

**ARMINI ENTERPRISES COMPANY
LIMITED**

REPORT AND FINANCIAL STATEMENTS
31 December 2010

ARMINI ENTERPRISES COMPANY LIMITED

REPORT AND FINANCIAL STATEMENTS

31 December 2010

CONTENTS	PAGE
Board of Directors and other Officers	1
Report of the Board of Directors	2
Independent Auditor's report	3 - 4
Statement of comprehensive income	5
Statement of financial position	6
Statement of changes in equity	7
Statement of cash flows	8
Notes to the financial statements	9 - 12
Additional information to the Statement of comprehensive income	13 - 15

ARMINI ENTERPRISES COMPANY LIMITED

BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors:

Irene Savvides
Georgios Galanakis
Nicolaos Dandolo

Company Secretary:

Maria Toumazi
Panteli Katelari, 16
DIAGORAS HOUSE
1097 Nicosia, Cyprus

Independent Auditors:

Horwath DSP Limited
Chartered Certified Accountants
Photiades Business Centre
1st floor, 8 Stassinou Avenue
P.O. Box 22545
1522 Nicosia

Registered office:

Panteli Katelari, 16
DIAGORAS HOUSE, 7th floor
1097 Nicosia
Cyprus

ARMINI ENTERPRISES COMPANY LIMITED

REPORT OF THE BOARD OF DIRECTORS

The Board of Directors presents its report and audited financial statements of the Company for the year ended 31 December 2010.

Principal activities

The principal activity of the Company, which is unchanged from last year, is the holding of investment properties. The Company remained dormant during the year under review.

Review of current position, future developments and significant risks

The Company's development to date, financial results and position as presented in the financial statements are not considered satisfactory and the Board of Directors is making an effort to reduce the Company losses.

The main risks and uncertainties faced by the Company and the steps taken to manage these risks, are described in note 3 of the financial statements.

Results

The Company's results for the year are set out on page 5. The net loss for the year is carried forward.

Share capital

There were no changes in the share capital of the Company during the year under review.

Board of Directors

The members of the Company's Board of Directors as at the date of this report are presented on page 1. All of them were members of the Board of Directors throughout the year ended 31 December 2010.

There were no significant changes in the assignment of responsibilities and remuneration of the Board of Directors.

Events after the reporting period

Any significant events that occurred after the end of the reporting period are described in note 12 to the financial statements.

Independent Auditors

The Independent Auditors, Horwath DSP Limited, have expressed their willingness to continue in office and a resolution giving authority to the Board of Directors to fix their remuneration will be proposed at the Annual General Meeting.

By order of the Board of Directors,

Irene Savvides
Director

Nicosia, 2 June 2011

Independent auditor's report

To the Members of Armini Enterprises Company Limited

Report on the financial statements

We have audited the accompanying financial statements of Armini Enterprises Company Limited (the "Company"), which comprise the statement of financial position as at 31 December 2010, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Board of Directors' responsibility 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.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independent auditor's report (continued)

To the Members of Armini Enterprises Company Limited

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Armini Enterprises Company Limited as at 31 December 2010, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

Report on other legal and regulatory requirements

Pursuant to the requirements of the Auditors and Statutory Audits of Annual and Consolidated Accounts Law of 2009, we report the following:

- We have obtained all the information and explanations we considered necessary for the purposes of our audit.
- In our opinion, proper books of account have been kept by the Company.
- The Company's financial statements are in agreement with the books of account.
- In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Cyprus Companies Law, Cap. 113, in the manner so required.
- In our opinion, the information given in the report of the Board of Directors is consistent with the financial statements.

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 34 of Auditors and Statutory Audits of Annual and Consolidated Accounts Law of 2009 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.

