

T POINT SYSTEMS LIMITED

T.I.C.: 12167851V

REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December, 2010

T POINT SYSTEMS LIMITED

REPORT AND FINANCIAL STATEMENTS For the year ended 31 December, 2010

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T POINT SYSTEMS LIMITED**Board of directors and professional advisors**

BOARD OF DIRECTORS	DEMETRA KYRIANOU
SECRETARY	MYRANKO SERVICES LIMITED
REGISTER OFFICE	56 KYRIAKOU MATSI STREET 2368 AGIOS DOMETIOS NICOSIA - CYPRUS
AUDITORS	PANAUDIT KONNARIS LIMITED 56 KYRIAKOU MATSI STREET 2368 AGIOS DOMETIOS NICOSIA - CYPRUS
BANKS	MAFRIN POPULAR BANK PUBLIC CO LIMITED

T POINT SYSTEMS LIMITED

Report of the board of directors For the year ended 31 December, 2010

Financial statements

The Directors present herewith the annual report and the audited financial statements of the Company for the year ended 31 December, 2010.

Principal activities

The major activity of the Company is, business and management consultancy activities.

Results

Statement of comprehensive income results appear on page 5.

Review of developments, position and performance of the Company's business.

The Company retained its financial performance and position at approximately the same levels as last year. There were no significant developments that caused changes in the position or performance of Company's business.

Principal risks and uncertainties

The principal risks and uncertainties that the Company faces are explained in the notes to the financial statements.

Future developments

The Board of Directors does not anticipate any significant developments or changes in the Company's activities.

Events after the balance sheet date

The material events which occurred after the balance sheet date appear in the note 17 of the financial statements.

Branches

The Company did not operate through any branch during the year.

Board of Directors

The names of the present Directors are shown on page 1.

Auditors

The auditors of the Company have signified their willingness to continue in office. A resolution proposing their re-appointment and authorizing the directors to fix their remuneration will be proposed to the members at the Annual General Meeting of the Company.

Dividends

The Directors recommend that no dividend is to be paid in respect of the year ended 31 December, 2010.

Share capital

There were no changes in the share capital of the Company.

By order of the Board of Directors


Myranko Services Limited
Secretary

Nicosia, 22 November 2011

Independent auditors report

To the Members of T POINT SYSTEMS LIMITED

Report on the financial statements

We have audited the accompanying financial statements of T POINT SYSTEMS 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].1 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 about 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 auditors 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 auditors consider 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 {TYPE:Board of Directors|Partners|individual businessman}, 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.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of T POINT SYSTEMS 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.

To the Members of T POINT SYSTEMS LIMITED**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 the 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.

For and behalf of

PANAUDIT KONNARIS LIMITED

Cerrified Public Accountants and Registered Auditors

Andreas K. Konnaris C.F.C. , F.F.A.
Certified Public Accountant and Registered Auditor

Nicosia, 22 November 2011

T POINT SYSTEMS LIMITED

Statement of Comprehensive Income For the year ended 31 December, 2010

	Notes	2010 €	2009 €
Sales	4	477.472	286.035
Cost of sales		(446.237)	(255.227)
		<hr/>	<hr/>
Gross Profit		31.235	30.808
Other income		761	27
		<hr/>	<hr/>
Selling and distribution expenses		31.996	30.835
Operating and administrative expenses		---	(330)
		(17.266)	(21.740)
		<hr/>	<hr/>
Profit from operations	5	14.730	8.765
Financing expenses	6	(2.728)	(2.566)
		<hr/>	<hr/>
Profit before taxation		12.002	6.199
Taxation	7	(1.363)	(926)
		<hr/>	<hr/>
Profit after taxation		10.639	5.273
		<hr/>	<hr/>
Total income for the year		<u>10.639</u>	<u>5.273</u>

T POINT SYSTEMS LIMITED

Statement of financial position As at 31 December, 2010

	Notes	2010 €	2009 €
ASSETS			
Non-current assets			
Current assets			
Trade and other receivables	9	66.929	29.580
Cash in hand and at bank	10	15.710	24.066
		<u>82.639</u>	<u>53.646</u>
Total assets		<u>82.639</u>	<u>53.646</u>
EQUITY AND LIABILITIES			
Shareholder's funds			
Share capital	11	1.710	1.710
Reserves		28.443	27.656
		<u>30.153</u>	<u>29.366</u>
Current liabilities			
Bank overdraft	12	238	---
Trade and other payables	13	46.848	17.181
Taxation	14	3.733	7.099
Directors and shareholders current account	15	1.667	---
		<u>52.486</u>	<u>24.280</u>
Total equity and liabilities		<u>82.639</u>	<u>53.646</u>

