

## **INCOME TAX**

### **DARIMAX LIMITED**

**REPORT AND FINANCIAL STATEMENTS**  
31 December 2009

# DARIMAX LIMITED

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## REPORT AND FINANCIAL STATEMENTS 31 December 2009

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# DARIMAX LIMITED

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## BOARD OF DIRECTORS AND OTHER OFFICERS

**Board of Directors:**

Savvas Polydorou  
Philippos Philippou

**Company Secretary:**

Cyproliaison Limited

**Independent Auditors:**

ZERVOS & CO LIMITED  
CERTIFIED PUBLIC ACCOUNTANTS - CY  
67 Kennedy Avenue  
Athienitis Kennedy Park  
2nd Floor  
1076 Nicosia, Cyprus

**Legal Advisers:**

L. Papaphilippou & Co

**Registered office:**

1 Kostaki Pantelidi Avenue  
KOLOKASIDES BUILDING  
3rd Floor  
1010 Nicosia, Cyprus

**Bankers:**

Marfin Popular Bank Public Co Ltd  
EFG Bank SA, Geneva, Switzerland

# DARIMAX LIMITED

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## 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 2009.

### **Principal activities**

The principal activities of the Company, which are unchanged from last year, are to act as an investment company, to receive and provide loans, and to provide consulting and other financial services through guarantees of its funds.

### **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 31 December 2009 and at the date of this report are presented on page 1. All of them were members of the Board throughout the year ended 31 December 2009.

In accordance with the Company's Articles of Association all directors presently members of the Board retire and being eligible offer themselves for re-election.

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

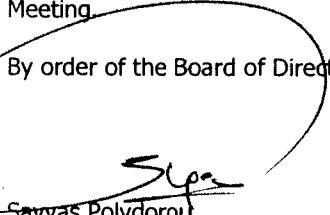
### **Events after the reporting period**

There were no material events after the reporting period, which have a bearing on the understanding of the financial statements.

### **Independent Auditors**

The independent auditors, ZERVOS & CO 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,



Savvas Polydorou  
Director

Nicosia, Cyprus, 13 September 2010

**Zervos & Co Ltd**  
office: 67 JF Kennedy Avenue  
Athienitis Kennedy Park  
2nd Floor, CY-1076 Nicosia, Cyprus  
mail address: P.O.Box 16026  
CY-2085 Acropolis, Cyprus

Tel: +357 22 446000  
Fax: +357 22 446001

E-mail: [info@zervosco.com](mailto:info@zervosco.com)  
Website: [www.zervosco.com](http://www.zervosco.com)

## Independent Auditors' Report

### To the Members of Darimax Limited

#### Report on the Financial Statements

We have audited the financial statements of the parent company Darimax Limited (the "Company") on pages 5 to 24, which comprise the statement of financial position as at 31 December 2009, 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 Auditors' Report (continued)

### To the Members of Darimax Limited

#### *Opinion*

In our opinion, the financial statements give a true and fair view of the financial position of the parent company Darimax Limited as at 31 December 2009, 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.

#### *Emphasis of Matter*

Without qualifying our opinion, we draw attention to note 2 to the financial statements which indicates that the Company incurred a loss of €4.476.107 for the year ended 31 December 2009, and, as of that date the Company's liabilities exceeded its assets by €14.688.724. These conditions, along with other matters as set forth in note 2 indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern.

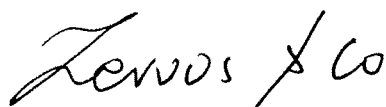
#### **Report on Other Legal and Regulatory Requirements**

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.



**ZERVOS & CO LIMITED**  
**CERTIFIED PUBLIC ACCOUNTANTS - CY**  
67 Kennedy Avenue  
Athienitis Kennedy Park  
2nd Floor  
1076 Nicosia, Cyprus

13 September 2010

# DARIMAX LIMITED

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## STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2009

	Note	2009 €	2008 €
<b>Revenue</b>	5	<b>2.597.377</b>	5.483.982
Administration and other expenses		<u>(42.615)</u>	<u>(72.570)</u>
<b>Operating profit</b>	6	<b>2.554.762</b>	5.411.412
Net finance costs	7	<u>(7.030.869)</u>	<u>(9.805.296)</u>
<b>Loss before tax</b>		<b>(4.476.107)</b>	(4.393.884)
Tax	8	<u>-</u>	<u>-</u>
<b>Net loss for the year</b>		<b>(4.476.107)</b>	(4.393.884)
<b>Other comprehensive income</b>		<u>-</u>	<u>-</u>
<b>Total comprehensive expense for the year</b>		<b>(4.476.107)</b>	(4.393.884)

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The notes on pages 9 to 24 form an integral part of these financial statements.