Chrysis Pegasiou ACA
Certified Public Accountant and Registered Auditor
for and on behalf of
Horwath DSP Limited
Chartered Certified Accountants

Nicosia, 2 June 2011

ARMINI ENTERPRISES COMPANY LIMITED

STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2010

	Note	2010 €	2009 €
Administration expenses		<u>(2.542)</u>	(2.542)
Operating loss		(2.542)	(2.542)
Finance costs	5	<u>(157)</u>	(50)
Loss before tax		(2.699)	(2.592)
Tax	6	<u>-</u>	-
Net loss for the year		(2.699)	(2.592)
Other comprehensive income		<u>-</u>	-
Total comprehensive expense for the year		<u>(2.699)</u>	(2.592)

The notes on pages 9 to 12 form an integral part of these financial statements.

ARMINI ENTERPRISES COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION 31 December 2010

	Note	2010 €	2009 €
ASSETS			
Total assets		<u>-</u>	<u>-</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	8	1.000	1.000
Accumulated losses		<u>(18.044)</u>	<u>(15.345)</u>
Total equity		<u>(17.044)</u>	<u>(14.345)</u>
Current liabilities			
Trade and other payables	10	16.827	14.286
Borrowings	9	<u>217</u>	<u>59</u>
		<u>17.044</u>	<u>14.345</u>
Total equity and liabilities		<u>-</u>	<u>-</u>

On 2 June 2011 the Board of Directors of Armini Enterprises Company Limited authorised these financial statements for issue.

.....
Irene Savvides
Director

.....
Georgios Galanakis
Director

The notes on pages 9 to 12 form an integral part of these financial statements.

ARMINI ENTERPRISES COMPANY LIMITED

STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2010

	Share capital €	Accumulated losses €	Total €
Balance at 1 January 2009	1.000	(12.753)	(11.753)
Total comprehensive expense for the year	-	(2.592)	(2.592)
Balance at 31 December 2009/ 1 January 2010	1.000	(15.345)	(14.345)
Total comprehensive expense for the year	-	(2.699)	(2.699)
Balance at 31 December 2010	1.000	(18.044)	(17.044)

Companies which do not distribute 70% of their profits after tax, as defined by the relevant tax law, within two years after the end of the relevant tax year, will be deemed to have distributed as dividends 70% of these profits. Special contribution for defence at 15% will be payable on such deemed dividends to the extent that the shareholders (companies and individuals) are Cyprus tax residents. The amount of deemed distribution is reduced by any actual dividends paid out of the profits of the relevant year at any time. This special contribution for defence is payable by the Company for the account of the shareholders.

The notes on pages 9 to 12 form an integral part of these financial statements.

ARMINI ENTERPRISES COMPANY LIMITED

STATEMENT OF CASH FLOWS

Year ended 31 December 2010

	Note	2010 €	2009 €
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		(2.699)	(2.592)
Adjustments for:			
Interest expense	5	<u>25</u>	<u>3</u>
Cash flows used in operations before working capital changes		(2.674)	(2.589)
Increase in trade and other payables		<u>2.541</u>	<u>2.542</u>
Net cash flows used in operating activities		(133)	(47)
CASH FLOWS FROM INVESTING ACTIVITIES			
		<u>-</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Interest paid		<u>(25)</u>	<u>(3)</u>
Net cash flows used in financing activities		(25)	(3)
Net decrease in cash and cash equivalents		(158)	(50)
Cash and cash equivalents:			
At beginning of the year		<u>(59)</u>	<u>(9)</u>
At end of the year	7	(217)	(59)

The notes on pages 9 to 12 form an integral part of these financial statements.

ARMINI ENTERPRISES COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2010

1. Incorporation and principal activities

Country of incorporation

The Company Armini Enterprises Company Limited (the "Company") was incorporated in Cyprus on 26 January 2008 as a private limited liability Company under the Cyprus Companies Law, Cap. 113. Its registered office is at Panteli Katelari, 16, DIAGORAS HOUSE, 7th floor, 1097 Nicosia, Cyprus.

Principal activities

The principal activity of the Company, which is unchanged from last year, is the holding of investment properties. The Company remained dormant during the year under review.

2. 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.

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 judgement 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.

Adoption of new and revised IFRSs

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 2010. This adoption did not have a material effect on the accounting policies of the Company.

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.