The accounts have been approved by the Board of Directors on 22 November, 2011 and signed by:



Demetra Kyprianou
Director

T POINT SYSTEMS LIMITED

Statement of changes in equity For the year ended 31 December, 2010

	Share Capital €	Revenue reserve €	Total €
Balance at 31 December, 2010	1.710	27.656	29.366
Profit for the year	---	10.639	10.639
Dividend for the year - ordinary shares	---	(9.852)	(9.852)
31 December	<u>1.710</u>	<u>28.443</u>	<u>30.153</u>

From 1 January 2003 onwards, 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 defense 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 defense is payable for the account of the shareholders.

T POINT SYSTEMS LIMITED

Statements of Cash Flow For the year ended 31 December, 2010

	Notes	2010 €	2009 €
Cash flow from operating activities			
Net Profit before taxation		12.002	6.199
Adjustments for:			
Bank charges and interest payable		2.728	2.566
Interest received		(2)	(27)
		14.728	8.738
Operating Profit before working capital changes			
(Decrease) in trade debtors and other receivables		(37.349)	(21.675)
Increase in trade creditors and other payables		29.667	11.207
		7.046	(1.730)
Cash from/(used in) operating activities			
Tax paid		(6.207)	(2.709)
		839	(4.439)
Net cash from/(used in) operating activities			
Cash flow from investing activities			
Interest receivable		2	27
		2	27
Net cash from investing activities			
Cash flow from financing activities			
Dividends paid		(8.374)	(15.353)
Decrease/(increase) in shareholder's current account		1.667	(13.385)
Bank charges and interest paid		(2.728)	(2.566)
		(9.435)	(31.304)
Net cash (used in) financing activities			
Net Decrease in cash and cash equivalents		(8.594)	(35.716)
Cash and cash equivalents at the beginning of the year		24.066	59.782
Cash and cash equivalents at the end of the year	16	15.472	24.066

The notes following the cash flow statement form an integral part of these financial statements.
Auditors report on pages 3 - 4.

T POINT SYSTEMS LIMITED

Notes to the financial statements For the year ended 31 December, 2010

1. General

Formation and major activity

The Company is registered in Cyprus as a private limited liability company in accordance with the Companies Law, Cap 113.

The major activity of the Company is business and management consultancy activities.

The registered office of the company is at

56 Kyriakou Matsi Street
2368 Agios Dometios
Nicosia.

2. Principal accounting policies

Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with International Financial Reporting Standards as adopted by the European Union. In addition the financial statements have been prepared in accordance with the requirements of the Cyprus Companies Law, Cap. 113. The following is a summary of the most important accounting policies used by the Company.

Adoption of new and revised IFRS

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 2008. These adoptions 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 except for the application of International Accounting Standard 1 (Revised) "Presentation of Financial Statements" which will have a material effect on the presentation of the financial statements.

Comparative amounts

When necessary the comparative figures and the presentation of the financial statements have been adjusted to comply with the presentation and current year changes.

Investment in subsidiary companies

Subsidiary companies are companies in which the company, directly or indirectly has an interest of more than one half of the voting rights or otherwise has power to exercise control over their operations. Investment in subsidiary companies is stated at cost. The carrying value of investment is reviewed for impairment when events or changes in circumstances indicate that the carrying value exceeds the estimated recoverable amount. In that case the investments is written down to its recoverable amount.

Financing expenses

Financing expenses include interest payable on borrowing, hire purchase creditors and bank overdraft.

Interest and finance expenses are recognised as expense in the statement of comprehensive income when they accrue.

Revenue recognition

Revenue from the sale of goods is recognised when significant risks and rewards of ownership of the goods have been transferred to the buyer. Interest, rent receivable and other income are recognised on an accrual basis.

T POINT SYSTEMS LIMITED

Notes to the financial statements For the year ended 31 December, 2010

Impairment of assets

Property, plant and equipment and other non-current assets, including goodwill and other intangible assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount which is the higher of an asset's net selling price and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows.