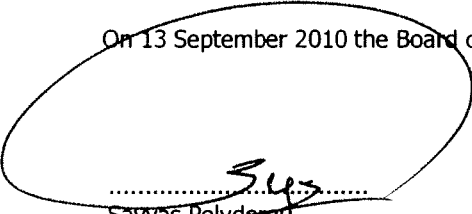
# DARIMAX LIMITED

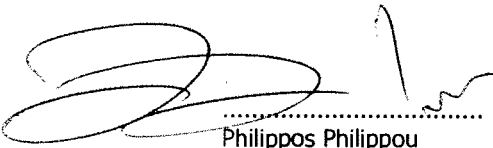
## STATEMENT OF FINANCIAL POSITION

31 December 2009

	Note	2009 €	2008 €
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investments in subsidiaries	9	<b>11.987.713</b>	11.987.713
Loans receivable	10	<b>26.666.667</b>	63.119.178
		<b>38.654.380</b>	75.106.891
<b>Current assets</b>			
Trade and other receivables	11	<b>525.703.164</b>	525.700.000
Other receivables	10	<b>7.128.717</b>	-
Financial assets at fair value through profit or loss	12	-	50.345.000
Cash and cash equivalents	13	<b>50.629.195</b>	6.017.086
		<b>583.461.076</b>	582.062.086
<b>Total assets</b>		<b>622.115.456</b>	657.168.977
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	14	<b>1.710</b>	1.710
Other reserves		<b>33</b>	33
Accumulated losses		<b>(14.690.467)</b>	(10.214.360)
<b>Total equity</b>		<b>(14.688.724)</b>	(10.212.617)
<b>Non-current liabilities</b>			
Borrowings	15	<b>120.000.000</b>	210.000.000
		<b>120.000.000</b>	210.000.000
<b>Current liabilities</b>			
Trade and other payables	16	<b>12.262</b>	90.353
Deferred income	17	<b>420.000.000</b>	420.000.000
Borrowings	15	<b>96.791.918</b>	37.291.241
		<b>516.804.180</b>	457.381.594
<b>Total liabilities</b>		<b>636.804.180</b>	667.381.594
<b>Total equity and liabilities</b>		<b>622.115.456</b>	657.168.977

On 13 September 2010 the Board of Directors of Darimax Limited authorised these financial statements for issue.

  
.....  
Savvas Polyderou  
Director

  
.....  
Philippos Philippou  
Director

The notes on pages 9 to 24 form an integral part of these financial statements.



## DARIMAX LIMITED

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### STATEMENT OF CHANGES IN EQUITY Year ended 31 December 2009

	Share capital €	Special reserve "Difference from conversion of share capital into euro" €	Accumulated losses €	Total €
<b>Balance - 1 January 2008</b>	<b>1.743</b>	-	<b>(5.820.476)</b>	<b>(5.818.733)</b>
Net loss for the year	-	-	(4.393.884)	(4.393.884)
Difference from conversion of share capital into euro	(33)	33	-	-
<b>Balance at 31 December 2008/ 1 January 2009</b>	<b>1.710</b>	<b>33</b>	<b>(10.214.360)</b>	<b>(10.212.617)</b>
Net loss for the year	-	-	(4.476.107)	(4.476.107)
<b>Balance at 31 December 2009</b>	<b>1.710</b>	<b>33</b>	<b>(14.690.467)</b>	<b>(14.688.724)</b>

Companies which do not distribute 70% of their profits after tax, as defined by the Special Contribution to the Defence Fund 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.

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The notes on pages 9 to 24 form an integral part of these financial statements.

