

**MARKELIA ENTERPRISES COMPANY
LTD**

REPORT AND FINANCIAL STATEMENTS
31 December 2010

MARKELIA ENTERPRISES COMPANY LTD

REPORT AND FINANCIAL STATEMENTS

31 December 2010

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MARKELIA ENTERPRISES COMPANY LTD

BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors:

Irene Savvides
Vasilios Trikoupis

Company Secretary:

Adam Montanios
16 Panteli Katelari Street
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:

16 Panteli Katelari Street
Diagoras House
1097 Nicosia
Cyprus

MARKELIA ENTERPRISES COMPANY LTD

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 activities of the Company, which are unchanged from last year, are the holding of investments and provision of finance.

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 considered satisfactory.

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 and Dividends

The Company's results for the year are set out on page 5. The Board of Directors does not recommend the payment of a dividend and the net profit for the year is retained.

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 of Directors.

Events after the reporting period

Any significant events that occurred after the end of the reporting period are described in note 14 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 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, 22 March 2011

Independent Auditor's Report

To the Members of Markelia Enterprises Company Ltd

Report on the Financial Statements

We have audited the financial statements of Markelia Enterprises Company Ltd (the "Company") on pages 5 to 15, 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 notes.

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 (EU) and the requirements of the Cyprus Companies Law, Cap. 113. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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 Markelia Enterprises Company Ltd

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Markelia Enterprises Company Ltd 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 EU and the requirements of the Cyprus Companies Law, Cap. 113.

Report on Other Legal and Regulatory Requirements

Pursuant to the requirements of the Cyprus Companies Law, Cap. 113, 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 on page 2 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 156 of the Cyprus Companies Law, Cap.113 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.

Horwath DSP Limited
Chartered Certified Accountants

Nicosia, 22 March 2011

MARKELIA ENTERPRISES COMPANY LTD

STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2010

	Note	2010 €	2009 €
Revenue			
Loan interest income		799.845	507.083
Bank interest income		4.726	1.853
Interest expense		(672.095)	(440.297)
Net interest income		132.476	68.639
Administration expenses		(1.295)	(8.187)
Operating profit		131.181	60.452
Net finance income / (cost)	6	410	(29)
Profit before tax		131.591	60.423
Tax	7	(58.318)	(40.236)
Net profit for the year		73.273	20.187
Other comprehensive income		-	-
Total comprehensive income for the year		73.273	20.187

The notes on pages 9 to 15 form an integral part of these financial statements.

MARKELIA ENTERPRISES COMPANY LTD

STATEMENT OF FINANCIAL POSITION

31 December 2010

	Note	2010 €	2009 €
ASSETS			
Non-current assets			
Non-current loans receivable	8	<u>12.429.489</u>	15.905.939
		12.429.489	15.905.939
Current assets			
Loans receivable	8	<u>4.706.561</u>	4.151.196
Cash at bank and in hand	9	<u>878.198</u>	2.234.222
		5.584.759	6.385.418
Total assets		<u>18.014.248</u>	<u>22.291.357</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	10	<u>1.000</u>	1.000
Retained earnings		<u>88.584</u>	15.311
Total equity		<u>89.584</u>	<u>16.311</u>
Current liabilities			
Trade and other payables	12	<u>3.244</u>	13.064
Borrowings	11	<u>17.921.420</u>	22.261.982
		17.924.664	22.275.046
Total equity and liabilities		<u>18.014.248</u>	<u>22.291.357</u>

On 22 March 2011 the Board of Directors of Markelia Enterprises Company Ltd authorised these financial statements for issue.

.....
Irene Savvides
Director

.....
Vasilios Trikoupis
Director

The notes on pages 9 to 15 form an integral part of these financial statements.

MARKELIA ENTERPRISES COMPANY LTD

STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2010

	Share capital €	Retained earnings €	Total €
Balance - 1 January 2009	1.000	(4.876)	(3.876)
Comprehensive income			
Total comprehensive income for the year	-	20.187	20.187
Balance at 31 December 2009	1.000	15.311	16.311
Total comprehensive income for the year	-	73.273	73.273
Balance at 31 December 2010	1.000	88.584	89.584

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 15 form an integral part of these financial statements.