Finance costs

Interest expense and other costs on borrowings to finance construction or production of qualifying assets are capitalised, during the period of time that is required to complete and prepare the asset for its intended use. All other borrowing costs are expensed.

Financial instruments

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

ARMINI ENTERPRISES COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2010

2. Accounting policies (continued)

Financial instruments (continued)

Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash on hand, deposits held at call with banks and bank overdrafts. In the statement of financial position, bank overdrafts are included in borrowings in current liabilities.

Share capital

Ordinary shares are classified as equity.

3. Financial risk management

Financial risk factors

The Company is exposed to liquidity risk and capital risk management arising from the financial instruments it holds. The risk management policies employed by the Company to manage these risks are discussed below:

3.1 Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The Company has procedures with the object of minimising such losses such as maintaining sufficient cash and other highly liquid current assets and by having available an adequate amount of committed credit facilities.

3.2 Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Company's overall strategy remains unchanged from last year.

Fair value estimation

The fair values of the Company's financial assets and liabilities approximate their carrying amounts at the reporting date.

4. Expenses by nature

	2010	2009
	€	€
Auditors' remuneration	863	863
Administration expenses	1.679	1.679
Total expenses	2.542	2.542

5. Finance costs

	2010	2009
	€	€
Interest expense	25	3
Other finance expenses	132	47
	157	50

ARMINI ENTERPRISES COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2010

6. Tax

The tax on the Company's results before tax differs from the theoretical amount that would arise using the applicable tax rates as follows:

	2010 €	2009 €
Loss before tax	<u>(2.699)</u>	<u>(2.592)</u>
Tax calculated at the applicable tax rates	<u>(270)</u>	<u>(259)</u>
Tax effect of expenses not deductible for tax purposes	<u>270</u>	<u>259</u>
Tax charge	<u>-</u>	<u>-</u>

The corporation tax rate is 10%.

Under certain conditions interest income may be subject to defence contribution at the rate of 10%. In such cases this interest will be exempt from corporation tax. In certain cases, dividends received from abroad may be subject to defence contribution at the rate of 15%.

Due to tax losses sustained in the year, no tax liability arises on the Company. Under current legislation, tax losses may be carried forward and be set off against taxable income of the following years.

7. Cash at bank and in hand

For the purposes of the statement of cash flows, the cash and cash equivalents include the following:

	2010 €	2009 €
Bank overdrafts (Note 9)	<u>(217)</u>	<u>(59)</u>
	<u>(217)</u>	<u>(59)</u>

8. Share capital

	2010 Number of shares	2010 €	2009 Number of shares	2009 €
Authorised				
Ordinary shares of €1 each	<u>10.000</u>	<u>10.000</u>	<u>10.000</u>	<u>10.000</u>
Issued and fully paid				
Balance at 1 January	<u>1.000</u>	<u>1.000</u>	<u>1.000</u>	<u>1.000</u>
Balance at 31 December	<u>1.000</u>	<u>1.000</u>	<u>1.000</u>	<u>1.000</u>

9. Borrowings

	2010 €	2009 €
Current borrowings		
Bank overdrafts (Note 7)	<u>217</u>	<u>59</u>

ARMINI ENTERPRISES COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2010

10. Trade and other payables

	2010	2009
	€	€
Shareholders' current accounts - credit balances (Note 11)	12.214	8.984
Accruals	4.268	1.726
Other creditors	345	3.576
	<u>16.827</u>	<u>14.286</u>

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

11. Related party transactions

The following transactions were carried out with related parties:

11.1 Shareholders' current accounts - credit balances (Note 10)

	2010	2009
	€	€
At 31 December	<u>12.214</u>	<u>8.984</u>
	<u>12.214</u>	<u>8.984</u>

The shareholders' current accounts are interest free, and have no specified repayment date.