# DARIMAX LIMITED

## CASH FLOW STATEMENT

Year ended 31 December 2009

	Note	2009 €	2008 €
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Loss before tax</b>		<b>(4.476.107)</b>	(4.393.884)
Adjustments for:			
Unrealised exchange loss / (profit)		<b>30</b>	(67)
Interest income	5	<b>(2.139.835)</b>	(5.060.577)
Interest expense	7	<b>6.791.918</b>	9.579.452
<b>Cash flows from operations before working capital changes</b>		<b>176.006</b>	124.924
Increase in trade and other receivables		<b>(3.164)</b>	(348.463)
Decrease / (increase) in financial assets at fair value through profit or loss		<b>50.345.000</b>	(50.345.000)
Decrease in trade and other payables		<b>(78.091)</b>	(29.981.128)
<b>Cash flows from / (used in) operations</b>		<b>50.439.751</b>	(80.549.667)
Interest received		<b>263.629</b>	2.632.632
<b>Net cash flows from / (used in) operating activities</b>		<b>50.703.380</b>	(77.917.035)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Loans granted		-	(40.000.000)
Loans repayments received		<b>28.000.000</b>	-
Interest received		<b>3.200.000</b>	-
<b>Net cash flows from / (used in) investing activities</b>		<b>31.200.000</b>	(40.000.000)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayments of borrowings		<b>(20.000.000)</b>	70.000.000
Interest paid		<b>(17.291.241)</b>	-
<b>Net cash flows (used in) / from financing activities</b>		<b>(37.291.241)</b>	70.000.000
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>44.612.139</b>	(47.917.035)
Cash and cash equivalents:			
At beginning of the year		<b>6.017.086</b>	53.934.054
Effect of exchange rate fluctuations on cash held		<b>(30)</b>	67
<b>At end of the year</b>	13	<b>50.629.195</b>	6.017.086

The notes on pages 9 to 24 form an integral part of these financial statements.

# DARIMAX LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2009

### 1. Incorporation and principal activities

#### Country of incorporation

The Company Darimax Limited (the "Company") was incorporated in Cyprus on 16 July 2005 as a limited liability Company under the Cyprus Companies Law, Cap. 113. Its registered office is at 1 Kostaki Pantelidi Avenue, KOLOKASIDES BUILDING, 3rd Floor, 1010 Nicosia, Cyprus.

#### Principal activities

The principal activities of the Company, which are unchanged from last year, are to act as an investment company, to receive and provide loans, and to provide consulting and other financial services through guarantees of its funds.

### 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.

#### Going concern basis

The Company incurred a loss of €4.476.107 for the year ended 31 December 2009, and, as of that date the Company's liabilities exceeded its assets by €14.688.724. These conditions, indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern.

#### Basis of preparation

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and the requirements of the Cyprus Companies Law, Cap. 113.

The Company is not required by the Cyprus Companies Law, Cap.113, to prepare consolidated financial statements because the Company and its subsidiaries constitute a small sized group as defined by the Law and the Company does not intend to issue consolidated financial statements for the year ended 31 December 2009.

The European Commission has concluded that since parent companies are required by the EU 4th Directive to prepare their separate financial statements and since the Companies Law, Cap.113, requires the preparation of such financial statements in accordance with IFRS as adopted by the EU, the provisions in IAS 27 "Consolidated and Separate Financial Statements" requiring the preparation of consolidated financial statements in accordance with IFRS do not apply.

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 year. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

# DARIMAX LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2009

### 2. Accounting policies (continued)

#### 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 2009. This adoption did not have a material effect on the accounting policies of the Company, with the exception of the following:

- International Accounting Standard (IAS) 1 "Presentation of financial statements" (revised). As a result of the adoption of this revised standard, the Company presents in the statement of changes in equity all changes resulting from transactions with shareholders, whereas all changes in equity resulting from transactions with non-shareholders of the Company are presented in the statement of comprehensive income. The presentation of comparative information has been adjusted in conformity with the revised standard. The change had an impact only on the presentation of the financial statements.
- International Financial Reporting Standard (IFRS) 7 "Financial Instruments - disclosures" (amendment). As a result of the adoption of this amendment, the Company provides additional disclosures in relation to the fair value measurements of its financial instruments and liquidity risk.

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.

#### Subsidiary companies

Investments in subsidiary companies are stated at cost less provision for impairment in value, which is recognised as an expense in the period in which the impairment is identified.

#### Revenue recognition

Revenue comprises the invoiced amount for the sale of services net of Value Added Tax, rebates and discounts. Revenues earned by the Company are recognised on the following bases:

- **Rendering of services**

Sales of services are recognised in the accounting period in which the services are rendered by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.

