



“BDO ARMENIA” CJSC
CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2021



“BDO ARMENIA” CJSC

**Consolidated Financial Statements
For the year ended 31 December 2021**

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Country of incorporation of Company:	Republic of Armenia
Legal form:	Closed Joint Stock Company
Principal activities:	Principal activities are presented in Note 1
Managing Partner:	Mr. Vahagn Sahakyan

"BDO ARMENIA" CJSC

Consolidated statements of profit or loss and other comprehensive income
For the years ended 31 December 2021

	Notes	2021 AMD'000	2020 AMD'000
Revenue		860,984	763,327
Cost of sales	5	(554,199)	(501,708)
Gross profit		306,785	261,619
Other operating income		1,926	6,903
Administrative expenses	5	(211,614)	(186,572)
Selling expenses	5	(7,198)	(4,665)
Other expenses	5	(7,007)	(8,332)
Profit from operations		82,892	68,953
Finance income		1,413	-
Finance expense		(4,901)	-
Profit before tax		79,404	68,953
Tax expense	8	(19,788)	(15,650)
Profit for the year		59,616	53,303
Total comprehensive income for the year		59,616	53,303


Vahagn Sahakyan
Managing Partner




Hovik Muradyan
Chief Accountant

“BDO ARMENIA” CJSC

Consolidated statement of financial position
As at 31 December 2021

	Notes	31 December 2021 AMD'000	31 December 2020 AMD'000
Assets			
Current Assets			
Trade and other receivables	6	155,139	134,351
Profit tax prepayment		-	6,219
Inventory		4,390	6,503
Cash and cash equivalents		98,437	39,659
		<u>257,966</u>	<u>186,732</u>
Non-Current Assets			
Property, plant and equipment		27,478	24,146
Goodwill		55,402	
Deferred cost		36,998	-
Right of use asset		90,116	
Deferred tax asset	8	20,378	20,200
		<u>230,372</u>	<u>44,346</u>
Total Assets		<u>488,338</u>	<u>231,078</u>
Liabilities			
Current Liabilities			
Trade and other payables	7	66,346	27,410
Provision		114,227	109,289
		<u>180,573</u>	<u>136,699</u>
Non-Current Liabilities			
Lease liability		89,100	-
Other Non-Current Liabilities		285,442	
		<u>374,542</u>	<u>-</u>
Total Liabilities		<u>555,115</u>	<u>136,699</u>
Net assets		<u>(66,777)</u>	<u>94,379</u>
Equity			
Share capital	9	7,778	7,000
Share premium		-	16,395
Reserve capital		6,167	6,050
Other capital		(38,635)	-
Accumulated reserve		(42,087)	64,934
		<u>(66,777)</u>	<u>94,379</u>

“BDO ARMENIA” LLC

**Consolidated statement of cash flows
For the year ended 31 December 2021**

	2021 AMD'000	2020 AMD'000
Cash flows from operating activities		
Cash received from customers	1,025,937	848,326
Cash paid to suppliers	(244,960)	(136,598)
Payments to employees and on their behalf	(417,043)	(415,851)
Profit tax paid (payments to budget)	(18,100)	(23,243)
Other taxes and duties paid	(238,962)	(243,634)
Outflows from other operating activities	(1,171)	(7,056)
Net cash from operating activities	105,701	21,944
Cash flows from investing activities		
Acquisition of property, plant and equipment	(12,969)	(10,923)
Net cash used for investing activities	(12,969)	(10,923)
Cash flows from financing activities		
Dividends paid	(29,827)	(39,295)
Net cash flows used for financing activities	(29,827)	(39,295)
Net gain/(loss) on revaluation of cash in foreign currencies	(4,127)	3,435
Net increase/(decrease) in cash and cash equivalents	58,778	(24,839)
Balances of cash at the beginning of the period	39,659	64,498
Balances of cash at the end of the period	98,437	39,659

