

**COMPANIES
HOUSE**

Company Number: 4825797

SWS PARTNER LIMITED

REPORT AND FINANCIAL STATEMENTS

Year ended 31 December 2007

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COMPANIES HOUSE

SWS PARTNER LIMITED

REPORT AND FINANCIAL STATEMENTS

Year ended 31 December 2007

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SWS PARTNER LIMITED

BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors:

Siarhei Dalchanin
Grigoris Loizou
Gennady Skidanov

Company Secretary:

Jordan Company Secretaries Limited

Registered office:

20-22 Bedford Row
WC1R4JS London
United Kingdom

Bankers:

FBME Bank Ltd

Registration number:

4825797

SWS PARTNER LIMITED

REPORT OF THE BOARD OF DIRECTORS

The Board of Directors presents its report and unaudited financial statements of the Company for the year ended 31 December 2007

Principal activity

The principal activity of the Company, which is unchanged from last year, is the provision of agency services

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 most significant risks 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 4. The Board of Directors does not recommend the payment of a dividend and the net profit for the year is retained

Tax Residence Status

The management and control of the Company is not in the United Kingdom. Therefore, the company is not tax resident in the United Kingdom and its income is not taxable in the United Kingdom

Share capital

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

Board of Directors

The members of the Board of Directors as at 31 December 2007 and at the date of this report are shown on page 1. All of them were members of the board throughout the year ended 31 December 2007

The directors had no beneficial interest in the Company's issued share capital

In accordance with the Company's Articles of Association all directors presently members of the Board continue in office

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

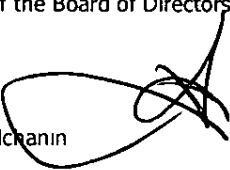
Post balance sheet events

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

Basis of preparation

In preparing the above report, the directors have taken advantage of the special provisions of part VII of the Companies Act 1985 relating to small companies

By order of the Board of Directors,


Siarhei Dalchanin
Director

Limassol, Cyprus, 23 October 2008

Accountants' Report on the Unaudited Financial Statements

To the Members of SWS Partner Limited

You consider that the company is exempt from an audit for the year ended 31 December 2008. You have acknowledged on the balance sheet, your responsibilities for ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985 and for preparing financial statements which give a true and fair view of the state of its profit and loss for the financial year.

In accordance with your instructions, we have prepared the financial statements on pages 4 to 14 from the accounting records of the company and on the basis of information and explanations you have given to us.

We have not carried out an audit or any review, and consequently we do not express any opinion on these financial statements.

Dinos Antoniou & Co Ltd
Chartered Certified Accountants

Limassol 23 October 2008

SWS PARTNER LIMITED

INCOME STATEMENT

Year ended 31 December 2007

| | Note | 2007 US\$ | 2006 US\$ |
|--------------------------------------|------|---------------------|---------------------|
| Revenue | 5 | 21,420 | 24,720 |
| Administration expenses | | <u>(13,922)</u> | <u>(15,163)</u> |
| Operating profit | 6 | 7,498 | 9,557 |
| Net finance costs | 7 | (3,012) | (10,303) |
| Net profit from investing activities | 8 | <u>21</u> | 7,066 |
| Profit before tax | | 4,507 | 6,320 |
| Tax | 9 | <u>(685)</u> | <u>(2,027)</u> |
| Net profit for the year | | <u>3,822</u> | <u>4,293</u> |

The notes on pages 8 to 14 form an integral part of these financial statements

SWS PARTNER LIMITED

BALANCE SHEET

As at 31 December 2007


| | Note | 2007 US\$ | 2006 US\$ |
|-------------------------------------|------|---------------|--------------|
| ASSETS | | | |
| Current assets | | | |
| Trade and other receivables | 10 | 37,115 | 31,190 |
| Cash at bank and in hand | 11 | 6,423 | 207 |
| Total assets | | 43,538 | 31,397 |
| EQUITY AND LIABILITIES | | | |
| Equity and reserves | | | |
| Share capital | 12 | 1,650 | 1,650 |
| Retained earnings | | 20,613 | 16,791 |
| | | 22,263 | 18,441 |
| Current liabilities | | | |
| Trade and other payables | 13 | 18,521 | 10,929 |
| Current tax liabilities | 14 | 2,754 | 2,027 |
| | | 21,275 | 12,956 |
| Total equity and liabilities | | 43,538 | 31,397 |