# DARIMAX LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2009

### 2. Accounting policies (continued)

#### Revenue recognition (continued)

- **Income from investments in securities**

Dividend from investments in securities is recognised when the right to receive payment is established. Withheld taxes are transferred to the statement of comprehensive income. Interest from investments in securities is recognised on an accrual basis.

Profits or losses from the sale of investments in securities represent the difference between the net proceeds and the carrying amount of the investments sold and is transferred to the statement of comprehensive income.

The difference between the fair value of investments at fair value through profit or loss as at 31 December 2009 and the mid cost price represents unrealised gains and losses and is included in the statement of comprehensive income in the period in which it arises. Unrealised gains and losses arising from changes in the fair value of available-for-sale financial assets are recognised in equity. When available-for-sale financial assets are sold or impaired, the accumulated fair value adjustments are included in the statement of comprehensive income as fair value gains or losses on investments, taking into account any amounts charged or credited to the statement of comprehensive income in previous periods.

- **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.

#### Finance costs

Interest expense and other borrowing costs are charged to the statement of comprehensive income as incurred.

#### 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 statement of financial position date.

# DARIMAX LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2009

### 2. Accounting policies (continued)

#### Deferred income

Deferred income represents income receipts which relate to future periods.

#### 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.

#### Investments

The Company classifies its investments in equity and debt securities in the following categories: financial assets at fair value through profit or loss, held-to-maturity investments and available for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of investments at initial recognition and re-evaluates this designation at every statement of financial position date.

- Financial assets at fair value through profit or loss

This category has two sub-categories: financial assets held at fair value through profit and loss and those designated at fair value through profit or loss at inception. A financial asset is classified in the held at fair value through profit and loss category if acquired principally for the purpose of generating a profit from short-term fluctuations in price. Assets in this category are classified as current assets if they are either held at fair value through profit and loss or are expected to be realised within twelve months from the statement of financial position date.

Regular way purchases and sales of investments are recognised on trade-date which is the date on which the Company commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Investments are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Loans and receivables are carried at amortised cost using the effective interest method.

# DARIMAX LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2009

### 2. Accounting policies (continued)

#### Financial instruments (continued)

##### Investments (continued)

Realised and unrealised gains and losses arising from changes in the fair value of financial assets at fair value through profit or loss are included in the statement of comprehensive income in the period in which they arise.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Company establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same and discounted cash flow analysis, making maximum use of market inputs and relying as little as possible on entity specific inputs. Equity investments for which fair values cannot be measured reliably are recognised at cost less impairment.

The Company assesses at each statement of financial position date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets the cumulative loss which is measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the statement of comprehensive income, is removed from equity and recognised in the statement of comprehensive income. Impairment losses recognised in the statement of comprehensive income on equity instruments are not reversed through the statement of comprehensive income.

##### Cash and cash equivalents

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

##### Borrowings

Borrowings are recorded initially at the proceeds received, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference 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.

##### Trade payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

#### **Derecognition of financial assets and liabilities**

##### Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired;
- the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- the Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

# DARIMAX LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2009

### 2. Accounting policies (continued)

#### Derecognition of financial assets and liabilities (continued)

##### *Financial liabilities*

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the statement of comprehensive income.

#### Derecognition of financial assets and liabilities (continued)

##### Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the statement of financial position.

##### Share capital

Ordinary shares are classified as equity.

##### Non-current liabilities

Non-current liabilities represent amounts that are due more than twelve months from the statement of financial position date.

##### Comparatives

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.



# DARIMAX LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2009

### 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. The company is exposed to changes in interest rates as it has significant interest bearing assets. Other than loans receivable, the company has no other interest bearing assets. 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.

At the reporting date the interest rate profile of interest- bearing financial instruments was:

	2009	2008
	€	€
<b>Fixed rate instruments</b>		
Financial liabilities	<b>(73.500.000)</b>	(72.379.452)
<b>Variable rate instruments</b>		
Financial assets	<b>33.795.384</b>	63.119.178
Financial liabilities	<b><u>(143.291.918)</u></b>	<u>(174.911.789)</u>
	<b><u>(182.996.534)</u></b>	<u>(184.172.063)</u>

#### Sensitivity analysis

An increase of 100 basis points in interest rates at 31 December 2009 would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. For a decrease of 100 basis points there would be an equal and opposite impact on the profit and other equity.