Trade receivables

Trade and other receivables are carried at the original invoice value less an estimate made for doubtful debts based on review of all outstanding amounts at the year-end. Bad debts are written off when identified.

Cash and cash equivalents

Cash and cash equivalents comprise of cash in hand and balances with banks. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts.

Interest-bearing loans and borrowings

Interest-bearing loans and borrowings are initially recorded at the proceeds received net of any transaction costs incurred. The total finance cost represents the interest on the outstanding amount of the debt and is charged to the statement of comprehensive income as it accrues.

Amounts payable after one year are shown as long term loans.

Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where Company expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year.

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and their corresponding tax basis (known as temporary differences). Deferred tax liabilities are recognized for all temporary differences that are expected to increase taxable profit in the future. Deferred tax assets are recognized for all temporary differences that are expected to reduce taxable profit in the future, and any unused tax losses or unused tax losses or unused tax credits. Deferred tax assets are measured at the highest amount that, on the basis of current or estimated future taxable profit, is more likely than not to be recovered.

The net carrying amount of deferred tax assets is reviewed at each reporting date and is adjusted to reflect the current assessment of future taxable profits. Any adjustments are recognized in profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the taxable profit (tax loss) of the periods in which it expects the deferred tax asset to be realized or the deferred tax liability to be settled, on the basis of tax rates that have been enacted or substantively enacted by the end of the reporting period.

T POINT SYSTEMS LIMITED

Notes to the financial statements For the year ended 31 December, 2010

Even though there are taxable differences that are deferred because of a) differences between the tax base and carrying amount of property, plant and equipment as per our books, they will not be recognized due to the fact that the amount is immaterial and b) taxable losses carried forward will not be recognized because in the near future the company is not expected to achieve any profits and so, no income tax will arise.

Foreign currency translation

(a) 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 Company operates ('the functional currency'). The financial statements are presented in Euro which is the Company's functional and presentation currency.

(b) Transactions and balances

The financial statements are expressed in Euro which is the functional currency of the Company. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies and are retranslated at the rate of exchange ruling at the balance sheet. Any differences are taken to the statement of income. The Company is using Euro as its main currency because most of the transactions are in Euro.

3. Financial risk management

Financial risk factors

Amounts receivable on financial statements consist of cash in hand and at bank, investments, trade debtors and other amounts receivable. Amounts payable consist of loans, bank overdraft, trade and other creditors.

Credit risk

The Company's exposure to credit risk is as indicated by the carrying amounts of its assets.

Interest rate risk

Interest rate risk arises from the likelihood of adverse movements in the interest rates of bank overdrafts. The Company monitors on a continuous basis interest rate fluctuations.

Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The Company's policy is not to enter into any hedging transactions.

Fair values

The fair values of the Company's financial assets and liabilities approximate their carrying amount at the balance sheet date.

Liquidity risk

Liquidity risk is defined as the risk 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 minimizing such losses.

T POINT SYSTEMS LIMITED

Notes to the financial statements For the year ended 31 December, 2010

4. Sales

Revenue from the sale of goods is recognised as turnover in the statement of comprehensive income when the significant risks and rewards of ownership have been transferred to the buyer. Specifically, turnover represents the amounts invoiced in respect of goods sold to customers during the year and it is stated net of trade discounts and returns.

	2010 €	2009 €
Revenue analysis:		
Sales -	477.472	286.035
	<u>477.472</u>	<u>286.035</u>

5. Profit from operations

	2010 €	2009 €
Profit/(Loss) is stated after charging:		
Audit fees	700	1.000
Management fees	800	---
	<u>1.500</u>	<u>1.000</u>

6. Financing expenses

	2010 €	2009 €
Interest on bank loans and overdrafts	60	7
Bank charges	2.668	2.559
	<u>2.728</u>	<u>2.566</u>

7. Taxation

	2010 €	2009 €
Corporation tax for the year	1.363	926
	<u>1.363</u>	<u>926</u>

The following are reconciliation of: (a) the tax calculated on the basis of the tax rate in effect at the time of the year on the taxable income of the year as determined in accordance with the Income Tax laws, (b) the tax obligation based on the tax rate in effect at the time of the year on the accounting profits of the year.

