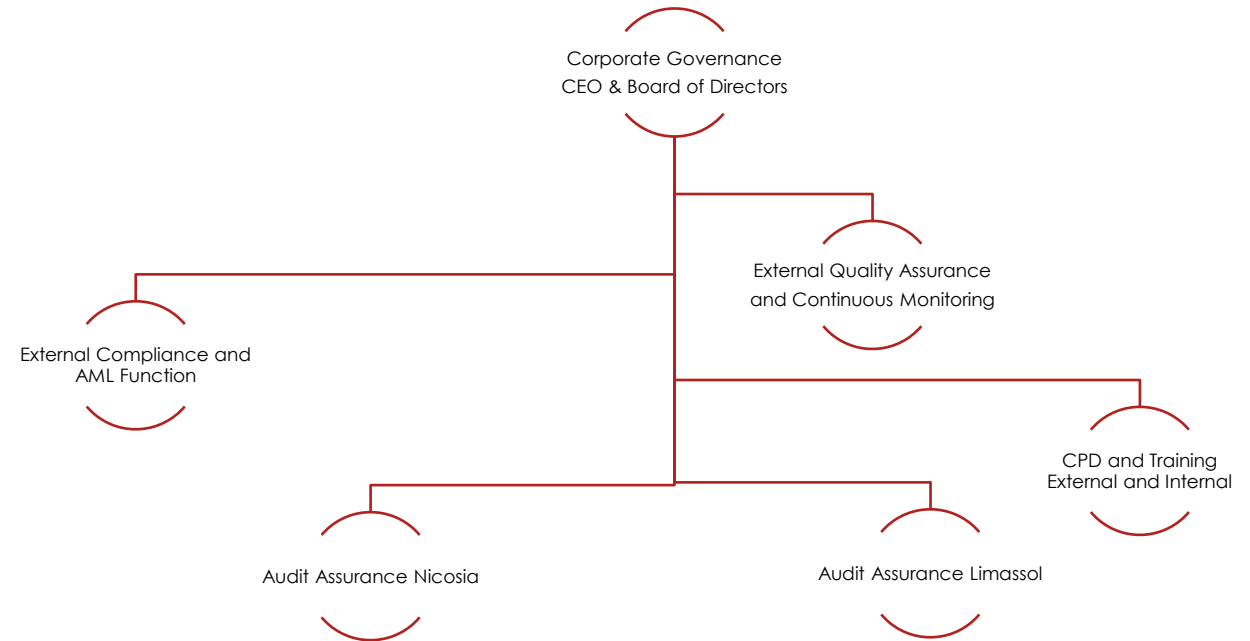


STRUCTURE & GOVERNANCE

Safeguarding transparency
Promoting Accountability
Ensuring security and Independence



Our primary Governance objective is directed towards transparency, independence, accountability and security in achieving our primary objectives of corporate growth and personal development of our people.



In order to ensure the highest standards of Governance, we established a system of processes and procedures including many layers and third party specialists who can add value to our organization.

OUR PEOPLE

**IT'S NOT HOW GOOD YOU ARE
IT'S HOW GOOD YOU WANT TO BE!**

Our people are our biggest asset! We are continuously investing in new talent, whether that is young graduates who wish to train and become professionally qualified accountants, or mature professionals who want to progress further with their career.

At C&N Auditors, all staff goes through training and continuing professional development. We require as a minimum all our staff to undergo through intensive 21 hour training every year and we monitor further self training and self development activity for another 19 hours, making a total of 40 hours as a minimum standard in our firm. Besides this, every engagement is a training opportunity as we continuously self develop with new challenges and requirements which appear during engagements. Therefore on-the-job training is a continuous task.

Awarded with the status of ACCA Gold Employer, C&N Auditors Ltd is offering favourable conditions for students who want to study and become members of ACCA. Additionally the course fees for subjects to be taken by trainee students, are payable 100% by the firm.

During 2021 a new head of audit assurance was recruited and joined the firm, Mrs Silviya Goceva. Now Mrs Goceva is heading the audit division and is responsible for the implementation of new innovative ideas, client evaluation and acceptance process and performance measurement and monitoring of the audit function.



OUR PEOPLE

IT'S NOT HOW GOOD YOU ARE
IT'S HOW GOOD YOU WANT TO BE!

21 hours minimum of approved and sponsored training for every employee

19 hours minimum of documented relevant to work self training for every employee

Continuous on-the-job training on every engagement

3 trainee ACCAs under the ACCA Gold Employer scheme

100% Sponsorship of trainee ACCAs education

MEET OUR KEY PEOPLE

OFFICE LEADERS IN NICOSIA AND LIMASSOL

SILVIYA GOCEVA | ACCA

Audit & Assurance Head (Cyprus) / Nicosia Office Leader

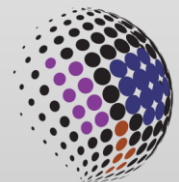
Silviya Goceva specialises in statutory audit engagements, Cyprus tax and accounting. She is an affiliate member of the Association of Chartered Certified Accountants (ACCA) and an affiliate member of the Institute of Certified Public Accountants of Cyprus. She holds a Bachelors in General Business with majors specialising in Accounting and Finance from European University of Cyprus. Silviya has more than 10 years of experience in the field as auditor, accountant and Cyprus tax planning and compliance.