	<b>Profit or loss</b>	
	2009	2008
	€	€
Variable rate instruments	<b><u>(1.094.965)</u></b>	<u>(1.117.926)</u>
	<b><u>(1.094.965)</u></b>	<u>(1.117.926)</u>

#### 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 in hand at the statement of financial position 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.

# DARIMAX LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2009

### 3. Financial risk management (continued)

#### 3.2 Credit risk (continued)

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	2009	2008
	€	€
Financial assets at fair value through profit or loss	-	50.345.000
Loans receivable	<b>33.795.384</b>	63.119.178
Trade and other receivables	<b>525.700.000</b>	525.700.000
Cash at bank	<b>119.195</b>	132.086
Short-term bank deposits	<b>50.510.000</b>	5.885.000
	<b><u>610.124.579</u></b>	<u>645.181.264</u>

#### 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.

The following tables detail the Company's remaining contractual maturity for its financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

<b>31 December 2009</b>	Carrying amounts	Contractual cash flows	3 months or less	Between 3-12 months	Between 1-5 years	More than 5 years
	€	€	€	€	€	€
Trade and other payables	4.127	4.127	-	4.127	-	-
Loans from related parties	216.791.918	216.791.918	-	96.791.918	80.000.000	40.000.000
Shareholders' current accounts - credit balances	8.135	8.135	-	8.135	-	-
	<b><u>216.804.180</u></b>	<b><u>216.804.180</u></b>	<b><u>-</u></b>	<b><u>96.804.180</u></b>	<b><u>80.000.000</u></b>	<b><u>40.000.000</u></b>
31 December 2008	Carrying amounts	Contractual cash flows	3 months or less	Between 3-12 months	Between 1-5 years	More than 5 years
	€	€	€	€	€	€
Trade and other payables	82.218	82.218	-	82.218	-	-
Loans from related parties	247.291.241	247.291.241	-	37.291.241	150.000.000	60.000.000
Shareholders' current accounts - credit balances	8.135	8.135	-	8.135	-	-
	<b><u>247.381.594</u></b>	<b><u>247.381.594</u></b>	<b><u>-</u></b>	<b><u>37.381.594</u></b>	<b><u>150.000.000</u></b>	<b><u>60.000.000</u></b>

# DARIMAX LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2009

### 3. Financial risk management (continued)

#### 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 exposures primarily with respect to the US Dollar. The Company's management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

	Liabilities		Assets	
	2009	2008	2009	2008
	€	€	€	€
United States Dollars	-	-	<b>1.375</b>	1.482
	-	-	<b>1.375</b>	1.482

#### Sensitivity analysis

A 10% strengthening of the Euro against the following currency at 31 December 2009 would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. For a 10% weakening of the Euro against the relevant currency, there would be an equal and opposite impact on the profit and other equity.

	Profit or loss	
	2009	2008
	€	€
United States Dollars	<b>(125)</b>	(135)
	<b>(125)</b>	(135)

#### 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.

#### Fair value estimation

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

#### 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.

# DARIMAX LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2009

### 4. Critical accounting estimates and judgements (continued)

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.

- **Impairment of investments in subsidiaries**

The Company periodically evaluates the recoverability of investments in subsidiaries whenever indicators of impairment are present. Indicators of impairment include such items as declines in revenues, earnings or cash flows or material adverse changes in the economic or political stability of a particular country, which may indicate that the carrying amount of an asset is not recoverable. If facts and circumstances indicate that investment in subsidiaries may be impaired, the estimated future undiscounted cash flows associated with these subsidiaries/associates would be compared to their carrying amounts to determine if a write-down to fair value is necessary.

- **Valuation of non-listed investments**

The Company uses various valuation methods to value non-listed investments. These methods are based on assumptions made by the Board of Directors which are based on market information at the statement of financial position date.