“BDO ARMENIA” LLC

Consolidated statement of changes in equity
for the year ended 31 December 2021

	Share capital	Share premium	Reserve capital	Other capital	Accumulated reserve	Total
	AMD'000	AMD'000	AMD'000	AMD'000	AMD'000	AMD'000
31 December 2020	7,000	16,395	6,050	-	64,934	94,379
Adjustments		(16,395)		(38,635)	(134,640)	(189,670)
31 December 2020	7,000	-	6,050	(38,635)	(69,706)	(95,291)
Comprehensive income for the year						
Profit					59,616	59,616
Total comprehensive Income for the year	-	-	-		59,616	59,616
Contributions by and distributions to owners						
Dividends					(31,880)	(31,880)
Reclass			117		(117)	-
Issue of share capital	778					778
Total contributions by and distributions to owners	778	-	117	-	(31,997)	(31,102)
31 December 2021	7,778	-	6,167	(38,635)	(42,087)	(66,777)
31 December 2019	7,000	16,395	6,050	-	53,631	83,076
Comprehensive Income for the year						
Profit					53,303	53,303
Total comprehensive Income for the year	-	-	-	-	53,303	53,303
Contributions by and distributions to owners						
Dividends					(42,000)	(42,000)
Total contributions by and distributions to owners	-	-	-	-	(42,000)	(42,000)
31 December 2020	7,000	16,395	6,050	-	64,934	94,379

“BDO ARMENIA” CJSC
Notes forming part of the consolidated financial statements
For the year ended 31 December 2021 (continued)

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Notes to the financial statements

1. Company background

“BDO Armenia” CJSC (hereinafter referred to as “the Company”) was registered by State Register Agency of Legal Entities of the Republic of Armenia on January 21, 2010 (Registration number 273.120.05398; Certificate N 03U 086921). Later on the Company merged with “Ameria Audit” CJSC and the merger was registered by State Register Agency of Legal Entities of the Republic of Armenia on November 19, 2012.

The company is registered in the registry of the Chamber of Auditors and Expert Accountants of Armenia NGO, Registration Number: 1 20 0267. The Company provides audit and audit related services, as well as accounting and consulting services.

The Company’s business and postal addresses are as follows: 23/6 Davit Anhaght St., 5th Floor, Room 7, 0069 Yerevan, Armenia.

On January 11, 2018, SOS Audit LLC merged with the Company.

On April 19, 2018, the Company set up a new subsidiary BDO Advisory cjsc.

On September 03, 2018, the Company issued additional shares, which were acquired by the shareholders of Paradigma Armenia CJSC as an exchange of 100% of Paradigma Armenia shares.

As a result, Paradigma Armenia CJSC (registered in RA) became 100% subsidiary of BDO Armenia CJSC and later was renamed to BDO Accounting, Tax and Legal cjsc.

On December 10, 2021, AMF Financial Consulting CJSC merged with BDO Advisory CJSC.

Subsidiary

Information about subsidiaries is presented below:

Name	Country of incorporation and principal place of business	Proportion of ownership interest at 31 December	
		2021	2020
BDO Advisory cjsc	Republic of Armenia	100%	100%
BDO Accounting, Tax and Legal cjsc	Republic of Armenia	100%	100%

2. Basis of preparation

The principal accounting policies adopted in the preparation of the financial statements are set out in note 15. The policies have been consistently applied to all the years presented, unless otherwise stated.

The financial statements are presented in Armenian drams (AMD), which is also the Company’s functional currency.

Amounts are rounded to the nearest thousand, unless otherwise stated.

These financial statements have been prepared in accordance with International Financial Reporting Standards, International Accounting Standards and Interpretations (collectively IFRSs).

The preparation of financial statements in compliance with adopted IFRS requires the use of certain critical accounting estimates. It also requires Company management to exercise judgment in applying the Company’s accounting policies. The areas where significant judgments and estimates have been made in preparing the financial statements and their effect are disclosed in note 3.

Basis of measurement

The financial statements have been prepared on a historical cost basis.