ANNA VASSILIADES | ACCA

Limassol Office Leader

Anna Vassiliades specializes in statutory audit engagements, Cyprus tax and accounting. She is a member of the Association of Chartered Certified Accountants (ACCA) and a member of the Institute of Certified Public Accountants of Cyprus. Anna has more than 7 years of experience in the field as auditor, accountant and in Cyprus tax planning and compliance.

Anna started as a trainee ACCA in our firm, qualified as an ACCA passing her exams on the first attempt and promoted to be the head of the Limassol office operations.



AUDIT METHODOLOGY & QUALITY ASSURANCE



At C&N Auditors, we recognise the importance of delivering quality and value to our clients. We have our own methodology and quality control processes in order to ensure that work performed on audit assurance engagements meets the needs and expectations of our clients. Our methodology is continuously being reviewed and developed so that we remain responsive to the highly demanding and rapidly changing business environment. Our own challenge is to use our technical expertise and competence to anticipate changes and challenges and be responsive on time as we face them.

In our attempt to enhance our quality assurance function, further to our own internal processes, we have come into an agreement with PKC Quality Training and Consulting Ltd (PKC), a company specialising in audit quality assurance, technical advice and training, for an ongoing audit process support and quality assurance reviews. Our staff have continuous access to technical areas such as Compliance, International Accounting Standards (IAS), International Financial Reporting Standards (IFRS), International Auditing Standards, regulatory requirements, statutory requirements and anti-money laundering procedures and compliance. The use of external specialists in parallel with our own processes ensures that our Quality Assurance function is at the highest possible level.

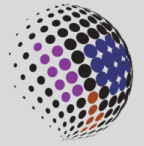


AUDIT METHODOLOGY & QUALITY ASSURANCE



C&N Auditors Ltd has developed policies and procedures with main objective to ensure the quality assurance of the engagements carried out. The following are a summary of the main initiatives targeting areas such as quality assurance, independence and risk mitigation:

- All employees receive the Audit Manual and are trained to follow all the procedures included in the manual. The managers monitor the implementation of procedures by staff.
- The firm follows very strict procedures on the ethical requirements of assurance engagements by ensuring our independence is not impaired at any instance or point in time, as the opposite would mean that the quality of work performed would not be assured.
- Enhanced procedures on the acceptance and retention of client relationships and specific engagements. A risk based approach is followed, which is documented on the client engagement and anti-money laundering manual.
- Review procedures are always performed to verify the quality of the audit. Reviews are finalised in an audit when the engagement is complete and it is signed off by the Engagement Partner.
- Investment on innovation and technology is another important tool that the company uses to enhance the quality of the assurance engagements. The firm is currently using Caseware International Audit Software for the engagement planning and audit process, Lexis Nexis for screening customers and Wisebos for risk assessment and client engagement. Additionally, several other templates developed internally, checklists and procedures have been streamlined with the audit process using Microsoft Excel.
- Continuous monitoring of the quality procedures - the firm has put in place and reviewing manuals, procedures and processes on a regular basis, reassessing and identifying new risks arising from the rapid changing environment. This procedure is fundamental in ensuring that the improvement of the quality assurance of engagements is continuous and is embedded into the firm's professional services, culture and future strategy.



ETHICS



Ethical requirements and strong procedures to reduce threats to independence are of a paramount importance for us. The Managing Director is responsible for evaluating independence on engagements. However further reviews to safeguard independence are carried out by the external advisor (PKC) and the compliance officer (Nicos Constantinou) handle enquiries where a threat to independence may be identified. Additionally, the firm has in place policies aimed at ensuring that it is compliant with acceptable standards of independence and best practices. These policies cover the firm, the managing staff the senior staff, and administrative staff. Some of the policies put in place are:

- Engagement acceptance and monitoring using risk based approach and independence considerations.
- Strict policies prohibiting any partner or member of staff or family member thereof from having any financial interest in or financial dealing with any audit client that must be confirmed in writing on each audit assignment.
- Verifying that commercial considerations never override the quality of performance and or no staff will be assigned to project that conflict of interest could arise.
- Strict separation of functions. No staff or family member thereof is assigned to audit engagements that he/ she or her/his relative have performed any activity with clients, in order to reduce any threat to independence to zero.
- No auditor is involved in promoting the client, to the point where their objectivity could be potentially compromised.
- Preparation of performance budgets to review assurance engagements the risk of lowballing.
- Independence-related learning and communications.
- An annual declaration undertaken by all partners and staff regarding independence and related matters.
- Ethics training programmes, including online courses, classroom programmes are provided to the staff on a regular basis.