### 5. Revenue

	2009	2008
	€	€
Rendering of services	<b>350.000</b>	304.348
Interest income	<b>263.629</b>	2.632.632
Loan interest income	<b>1.876.206</b>	2.427.945
Net gain on trading in financial instruments	<b>107.542</b>	119.057
	<b><u>2.597.377</u></b>	<b><u>5.483.982</u></b>

### 6. Operating profit

	2009	2008
	€	€
Operating profit is stated after charging the following items:		
Auditors' remuneration - current year	<b>12.000</b>	10.000
Auditors' remuneration - prior years	<b>3.000</b>	340

# DARIMAX LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2009

### 7. Finance income / cost

	2009	2008
	€	€
Exchange profit	-	386
<b>Finance income</b>	<b>-</b>	<b>386</b>
Net foreign exchange transaction losses	30	-
Interest expense	6.791.918	9.579.452
Other finance expenses	238.921	226.230
<b>Finance costs</b>	<b>7.030.869</b>	<b>9.805.682</b>
<b>Net finance costs</b>	<b>(7.030.869)</b>	<b>(9.805.296)</b>

### 8. 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:

	2009	2008
	€	€
Loss before tax	(4.476.107)	(4.393.884)
Tax calculated at the applicable tax rates	(447.611)	(439.388)
Tax effect of expenses not deductible for tax purposes	13.091	20.826
Tax effect of allowances and income not subject to tax	(10.754)	(11.912)
Tax effect of tax loss for the year	445.274	430.474
Tax charge	-	-

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. As at 31 December 2009, the balance of tax losses which is available for offset against future taxable profits amounts to €5.236.652 for which no deferred asset is recognised in the statement of financial position.

# DARIMAX LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2009

### 9. Investments in subsidiaries

	2009	2008
	€	€
On 1 January	<u>11.987.713</u>	<u>11.987.713</u>
<b>Balance at 31 December</b>	<b><u>11.987.713</u></b>	<b><u>11.987.713</u></b>

The details of the subsidiaries are as follows:

<u>Name</u>	<u>Country of incorporation</u>	<u>Principal activities</u>	2009 Holding %	2008 Holding %	2009 €	2008 €
"Embud" Sp. z o.o.	Poland	Finance	99,88%	99,88%	<u>11.987.713</u>	<u>11.987.713</u>
					<b><u>11.987.713</u></b>	<b><u>11.987.713</u></b>

### 10. Loans receivable

	2009	2008
	€	€
On 1 January	<b>63.119.178</b>	20.691.233
Loans granted for the year	-	40.000.000
Interest charged for the year	<b>1.876.206</b>	2.427.945
Repayments of capital for the year	<b>(28.000.000)</b>	-
Repayments of interest for the year	<b>(3.200.000)</b>	-
<b>Balance at 31 December</b>	<b><u>33.795.384</u></b>	<b><u>63.119.178</u></b>

	2009	2008
	€	€
Loans receivable	<u>33.795.384</u>	<u>63.119.178</u>
Less current portion	<b>(7.128.717)</b>	-
Non-current portion	<b><u>26.666.667</u></b>	<u>63.119.178</u>

The loans are repayable as follows:

Within one year	<b>7.128.717</b>	-
Between one and five years	<b>21.333.334</b>	43.119.178
After five years	<b>5.333.333</b>	20.000.000
	<b><u>33.795.384</u></b>	<b><u>63.119.178</u></b>

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

The effective interest rates on loans receivables were as follows:

	2009	2008
Loans receivable	<b>12m Euribor + 0,50%</b>	12m Euribor + 0,50%

# DARIMAX LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2009

### 11. Trade and other receivables

	2009	2008
	€	€
Trade receivables	700.000	700.000
Other receivables	525.000.000	525.000.000
Refundable VAT	3.164	-
	<u>525.703.164</u>	<u>525.700.000</u>

The Company does not hold any collateral over the trading balances.

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

The exposure of the Company to credit risk and impairment losses in relation to trade and other receivables is reported in note 3 of the financial statements.

Other Receivables of EUR 525.000.000 relate to a receivable amount from Electrim S.A. of EUR 525.000.000. Electrim S.A. is currently under liquidation procedure. No allowance for doubtful debts has been recognised for this amount as management believes that the amount will be recovered.