Changes in accounting policies

a) New standards, interpretations and amendments effective from 1 January 2021

The following new standards and amendments were in effect for the annual reporting period commencing 1 January 2021:

- Various interest rate benchmark reform phase 2 - 1 January 2021
- IFRS 16: COVID-19 related rent concessions - 1 April 2021

The above new standards, interpretations and amendments do not have an impact on the Company's current year financial statements.

b) New standards, interpretations and amendments not yet effective

There were no new standards, interpretations and amendments that are not yet effective that will have or may have an impact on the Company's future financial statements.

3. Critical accounting estimates and judgments

The Company makes certain estimates and assumptions regarding the future. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Trade receivables - collectability of trade receivables (see Note 4- Credit risk).

Depreciation method and useful life of Property, plant and equipment - useful lives of Property, plant and equipment are based on management's estimate and can be revised in the future.

4. Financial Instruments - Risk Management

The Company is exposed through its operations to the following financial risks:

- Credit risk
- Fair value or cash flow interest rate risk
- Foreign exchange risk
- Liquidity risk

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

i. Principal financial instruments

The principal financial instruments used by the Company, from which financial instrument risk arises, are as follows:

- Trade and other receivables
- Cash and cash equivalents
- Trade and other payables
- Lease liabilities
- Other Non-current liabilities

ii. Financial instruments by category

Loans and receivables

<i>Financial assets</i>	2021	2020
	AMD'000	AMD'000
Trade and other receivables	137,889	122,783

Cash and cash equivalents	98,437	39,659
	236,326	162,442

Financial liabilities at amortised cost

<i>Financial liabilities</i>	2021 AMD'000	2020 AMD'000
Trade and other payables	29,283	5,257
Lease liabilities	89,100	-
Other Non-Current Liabilities	285,442	-
	403,825	5,257

iii. Financial instruments not measured at fair value

Financial instruments not measured at fair value include cash and cash equivalents, trade and other receivables, trade and other payables, borrowings provided.

Due to their short-term nature, the carrying value of cash and cash equivalents, trade and other receivables, trade and other payables, borrowings provided approximates their fair value.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company is mainly exposed to credit risk from credit sales.

Credit risk also arises from cash and cash equivalents and deposits with banks. The Company policy is that only largest banks are acceptable.

Fair value and cash flow interest rate risk

The Company is exposed to cash flow interest rate risk from long-term borrowings at variable rate. The Company has no loans and borrowings at variable rate; hence there is no cash flow interest rate risk.

Foreign exchange risk

Currency risk is the risk that the fair value of a financial instrument or its future cash flows will fluctuate with changes in foreign exchange rates. Currency risk The Company's propensity is related to trade transactions, recognized assets and liabilities denominated in currencies other than the functional currency.

The exchange rates applied by the Company to translate foreign currency denominated assets and liabilities are those published by the Central Bank of Armenia as at the reporting date, which are presented in the table below (the value of one foreign currency unit is expressed in AMD).

	2021 AMD	2020 AMD
1 USD at a rate of CBA	480.14	522.59
1 EUR at a rate of CBA	542.61	641.11

As of 31 December, the Company's net exposure to foreign exchange risk was as follows:

31.12.2021	31.12.2020
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Net foreign currency financial assets /(liabilities)	AMD'000	AMD'000
EUR	13,123	6,570
USD	95,363	38,704
Total net exposure	108,486	45,274

The effect of a 10% strengthening of USD against AMD at the reporting date on the USD-denominated net assets carried at that date would, all other variables held constant, have resulted in an increase in pre-tax profit for the year and increase of net assets of AMD 4.6 million (2020: AMD 3 million). A 10% weakening in the exchange rate would, on the same basis, have decreased pre-tax profit and decreased net assets by AMD 4.2 million (2020: AMD 3 million).

Liquidity risk

Liquidity risk arises from the Company's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due.

The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. In that context, the Company aims to keep sufficient cash to meet its obligations.

Liquidity risk is the risk that the Company will have difficulty in performing its financial liabilities that will be settled by providing cash or other financial assets.

The Company has no derivative financial liabilities.

The following table sets out the contractual maturities (representing undiscounted contractual cash-flows) of financial liabilities of the Company.