MARKELIA ENTERPRISES COMPANY LTD

STATEMENT OF CASH FLOWS

Year ended 31 December 2010

	2010	2009
Note	€	€
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	131.591	60.423
Adjustments for:		
Unrealised exchange difference on loans receivables and payables	60.400	40.787
Interest income	(804.571)	(507.083)
Interest expense	6 672.095	440.297
	59.515	34.424
Cash flows from operations before working capital changes	59.515	34.424
(Increase) in receivables	-	1.000
(Decrease) / increase in trade and other payables	(9.820)	8.188
Cash flows from operations	49.695	43.612
Interest received	4.726	-
Tax paid (withholding tax)	(58.318)	(40.236)
Net cash flows (used in) / from operating activities	(3.897)	3.376
CASH FLOWS FROM INVESTING ACTIVITIES		
Loans repayments received	5.406.265	2.230.846
Net cash flows from investing activities	5.406.265	2.230.846
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of borrowings	(6.758.392)	-
Net cash flows used in financing activities	(6.758.392)	-
Net (decrease) / increase in cash and cash equivalents	(1.356.024)	2.234.222
Cash and cash equivalents:		
At beginning of the year	2.234.222	-
At end of the year	9 878.198	2.234.222

The notes on pages 9 to 15 form an integral part of these financial statements.

MARKELIA ENTERPRISES COMPANY LTD

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2010

1. Incorporation and principal activities

Country of incorporation

The Company Markelia Enterprises Company Ltd (the "Company") was incorporated in Cyprus on 14 May 2008 as a private limited liability Company under the Cyprus Companies Law, Cap. 113. Its registered office is at 16 Panteli Katelari Street, Diagoras House, 1097 Nicosia, Cyprus.

Principal activities

The principal activities of the Company, which are unchanged from last year, are the holding of investments and provision of finance.

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.

Revenue recognition

Revenues earned by the Company are recognised on the following bases:

- **Interest income**

Interest income is recognised on a time-proportion basis using the effective interest method.

Finance income

Finance income includes interest income which is recognised based on an accrual basis.

MARKELIA ENTERPRISES COMPANY LTD

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2010

2. Accounting policies (continued)

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.

Foreign currency translation

(1) Functional and presentation currency

Items included in the Company's financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Euro (€), which is the Company's functional and presentation currency.

(2) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

Tax

Current tax liabilities and assets are measured at the amount expected to be paid to or recovered from the taxation authorities, using the tax rates and laws that have been enacted, or substantively enacted, by the reporting date.

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.

Trade receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Loans granted

Loans originated by the Company by providing money directly to the borrower are categorised as loans and are carried at amortised cost. This is defined as the fair value of cash consideration given to originate those loans as is determined by reference to market prices at origination date. All loans are recognised when cash is advanced to the borrower.

An allowance for loan impairment is established if there is objective evidence that the Company will not be able to collect all amounts due according to the original contractual terms of loans. The amount of the provision is the difference between the carrying amount and the recoverable amount, being the present value of expected cash flows including amounts recoverable from guarantees and collateral, discounted at the original effective interest rate of loans.

Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash at bank and in hand.

MARKELIA ENTERPRISES COMPANY LTD

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2010

2. Accounting policies (continued)

Financial instruments (continued)

Borrowings

Borrowings are recorded initially at the proceeds received, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any differences between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest method.

Share capital

Ordinary shares are classified as equity.

3. Financial risk management

Financial risk factors

The Company is exposed to interest rate risk, credit risk, liquidity risk, currency 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 Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. Borrowings issued at variable rates expose the Company to cash flow interest rate risk. Borrowings issued at fixed rates expose the Company to fair value interest rate risk. The Company's Management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

3.2 Credit risk

Credit risk arises when a failure by counter parties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the reporting date. The Company has no significant concentration of credit risk. The Company has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history and monitors on a continuous basis the ageing profile of its receivables. Cash balances are held with high credit quality financial institutions and the Company has policies to limit the amount of credit exposure to any financial institution.

3.3 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.

3.4 Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Company's measurement currency. The Company is exposed to foreign exchange risk arising from various currency. The Company's Management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

3.5 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.

MARKELIA ENTERPRISES COMPANY LTD

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2010

4. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. 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:

- **Income taxes**

Significant judgement is required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

5. Expenses by nature

	2010	2009
	€	€
Auditors' remuneration - current year	5.000	3.450
Auditors' remuneration - prior years	1.295	-
Interest expense	672.095	440.297
Other professional fees	2.437	4.737
Recharge to holding company	(7.437)	-
Total expenses	<u>673.390</u>	<u>448.484</u>

6. Finance income / cost

	2010	2009
	€	€
Exchange profit	<u>474</u>	-
Finance income	<u>474</u>	-
Net foreign exchange transaction losses	-	5
Other finance expenses	<u>64</u>	<u>24</u>
Finance costs	<u>64</u>	<u>29</u>
Net finance income / (cost)	<u>410</u>	<u>(29)</u>

7. Tax

	2010	2009
	€	€
Withholding tax on interest receivable	<u>58.318</u>	<u>40.236</u>
Charge for the year	<u>58.318</u>	<u>40.236</u>

MARKELIA ENTERPRISES COMPANY LTD

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2010

7. Tax (continued)

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

	2010 €	2009 €
Profit before tax	<u>131.591</u>	<u>60.423</u>
Tax calculated at the applicable tax rates	13.159	6.042
Tax effect of allowances and income not subject to tax	(47)	-
Tax effect of tax losses brought forward	-	(487)
Withholding tax on interest receivable	<u>45.206</u>	<u>34.681</u>
Tax charge	<u>58.318</u>	<u>40.236</u>

The corporation tax rate is 10%. Also withholding tax of 10% is deducted on interest income received from Serbia.