### 12. Financial assets at fair value through profit or loss

	2009	2008
	€	€
On 1 January	50.345.000	-
Additions	-	50.345.000
Disposals	<u>(50.345.000)</u>	<u>-</u>
<b>Balance at 31 December</b>	<u>-</u>	<u>50.345.000</u>

	Fair values 2009	Cost 2009	Fair values 2008	Cost 2008
	€	€	€	€
Debt securities	<u>-</u>	<u>-</u>	<u>50.345.000</u>	<u>50.345.000</u>
	<u>-</u>	<u>-</u>	<u>50.345.000</u>	<u>50.345.000</u>

The financial assets at fair value through profit or loss are marketable securities and are valued at market value at the close of business on 31 December by reference to Stock Exchange quoted bid prices. Financial assets at fair value through profit or loss are classified as current assets because they are expected to be realised within twelve months from the statement of financial position date.

In the cash flow statement, financial assets at fair value through profit or loss are presented within the section on operating activities as part of changes in working capital. In the statement of comprehensive income, changes in fair values of financial assets at fair value through profit or loss are recorded in operating income.

# DARIMAX LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2009

### 13. Cash and cash equivalents

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

	2009	2008
	€	€
Cash at bank and in hand	<b>119.195</b>	132.086
Short-term bank deposits	<b>50.510.000</b>	5.885.000
	<b><u>50.629.195</u></b>	<b><u>6.017.086</u></b>

The effective interest rate on short-term bank deposits was 0,5175% (2008: 1,00%) and these deposits have an average maturity of 60 days.

### 14. Share capital

	2009	2009	2008	2008
	Number of	€	Number of	€
	shares		shares	
<b>Authorised</b>				
Ordinary shares of €1,71 each	<b>1.000</b>	<b>1.710</b>	1.000	1.710
<b>Issued and fully paid</b>				
On 1 January	<b>1.000</b>	<b>1.710</b>	1.000	1.743
Difference from conversion of share capital into euro	-	-	-	(33)
<b>Balance at 31 December</b>	<b>1.000</b>	<b>1.710</b>	1.000	1.710

### 15. Borrowings

	2009	2008
	€	€
<b>Current borrowings</b>		
Loans from related parties (Note 18)	<b>96.791.918</b>	37.291.241
	<b>96.791.918</b>	37.291.241
<b>Non current borrowings</b>		
Loans from related parties (Note 18)	<b>120.000.000</b>	210.000.000
Total	<b>216.791.918</b>	247.291.241

Borrowings are analysed as follows:

	2009	2008
	€	€
On 1 January	<b>247.291.241</b>	167.711.789
Proceeds for the year	-	70.000.000
Interest charged for the year	<b>6.791.918</b>	9.579.452
Repayments of capital year	<b>(20.000.000)</b>	-
Repayments of interest for the year	<b>(17.291.241)</b>	-
<b>Balance at 31 December</b>	<b>216.791.918</b>	247.291.241



# DARIMAX LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2009

### 15. Borrowings (continued)

Maturity of borrowings:		
Within one year	<b>96.791.918</b>	37.291.241
Between one and five years	<b>80.000.000</b>	150.000.000
After five years	<b>40.000.000</b>	60.000.000
	<b><u>216.791.918</u></b>	<u>247.291.241</u>

The weighted average effective interest rates at the statement of financial position date were as follows:

	<b>2009</b>	2008
Loans from related parties	<b>1,75%-5%</b>	4,5%-5%

The fair values of borrowings approximate to their carrying amounts as presented above.

### 16. Trade and other payables

	<b>2009</b>	2008
	€	€
Trade payables	-	24.000
VAT	-	41.866
Shareholders' current accounts - credit balances (Note 18)	<b>8.135</b>	8.135
Accruals	<b>4.127</b>	16.352
	<b><u>12.262</u></b>	<u>90.353</u>

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

### 17. Deferred income

	<b>2009</b>	2008
	€	€
Other deferred income	<b>420.000.000</b>	420.000.000
	<b><u>420.000.000</u></b>	<u>420.000.000</u>

During 2007 the company Anokymma Ltd sold to Darimax Ltd its receivables from Elektrim S.A, of Euro 525.000.000, in exchange for a bond issued by Darimax Ltd for the amount of Euro 105.000.000. Elektrim S.A. is currently under liquidation procedure and the difference has been recognised as deferred income.

### 18. Related party transactions

The Company is controlled by Mega Investments SP. Zoo, incorporated in Poland, which owns 100% of the Company's shares.