	Up to 3 months	Between 3 and 12 months	Between 1 and 2 months	Between 2 and 5 years	Over 5 years
	AMD'000	AMD'000	AMD'000	AMD'000	AMD'000
At 31 December 2021					
Trade and other payables	25,739	3,544	-	-	-
Lease liabilities	9,972	29,916	39,888	24,876	-
Other Non-current liabilities	-	12,000	16,000	143,060	114,382
	35,711	45,460	55,888	167,937	114,382
	Up to 3 months	Between 3 and 12 months	Between 1 and 2 months	Between 2 and 5 years	Over 5 years
	AMD'000	AMD'000	AMD'000	AMD'000	AMD'000
At 31 December 2020					
Trade and other payables	5,258	-	-	-	-
	5,258	-	-	-	-

“BDO ARMENIA” CJSC
Notes forming part of the consolidated financial statements
For the year ended 31 December 2021 (continued)

5. Expenses by nature

2021	Total	Cost of sale	Administrative expenses	Selling expenses	Other expenses
	AMD'000	AMD'000	AMD'000	AMD'000	AMD'000
Employee benefits	567,177	450,877	113,220	3,080	-
Office expenses	49,564	-	49,564	-	-
Depreciation and amortization	12,253	-	12,253	-	-
Other expenses	151,024	103,322	36,577	4,118	7,007
	780,018	554,199	211,614	7,198	7,007

2020	Total	Cost of sale	Administrative expenses	Selling expenses	Other expenses
	AMD'000	AMD'000	AMD'000	AMD'000	AMD'000
Employee benefits	549,215	443,217	102,722	3,276	-
Office expenses	39,516	6	39,510	-	-
Depreciation and amortization	7,049	-	7,049	-	-
Other expenses	105,497	58,485	37,291	1,389	8,332
	701,277	501,708	186,572	4,665	8,332

“BDO ARMENIA” CJSC
Notes forming part of the consolidated financial statements
For the year ended 31 December 2021 (continued)

6. Trade and other receivables

	2021 AMD'000	2020 AMD'000
Trade receivables	114,401	121,898
Receivables from related parties	23,488	885
Total financial assets other than cash and cash equivalents classified as loans and receivables	137,889	122,783
Prepayments	12,555	10,671
Other receivables	4,695	897
Total trade and other receivables	155,139	134,351

The carrying value of trade and other receivables classified as loans and receivables approximates fair value.

Receivables from related parties are disclosed in Note 12.

7. Trade and other payables

	2021 AMD'000	2020 AMD'000
Trade payables	20,069	3,898
Trade payables from related parties	5,670	-
Other payables	3,544	1,359
Total financial liabilities, excluding loans and borrowings, classified as financial liabilities measured at amortised cost	29,283	5,257
Received prepayments	15,620	499
Taxes payable	21,443	21,654
Lease liabilities	89,100	
Other Non-Current Liabilities	285,442	
Total trade and other payables	440,888	27,410

The carrying value of trade and other payables classified as financial liabilities measured at amortized cost approximates their fair value.

8. Tax expense and deferred tax asset (liability)

(i) Tax expense

According to the "Tax Code" of the Republic of Armenia, the profit tax rate for the reporting year is set at 18% (2019-20%)

“BDO ARMENIA” CJSC
Notes forming part of the consolidated financial statements
For the year ended 31 December 2021 (continued)

	2021 AMD'000	2020 AMD'000
Current tax expense	19,966	12,859
Deferred tax expense/(income)	(178)	2,791
	19,788	15,650

	2021 AMD'000	2020 AMD'000
Profit (loss) before tax	59 616	53,303
Tax at the set rate	19 788	15,650
	79,404	68,953
Profit tax 18%	14,293	12,412
Non-deductible expenses for tax purposes (non-taxable income), net	5,495	3,238
Total tax expense (reimbursement)	19,788	15,650

(ii) Deferred tax assets (liabilities)

Deferred tax is calculated on temporary differences at tax rate 18%. Below is the movement of deferred taxes.