Economic: C&N Auditors Ltd with its financial managements activities has manage to satisfy its economic responsibilities. Our responsibilities relate to the ability of our firm to stay in business and therefore provide to all its stakeholders. Our priorities include a return on investment, for shareholders, to provide our employees with safe jobs, self development and career advancement opportunities and to offer value for money and value added services to our clients which help them in their effort to grow and succeed.

Legal: One of the biggest priorities we have as an organisation is strict compliance of laws and regulations. We managed to adhere strictly to the legislation, rules, regulations, directives and guidance from our Institute (ICPAC).

Ethical: Ethical behaviour and standards are part of our professional obligations and culture. Despite our professional obligations, we are committed and insist that all of us at the firm act morally and ethically in the wider social sense and perspective. As an example, we are not accepting any action and/or behaviour that might moneywise be profitable for the company but not in line with moral and publicly accepted boundaries.

Philanthropic: We believe that we should always give back to society as an appreciation of what society gave to us. At C&N Auditors Ltd we make donations to charities and sports, as well as sponsoring students who may not be able to afford their studies in order to obtain equal opportunities in life with others more fortunate.

SOCIAL CORPORATE RESPONSIBILITY (CSR)

We at C&N Auditors Ltd a long time ago have recognised the importance of sustainability and sustainable development which is enabled through corporate responsibility and our obligation to our people, all of our stakeholders and society in general. Our CSR encompasses the economic, legal, ethical and philanthropic expectations placed on our firm.



C&N

OUR FUTURE STRATEGY GROWTH & SUSTAINABILITY

Having a clear and shared strategy for the future is a catalyst to achieve sustainability and growth. Our strategy encompasses four major areas: our people, our clients, our society and technology.

PEOPLE

Our commitment to our people is to continuously provide high standards of training, professional development, career advancement and opportunities. We will continue to set a strong tone to our employees and evolve a culture supporting audit quality through communication, engagement support and commitment to professionalism, objectivity, ethics, and integrity.

OUR CLIENTS

At the core of our strategy is our effort to retain and enhance our value added services to our clients. This will be achieved by committing ourselves to providing quality services to our clients, with highest professional and ethical standards.

TECHNOLOGY

We will continue investing in new technologies and processes, with view of creating a technological friendly environment that would allow us to even improve the efficiency, effectiveness, and quality of the assurance engagements and move towards a completely paperless audit process.

CSR

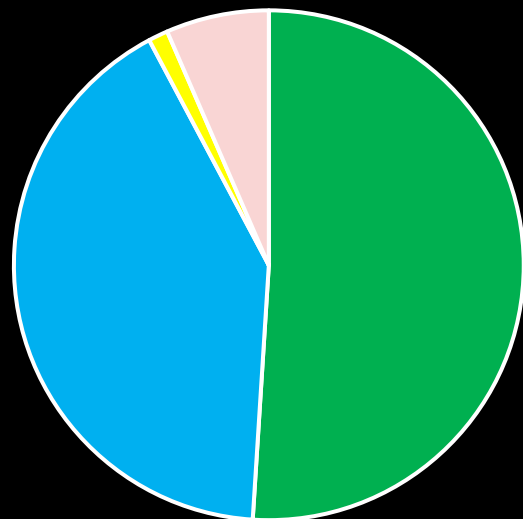
Our future success and further growth will enable us commit even more resources to contribute towards our corporate social responsibility strategy and effort,

APPENDIX I

OUR YEAR IN REVIEW

FINANCIAL INFORMATION

Professional fees



- Audit fees Nicosia
- Audit fees Limassol
- Consulting Services
- Tax and other services

TURNOVER BY INCOME STREAM 2021

- Audit Fees €174,075
- Other Services €12,321
- Consulting Services €2,350

Employees:

The Company had average of 9 employees during 2021 of which , 4 employees are members of the Association of Chartered Certified Accountants (ACCA) and members of the Institute of Certified Public Accountants of Cyprus and 1 towards achieving ACCA qualification, the rest are administrative staff.

APPENDIX II

PUBLIC INTEREST ENTITIES (PIE)

AUDITED

C&N Auditors Ltd has been assigned its first PIE engagement in April 2022. We are now in unique position to expand our service offering by accepting more complex and challenging assurance engagement projects in the future.

Public-Interest entities means entities governed by the law of a Member State whose transferable securities are admitted to trading on a regular market of any Member state within the meaning of point 14 of Article 4(1) of Directive 2004/39/EC, credit institutions as defined in point 1 of Article 1 of the Directive 2000/12/EC of the European Parliament and of the Council of 20 March 2000 relating to the taking up and pursuit of the business of credit institution and insurance undertaking within the meaning of article 2(1) of Directive 91/674/EEC. Member state may also designate other entities as public interest entities, for instance entities that are of significant public relevance because of the nature of their business, their size, or the number of their employees.

For the period of this report 01 July 2021 until 30 June 2022 C&N Auditors Ltd had issued an audit opinion on the Financial Statements of Display Art PLC for the year ending 31st December 2021. Display Art PLC is a local based company listed on the Cyprus Stock Exchange market.

This statement has been prepared in accordance with the provision of Directive 2014/56/EC.



APPENDIX III

CONTACT DETAILS

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