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%.

8. Non-current loans receivable

	2010 €	2009 €
Loans receivable	<u>17.136.050</u>	20.057.135
	17.136.050	20.057.135
Less current portion	<u>(4.706.561)</u>	(4.151.196)
Non-current portion	<u>12.429.489</u>	<u>15.905.939</u>

The Company has two loans receivable at the year end, assigned from its shareholder. The first loan amounting to €12.429.489 (US\$ 16.472.718) is payable by 5 November 2024 and bears an annual interest of 3 months LIBOR + 3%. The second loan amounting to €4.706.560 (US\$ 6.237.573) is payable on demand and bears an annual interest of 4,95%. The first loan is pledged by properties held by the borrower.

The fair value of receivable loans approximates to their carrying amounts as presented above.

9. Cash at bank and in hand

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

	2010 €	2009 €
Cash at bank and in hand	<u>878.198</u>	2.234.222
	878.198	<u>2.234.222</u>

MARKELIA ENTERPRISES COMPANY LTD

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2010

10. Share capital

	2010	2010	2009	2009
	Number of	€	Number of	€
	shares		shares	
Authorised				
Ordinary shares of €1 each	10.000	10.000	10.000	10.000
Issued and fully paid				
On 1 January	1.000	1.000	-	1.000
Issue of shares	-	-	1.000	-
Balance at 31 December	1.000	1.000	1.000	1.000

11. Borrowings

	2010	2009
	€	€
On 1 January	22.261.982	-
Additions	-	22.444.394
Repayments	(6.758.392)	-
Interest expense	672.095	440.297
Unrealised exchange difference	1.745.735	(622.709)
Balance at 31 December	17.921.420	22.261.982

The Company has two loans from its shareholder at the year end. The first loan, amounting to €13.238.298 (US\$17.531.309) bears an annual interest of 3 months LIBOR + 2,65%. The second loan, amounting to €4.683.123 (US\$6.206.543) bears an annual interest of 4,6%. Both loans are repayable on demand.

12. Trade and other payables

	2010	2009
	€	€
Accruals	1	4.831
Other creditors	3.243	8.233
	3.244	13.064

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

13. Related party transactions

The following transactions were carried out with related parties:

13.1 Loan from Shareholders (Note 11)

	2010	2009
	€	€
As at 31 December	17.921.420	22.261.982
	17.921.420	22.261.982

MARKELIA ENTERPRISES COMPANY LTD

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2010

14. 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

MARKELIA ENTERPRISES COMPANY LTD

DETAILED INCOME STATEMENT

Year ended 31 December 2010

	Page	2010 €	2009 €
Loan interest income		799.845	507.083
Bank interest income		4.726	1.853
Interest expense		(672.095)	(440.297)
		132.476	68.639
Operating expenses			
Administration expenses	17	(1.295)	(8.187)
Operating profit		131.181	60.452
Finance income	18	474	-
Finance costs	18	(64)	(29)
Net profit for the year before tax		131.591	60.423

MARKELIA ENTERPRISES COMPANY LTD

OPERATING EXPENSES

Year ended 31 December 2010

	2010 €	2009 €
Administration expenses		
Recharge to holding company	(7.437)	-
Auditors' remuneration - current year	5.000	3.450
Auditors' remuneration - prior years	1.295	-
Legal fees	-	4.737
Other professional fees	2.437	-
	<u>1.295</u>	<u>8.187</u>

MARKELIA ENTERPRISES COMPANY LTD

FINANCE INCOME / COST

Year ended 31 December 2010

	2010 €	2009 €
Finance income		
Unrealised exchange profit	<u>474</u>	-
	<u>474</u>	<u>-</u>
Finance costs		
Other finance expenses		
Bank charges	64	24
Net foreign exchange transaction losses		
Unrealised exchange loss	<u>-</u>	<u>5</u>
	<u>64</u>	<u>29</u>

MARKELIA ENTERPRISES COMPANY LTD

16 Panteli Katelari Street
Diagoras House
1097 Nicosia
Cyprus

Nicosia, 22 March 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 Markelia Enterprises Company Ltd 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 EU 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 Markelia Enterprises Company Ltd

.....
Irene Savvides
Director

.....
Vasilios Trikoupis
Director