	2021 AMD'000	2020 AMD'000
At 01 January	20,200	22,991
Unpaid vacations	889	(2,225)
Other	(711)	(495)
At 31 December	20,378	20,200

9. Right-of-use assets and lease liabilities

The Company leases office space and warehouse space located in Yerevan, Armenia. Until 2021 leases of property and equipment were classified as operating leases. From 2021, leases are recognised as a right-of-use asset.

Right of use asset

	2021 AMD'000	2020 AMD'000
As at the beginning of year	-	-
Addition	104,196	-
Amortization	(14,080)	-
As at the end of year	90,116	-

“BDO ARMENIA” CJSC
Notes forming part of the consolidated financial statements
For the year ended 31 December 2021 (continued)

Lease liability

	2021 AMD'000	2020 AMD'000
As at the beginning of year	-	-
Addition	99,210	-
Finance cost	4,901	-
Payments in cash	(15,011)	-
As at the end of year	89,100	-

10. Share capital and total equity

	2020 AMD'000	2019 AMD'000
Share capital	<u>7,778</u>	<u>7,000</u>

The Company's share capital is AMD 7,778,000 (seven million seven hundred seventy-eight thousand), which comprises 7,778 (seven thousand seven hundred seventy-eight) shares with a par value of AMD 1'000 (one thousand) per share.

All 7,778 shares are issued and fully paid.

The shareholders of the Company have the right to receive from time to time a part of the profit from the activities of the group and to vote in the general meetings of the members of the Company on the principle of one vote.

In 2021 was declared a dividend of 31,880 thousand AMD (42,000 thousand AMD in 2020).

11. Reserve capital

According to the charter the Company has to create a reserve capital at 15% of the share capital. The reserve capital is created through transfers from accumulated profit.

12. Related Party Disclosures

The Company enters into transactions with related parties under conditions equal to those of transactions between independent parties.

(i) Management remuneration

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, including the Managing partner, deputy directors and heads of units.

Remuneration received by the key management personnel during the year is presented below:

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Notes forming part of the consolidated financial statements
For the year ended 31 December 2021 (continued)

	2021 AMD'000	2020 AMD'000
Salary and other benefits	179,206	174, 840

(ii) Other related party transactions

a) Transactions with companies under common control

Type of transaction	Transaction amount	Balance owed
	2021 AMD'000	2020 AMD'000
Purchase of services	33,317	45,270
Sale of services	27,212	24,419
Prepayment	576	308
Receivables	22,912	577
Payables	5,670	-

13. Contingent liabilities

The Company is not enrolled in legal cases, which can materially affect financial statements of the Company.

14. Effects of changes in accounting policies

No changes in the accounting policies have been accounted for in 2021.

15. Accounting policies

Functional and presentation currency

The functional currency of the Company is the AMD, the national currency of the Republic of Armenia, which is also the currency of the Company's financial statements. All financial information is presented in thousands of AMD.

Consolidation

The entity (parent) that controls one or more other entities (subsidiaries) shall present consolidated financial statements. Unless other circumstances are available, control is deemed to exist if the parent owns more than 50% of the voting shares in the Subsidiary :

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For the year ended 31 December 2021 (continued)

The consolidated financial statements are financial statements of a reporting entity that comprises both the parent and its subsidiaries. The financial statements are consolidated from the date the parent gains control until the date when the entity ceases to control the subsidiary.

A parent shall prepare consolidated financial statements using uniform accounting policies for like transactions and other events in similar circumstances.

All intragroup transactions, balances, income and expenses in the consolidated financial statements are completely eliminated.

Revenue

The company mainly generates income from the provision of audit, accounting, tax, advisory and other professional services.

Performance obligation

At contract inception, an entity shall assess the services promised in a contract with a customer and shall identify as a performance obligation each promise to transfer to the customer either:

- a) a service (ex. audit services) that is distinct; or
- (b) a series of distinct services that are substantially the same and that have the same pattern of transfer to the customer (ex. monthly accounting service).

The performance obligation defined by the contract is clear and precise.