The following transactions were carried out with related parties:

#### 18.1 Interest expense

		<b>2009</b>	2008
<u>Name</u>	<u>Party relationship</u>	€	€
Anokymma Limited	Fellow subsidiary	<b>6.791.918</b>	9.579.452
		<b><u>6.791.918</u></b>	<u>9.579.452</u>

# DARIMAX LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2009

### 18. Related party transactions (continued)

#### 18.2 Loans from related parties (Note 15)

<u>Name</u>	<u>Party relationship</u>	<u>Repayment date</u>	<u>Interest rate</u>	<b>2009</b>	2008
				€	€
Anokymma Limited	Fellow subsidiary	25/09/2016	Central Bank of Cyprus rate	<b>143.291.918</b>	174.911.789
Anokymma Limited	Fellow subsidiary	30/12/2010	5%	<b>73.500.000</b>	72.379.452
				<b>216.791.918</b>	<b>247.291.241</b>

#### 18.3 Shareholders' current accounts - credit balances (Note 16)

	<b>2009</b>	2008
	€	€
Mega Investments SP. Zoo	<b>8.135</b>	8.135
	<b>8.135</b>	<b>8.135</b>

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

### 19. Contingent liabilities

At 31 December 2009 the Company had contingent liabilities in respect of bank guarantees arising in the ordinary course of business from which the Board of Directors is not anticipating that material liability will arise. These guarantees amounted to €50.110.000 (2008: €50.345.000).

### 20. Commitments

The Company had no capital or other commitments as at 31 December 2009.

### 21. 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 pages 3 and 4**

# DARIMAX LIMITED

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## DETAILED INCOME STATEMENT

Year ended 31 December 2009

	Page	2009 €	2008 €
<b>Revenue</b>			
Rendering of services		<b>350.000</b>	304.348
Interest income		<b>263.629</b>	2.632.632
Loan interest income		<b>1.876.206</b>	2.427.945
Net gain on trading in financial instruments		<b>107.542</b>	119.057
Other operating expenses	26	<b>(42.615)</b>	(72.570)
<b>Operating profit</b>		<b>2.554.762</b>	5.411.412
Finance income	27	-	386
Finance costs	27	<b>(7.030.869)</b>	(9.805.682)
<b>Net loss for the year before tax</b>		<b>(4.476.107)</b>	(4.393.884)

# DARIMAX LIMITED

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## OPERATING EXPENSES

Year ended 31 December 2009

	2009	2008
	€	€
<b>Other operating expenses</b>		
Telephone and postage	<b>90</b>	-
Auditors' remuneration - current year	<b>12.000</b>	10.000
Auditors' remuneration - prior years	<b>3.000</b>	340
Accounting fees	<b>9.000</b>	8.000
Other professional fees	<b>2.230</b>	23.113
Fines	-	308
Consulting fees	<b>16.295</b>	30.809
	<b>42.615</b>	72.570

# DARIMAX LIMITED

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## FINANCE INCOME / COST Year ended 31 December 2009

	2009 €	2008 €
<b>Finance income</b>		
Realised exchange profit	-	319
Unrealised exchange profit	-	67
	<u>-</u>	<u>386</u>
<b>Finance costs</b>		
<b>Interest expense</b>		
Loan interest	<b>6.791.918</b>	9.579.452
<b>Other finance expenses</b>		
Bank charges	<b>238.921</b>	226.230
<b>Net foreign exchange transaction losses</b>		
Unrealised exchange loss	<b>30</b>	-
	<u><b>7.030.869</b></u>	<u>9.805.682</u>

# DARIMAX LIMITED

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## COMPUTATION OF CORPORATION TAX

Year ended 31 December 2009

	Page	€	€
Net loss per detailed statement of comprehensive income	25		(4.476.107)
<u>Add:</u>			
Expenses not allowable for tax purposes:			
Unrealised exchange loss		30	
Disallowed interest		<u>130.875</u>	
			<u>130.905</u>
			(4.345.202)
<u>Less:</u>			
Profit from sale of financial assets at fair value through profit and loss		<u>107.542</u>	
			<u>(107.542)</u>
<b>Net loss for the year</b>			<b>(4.452.744)</b>
Losses surrendered to Group companies			4.452.744
Loss brought forward			<u>(5.236.652)</u>
<b>Net (loss) at 31 December 2009 carried forward</b>			<b><u>(5.236.652)</u></b>