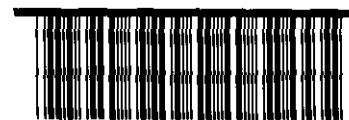


**KENWOOD TELECOM LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**

Period from 22 July 1999  
to 31 December 2000



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**KENWOOD TELECOM LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**Period from 22 July 1999 to 31 December 2000**

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**KENWOOD TELECOM LIMITED**  
OFFICERS AND PROFESSIONAL ADVISERS

|           |   |
|-----------|---|
| Directors | Andri Karaoli   |
|           | Nicholas Larcos   |
| Secretary | Andri Karaoli   |
|           | Bonalbo Management (Cyprus) Ltd<br>(resigned on 9/5/2000) |
| Auditors  | KPMG  |
| Bankers   | National Bank of Greece                                   |

**KENWOOD TELECOM LIMITED**DIRECTOR'S REPORT

*The directors present their first report and the audited financial statements of the company for the period from 22 July 1999 to 31 December 2000.*

**PRINCIPAL ACTIVITY**

The principal activity of the company is the provision of telecommunication services.

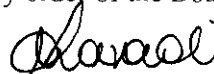
**DIRECTORS**

The present membership of the Board is set out on page 1. The directors retain their office.

**AUDITORS**

KPMG have indicated their willingness to continue in office.

By order of the Board



Secretary

Nicosia, 6 August 2001



## Chartered Accountants

Mail address  
P.O.Box 21121  
1502 Nicosia  
Cyprus

Elma House  
10 Mnasiadou Street  
1065 Nicosia  
Cyprus

Telephone (02) 678700  
Telex 2973 logistis cy  
Telefax (02) 678200  
e-mail: nicosia@kpmg.com.cy  
http: //www.kpmg.com.cy

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### AUDITORS' REPORT TO THE MEMBERS

OF

### KENWOOD TELECOM LIMITED

We have audited the financial statements on pages 4 to 6 and have obtained all the information and explanations we considered necessary. These financial statements are the responsibility of the Company's director. 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 plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the director, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion proper books of account have been kept by the company, and the financial statements, which are in agreement therewith, give a true and fair view of the state of affairs of KENWOOD TELECOM LIMITED as at 31 December 2000 in accordance with International Accounting Standards and comply with the Companies Law, Cap.113.



Chartered Accountants

Nicosia, 6 August 2001



KPMG is a member firm  
of KPMG International,  
a Swiss association.

**Partners**  
N.G. Symimis  
A.K. Christofides  
E.Z. Hadjizacharias  
P.G. Loizou  
A.M. Gregoriades  
A.A. Demetriou  
D.S. Vakis  
A.A. Apostolou

S.A. Loizides  
M.A. Loizides  
S.G. Sofocleous  
M.M. Antoniadis  
C.V. Vasilou  
P.E. Antoniadis  
M.J. Halios  
M.P. Michael

**Limassol**  
P.O.Box 50161  
Telephone (05) 363251  
Telefax (05) 363842  
  
**Larnaca**  
P.O.Box 40075  
Telephone (04) 662100  
Telefax (04) 641140

**Paphos**  
P.O.Box 60288  
Telephone (06) 943050  
Telefax (06) 943062

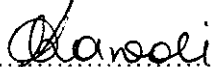
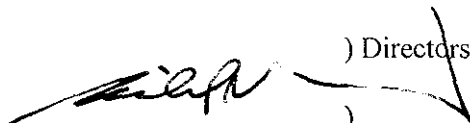
**Paralimni / Ayia Napa**  
P.O.Box 33200  
Telephone (03) 820080  
Telefax (03) 820084

**Polis Chrysochou**  
P.O.Box 66014  
Telephone (06) 322098  
Telefax (06) 322722

# KENWOOD TELECOM LIMITED

## BALANCE SHEET AS AT 31 DECEMBER 2000

|  | Note | 2000<br>STG  |
|--|------|--------------|
| <b>ASSETS</b>                          |      |              |
| <b>Non – Current Assets</b>            |      |              |
| Pre-operational and formation expenses | 3    | <u>1.940</u> |
| <b>EQUITY AND LIABILITIES</b>          |      |              |
| <b>Capital and reserves</b>            |      |              |
| Share capital                          | 4    | 100          |
| Shareholder's account                  |      | <u>(100)</u> |
| <b>Current liabilities</b>             |      | <u>-</u>     |
| Other payables                         |      | <u>1.940</u> |
| <b>Total equity and liabilities</b>    |      | <u>1.940</u> |

 ..... )  
 ..... ) Directors

The notes on pages 5 and 6 form an integral part of the financial statements.

# KENWOOD TELECOM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Period from 22 July 1999 to 31 December 2000

### 1. STATUS OF THE COMPANY

The company was incorporated in the United Kingdom on 22 of July 1999 under registration number 3811636. On 11<sup>th</sup> August 1999 the company's branch was registered in the republic of Cyprus under O.C. 1081 and started operations from within Cyprus. The company's principal activity is the provision of telecommunication services. The objects of the company are restricted to business carried on wholly outside Cyprus and its shares are held exclusively by non residents. Due to the above the profits of the company are subject to Cyprus income tax at reduced rates.

### 2. PRINCIPAL ACCOUNTING POLICIES

#### Basis of presentation

The financial statements have been prepared in accordance with International Accounting Standards and comply with the company's Law, Cap 113. They are for the period from 22 July 1999 to 31 December 2000 and are expressed in Sterling Pounds.

#### Accounting Convention

The financial statements have been prepared under the historical cost convention.

#### Foreign exchange

Transactions in foreign currencies are translated to Sterling Pounds at the exchange rate prevailing at the time of transaction and are dealt with in the income statement when they occur. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date.

### 3. PRE-OPERATIONAL AND FORMATION EXPENSES

|                                    | 22/7/99-<br>31/12/00<br>STG£ |
|------------------------------------|------------------------------|
| Audit fees                         | 540                          |
| Incorporation expenses             | 298                          |
| Directors fees                     | 864                          |
| Secretary & registered office fees | <u>238</u>                   |
|                                    | <u>1,940</u>                 |

The expenses have been capitalised and they will be written off against the company's future income.

**KENWOOD TELECOM LIMITED**NOTES TO THE FINANCIAL STATEMENTSPeriod from 22 July 1999 to 31 December 20004. SHARE CAPITAL

|  |              |
|--|--------------|
|  | 2000<br>STG£ |
| Authorised, issued and fully paid<br>100 ordinary shares of STG£1 each | <u>100</u>   |

5. CASH FLOW STATEMENT

A cash flow statement was not prepared since the company had no cash transactions in the year under review.

6. REVENUE

The company remained dormant throughout the period.

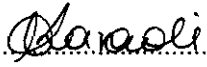


**KENWOOD TELECOM LIMITED**CERTIFICATE

Period from 22 July 1999 to 31 December 2000

We hereby certify, to the best of our knowledge and belief, that:

1. All expenses for the period under review represent expenses incurred wholly and exclusively for the company's business and have been properly recorded as such in the books produced to Messrs KPMG.
2. All transactions affecting the business for the period under review have been recorded in the books produced to Messrs KPMG.
3. All reserves are properly shown and all necessary provisions have been duly made and shown in the books produced to Messrs KPMG. All assets and liabilities have been properly taken up as at 31 December 2000 in the books produced to Messrs KPMG.
4. The company has no material contingent liabilities arising from litigation, potential claims or other matters.
5. No events have occurred and no facts have been discovered since 31 December 2000 which could materially affect the true and fair view of the financial statements as at 31 December 2000.

  
.....  
Director

Nicosia, 6 August 2001