Determining the transaction price

Company's revenue is derived from fixed price contracts and therefore the amount of revenue to be earned from each contract is determined by reference to those fixed prices.

Timing of Revenue recognition

An entity shall recognize revenue when (or as) the entity satisfies a performance obligation by transferring a promised service to a customer.

For each performance obligation identified, an entity shall determine at contract inception whether it satisfies the performance obligation over time or satisfies the performance obligation at a point in time.

If an entity does not satisfy a performance obligation over time, the performance obligation is satisfied at a point in time.

Performance obligations satisfied over time:

- ✓ Accounting services, revenue is recognized on a monthly basis;
- ✓ Consulting services that a series of distinct services that are substantially the same and that have the same pattern of transfer to the customer

Performance obligations satisfied at a point in time:

- ✓ An audit service, revenue is recognized at the date of the auditor's report.

Foreign currency

Transactions entered into by the Company in a currency other than the currency of the primary economic environment in which they operate are recorded at the rates prevailing at the dates when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates prevailing at the reporting date. The average exchange rate of the Armenian dram against the foreign exchange in the

“BDO ARMENIA” CJSC
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For the year ended 31 December 2021 (continued)

foreign exchange market published by the Central Bank of the Republic of Armenia is accepted as the exchange rate. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are recognized immediately in profit or loss.

Financial assets

Financial assets and financial liabilities are recognized when the Company becomes party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire or when the financial assets are transferred to a third party, with all significant risks and rewards.

An entity shall derecognise a financial asset when, and only when:

- the contractual rights to the cash flows from the financial asset expire, or
- it transfers substantially all the risks and rewards of ownership of the financial asset to the third party

Financial assets are derecognised when they are redeemed, the entity has no obligation to pay, canceled or expired.

The Company's financial assets are financial assets measured at amortized cost. These assets primarily arise from the provision of services to customers - trade receivables.

They are measured at amortized cost using the effective interest rate method, less provision for impairment.

Due to the maturity of receivables of less than one year, the Company does not discount them, assessing the impact of the discount as immaterial.

The Company uses a simplified IFRS 9 approach to measure expected credit losses on trade receivables measuring the loss allowance at an amount equal to lifetime expected credit losses. In this process, the probability of non-payment of trade receivables is assessed. This probability is then multiplied by the amount of anticipated loss to estimate the expected credit loss over the life of the trade receivable. The provision made for measurement of net amount of trade receivables is maintained under a separate account and is presented as part of cost of sale in the statement of comprehensive income. If trade receivable is uncollectible, the gross carrying amount of an asset is set off against the provision made.

Cash and cash equivalents include cash in hand and demand deposits in banks.

Financial liabilities

Financial liabilities include the following items: trade payables and other short-term monetary liabilities.

Trade payables and other short-term monetary liabilities, which are initially recognized at fair value and subsequently carried at amortised cost using the effective interest method. The Company does not discount trade payables with maturities of less than one year, assessing the impact of the discount as negligible:

Share capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset.

The Company's ordinary shares are classified as equity instruments.

Lease assets

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For the year ended 31 December 2021 (continued)

The Company's lease liabilities are measured at the present value of the lease payments during the lease contract period, discounted by the Company's incremental borrowing rate.

At the commencement date, the right-of-use assets are initially measured at the cost of the lease liability, less any lease incentives received and plus the following:

- any lease payments made at or before the commencement date,
- any initial direct costs incurred by the lessee; and
- an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset.

After the commencement date, the lease liability is measured by increasing the carrying amount to reflect interest on the lease liability and reducing the carrying amount to reflect the lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease.

Dividends

Dividends are recognized when they become legally payable, this is when approved by the shareholders.

Property, plant and equipment

Items of property, plant and equipment are initially recognized at cost and subsequently measured at cost less accumulated depreciation and impairment losses.

The depreciable amount of an asset shall be allocated on a systematic basis over its useful life.

The useful life of the fixed assets recognized by the Company is set out below.

Equipment	- 20% per annum straight line
Computer equipment	- 20% per annum straight line
Motor vehicles	- 10% per annum straight line