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Notes to the financial statements For the year ended 31 December, 2010

	2010 €	2009 €
Profit for the year as per the financial statements	12.002	6.199
Corporation tax at 10%	1.200	620
Tax impact on:		
Disallowed expenses	115	225
Disallowed income	(76)	(3)
Additional tax 10%	124	84
	<u>1.363</u>	<u>926</u>

8. Dividend on ordinary shares

	2010 €	2009 €
Estimated dividends from previous year profits	9.852	18.062
	<u>9.852</u>	<u>18.062</u>

9. Trade and other receivables

	2010 €	2009 €
Trade receivables	57.579	12.558
No trade debtors	---	17.022
Prepayments	9.350	---
	<u>66.929</u>	<u>29.580</u>

The amount of trade receivables does not include any interest and are receivable within one year. Concentrations of credit risk with respect to trade receivables is limited due to the company's large number of customers who have a variety of end markets in which they sell. The company's historical experience in collection of trade receivables falls within the recorded allowances. Due to these factors, management believes that no additional credit risk beyond amounts provided for collection losses is inherent in the company's trade receivables.

10. Cash in hand and at bank

	2010 €	2009 €
Cash at bank	15.710	24.066
	<u>15.710</u>	<u>24.066</u>

T POINT SYSTEMS LIMITED**Notes to the financial statements
For the year ended 31 December, 2010****11. Share capital**

	2010 €	2009 €
Authorised		
1.000 Ordinary shares of €1.71 each	1.710	1.710
	<u>1.710</u>	<u>1.710</u>
Issued and fully paid		
1.000 Ordinary shares of €1.71 each	1.710	1.710
	<u>1.710</u>	<u>1.710</u>
Movement in share capital account:		
Ordinary		
1 January	1.710	1.710
31 December	<u>1.710</u>	<u>1.710</u>

12. Bank overdraft

	2010 €	2009 €
Bank overdraft	238	---
	<u>238</u>	<u>---</u>

13. Trade and other payables

	2010 €	2009 €
Trade Creditors	28.322	2.405
Accruals	4.000	3.500
Value added tax	14.526	11.276
	<u>46.848</u>	<u>17.181</u>

The above amounts are payable within one year.

14. Taxation

	2010 €	2009 €
Corporation tax	3.733	7.099
	<u>3.733</u>	<u>7.099</u>

T POINT SYSTEMS LIMITED

Notes to the financial statements For the year ended 31 December, 2010

15. Directors and shareholders current account

	2010 €	2009 €
Director / Shareholders Account	1.667	---
	<u>1.667</u>	<u>---</u>

The above amount represents the balance in the director's current account

16. Cash and cash equivalents

Cash and cash equivalents that are presented in the cash flow statement comprise of the following balance sheet amounts:

	2010 €	2009 €
Cash at bank	15.710	24.066
Bank overdraft	(238)	---
	<u>15.472</u>	<u>24.066</u>

17. Post balance sheet events

There were no material post balance sheet events which have a bearing on the understanding of the financial statements.

T POINT SYSTEMS LIMITED**Detailed statement of comprehensive income
For the year ended 31 December, 2010**

	2010	2009
	€	€
Sales		
Sales -	477.472	286.035
	<u>477.472</u>	<u>286.035</u>
Cost of Sales		
Purchases	446.237	255.227
	<u>446.237</u>	<u>255.227</u>
Gross Profit	<u>31.235</u>	<u>30.808</u>
Other operating income		
Bank interest receivable	2	27
Profit from exchange differences - unrealised	759	---
	<u>761</u>	<u>27</u>
	<u>31.996</u>	<u>30.835</u>
Selling and distribution expenses		
Travelling expenses	---	330
	<u>---</u>	<u>330</u>
Operating and other administrative expenses		
Stationary and Printing	---	675
Repair and maintenance-comp.h/w	---	231
Miscellaneous expenses	100	---
Book-keeping fees	400	---
Audit fees	700	1.000
Management fees	800	---
Professional services	14.000	17.500
Internet subscriptions	117	89
Loss on exchange difference - unrealised	---	1.901
Other government interest and charges	1.149	344
	<u>17.266</u>	<u>21.740</u>
Profit from operations	<u>14.730</u>	<u>8.765</u>
Financing expenses	6 (2.728)	(2.566)
Profit before taxation	<u>12.002</u>	<u>6.199</u>