12. 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 3 and 4

ARMINI ENTERPRISES COMPANY LIMITED

DETAILED INCOME STATEMENT

Year ended 31 December 2010

	Page	2010 €	2009 €
Operating expenses			
Administration expenses	14	<u>(2.542)</u>	<u>(2.542)</u>
Operating loss		(2.542)	(2.542)
Finance costs	15	<u>(157)</u>	<u>(50)</u>
Net loss for the year before tax		<u>(2.699)</u>	<u>(2.592)</u>

ARMINI ENTERPRISES COMPANY LIMITED

OPERATING EXPENSES

Year ended 31 December 2010

	2010 €	2009 €
Administration expenses		
Auditors' remuneration	863	863
Administration expenses	1.679	1.679
	2.542	2.542

ARMINI ENTERPRISES COMPANY LIMITED

FINANCE COSTS

Year ended 31 December 2010

	2010 €	2009 €
Finance costs		
Interest expense		
Bank overdraft interest	25	3
Other finance expenses		
Bank charges	<u>132</u>	<u>47</u>
	<u>157</u>	<u>50</u>

ARMINI ENTERPRISES COMPANY LIMITED

**Panteli Katelari, 16
DIAGORAS HOUSE, 7th floor
1097 Nicosia
Cyprus**

Nicosia, 2 June 2011

Messrs,
Horwath DSP Limited
Chartered Certified Accountants
Photiades Business Centre
1st floor, 8 Stassinou Avenue
P.O. Box 22545
1522 Nicosia

Dear Sirs,

Financial Statements - 31 December 2010

This representation letter is provided in connection with your audit of the financial statements of Armini Enterprises Company Limited for the year ended 31 December 2010.

We confirm, to the best of our knowledge and belief, as of the date of this letter, the following representations made to you during your audit:

- 1) We acknowledge our responsibility for the fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.
- 2) There have been no irregularities involving management or employees who have a significant role in the system of internal control, or that could have a material effect on the financial statements.
- 3) The financial statements are free of material errors and omissions.
- 4) We have made available to you all books of account, supporting documentation, agreements, details of all bank accounts and all minutes of meetings of shareholders and board of directors.
- 5) The Company has complied with all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance. There have been no communications concerning non-compliance with requirements of regulatory authorities with respect to financial matters.
- 6) The following have been properly recorded and when appropriate, adequately disclosed in the financial statements:
 - (a) Balances and transactions with related parties.
 - (b) Assets pledged as collateral.
- 7) We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities reflected in the financial statements.
- 8) The Company has satisfactory title to all assets and there are no liens, or encumbrances on the Company's assets except as noted in the financial statements.
- 9) We have recorded or disclosed all liabilities, both actual and contingent.
- 10) We confirm that all amounts owed to the Company are fully recoverable.
- 11) There have been no events after the reporting period that require adjustment of, or disclosure in the financial statements and related notes.
- 12) No claims in connection with litigation have been or are expected to be received.
- 13) To the best of our knowledge and belief, the information disclosed in the financial statements in respect of parties which control the entity is complete and accurate.

- 14) To the best of our knowledge and belief, there were no material related party transactions at any time during the year which fall to be disclosed other than as indicated in the financial statements.
- 15) Except as disclosed in the financial statements, the results for the year were not materially affected by transactions of a type not usually undertaken by the entity, circumstances of a non recurrent or exceptional nature or any change in accounting policies.
- 16) We confirm that we have reviewed going concern considerations and are satisfied that it is appropriate for the financial statements to have been drawn up on the going concern basis. In reaching this opinion, we have taken into account all relevant matters of which we are aware and have considered a future period of at least one year from the date the financial statements are to be approved.
- 17) We have also considered the adequacy of the disclosures in the financial statements relating to going concern and are satisfied that sufficient disclosure has been made in order to give a fair presentation.
- 18) We confirm that the above representations are made on the basis of enquiries of management and staff with relevant knowledge and experience (and, where appropriate, of inspection of supporting documentation) sufficient to satisfy ourselves that we can properly make each of the above representations to you.

Yours faithfully,
For Armini Enterprises Company Limited

.....
Irene Savvides
Director

.....
Nicolaos Dandolo
Director

.....
Georgios Galanakis
Director