The directors consider that for the year ended 31 December 2007 the company is entitled to exemption under subsection 1 of section 249A of the Companies Act 1985. No member or members have deposited a notice requesting an audit for the current financial year under subsection 2 of section 249B of the Act.

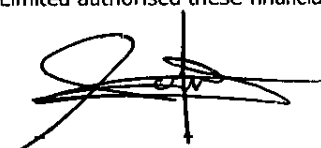
The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985 and preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 226 which otherwise comply with the requirements of the Act relating to the accounts so far as applicable to the company.

These accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (Effective January 2005).

On 23 October 2008 the Board of Directors of SWS Partner Limited authorised these financial statements for issue.



Siarhei Dalchanin
Director



Grigoris Loizou
Director

The notes on pages 8 to 14 form an integral part of these financial statements

SWS PARTNER LIMITED

STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2007

| | Share capital US\$ | Retained earnings US\$ | Total US\$ |
|---|-----------------------|------------------------------|---------------|
| Balance - 1 January 2006 | 1,650 | 12,498 | 14,148 |
| Net profit for the year | - | 4,293 | 4,293 |
| At 31 December 2006 / 1 January 2007 | 1,650 | 16,791 | 18,441 |
| Net profit for the year | - | 3,822 | 3,822 |
| At 31 December 2007 | 1,650 | 20,613 | 22,263 |

The notes on pages 8 to 14 form an integral part of these financial statements

SWS PARTNER LIMITED

CASH FLOW STATEMENT

Year ended 31 December 2007

| | Note | 2007 US\$ | 2006 US\$ |
|---|------|---------------------|-------------------|
| CASH FLOWS FROM / (USED IN) OPERATING ACTIVITIES | | | |
| Profit before tax | | <u>4,507</u> | <u>6,320</u> |
| Cash flows from operations before working capital changes | | <u>4,507</u> | <u>6,320</u> |
| (Increase) in trade and other receivables | | (5,925) | (2,596) |
| Increase / (decrease) in trade and other payables | | <u>7,592</u> | <u>(465,795)</u> |
| Cash flows from / (used in) operations | | <u>6,174</u> | <u>(462,071)</u> |
| Tax refunded | | - | 658 |
| Net cash from / (used in) operating activities | | <u>6,174</u> | <u>(461,413)</u> |
| Net increase / (decrease) in cash and cash equivalents | | 6,174 | (461,413) |
| Cash and cash equivalents | | | |
| At beginning of the year | 11 | 207 | 461,620 |
| Effect of exchange rate fluctuations on cash held | | <u>42</u> | <u>-</u> |
| At end of the year | 11 | <u>6,423</u> | <u>207</u> |

The notes on pages 8 to 14 form an integral part of these financial statements

SWS PARTNER LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2007

1. Incorporation and principal activities

Country of incorporation

The Company SWS Partner Limited (the "Company") was incorporated in the United Kingdom on 8 July 2003 as a private company with limited liability under the Companies Act 1985. Its registered office is at 20-22 Bedford Row, WC1R4JS London, United Kingdom.

Principal activity

The principal activity of the Company, which is unchanged from last year, is the provision of agency services.

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 Companies Act 1985. 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 IFRSs and International Accounting Standards (IAS), which are relevant to its operations and are effective for accounting periods commencing on 1 January 2007.

The adoption of these Standards did not have a material effect on the financial statements.

At the date of authorisation of these financial statements some Standards were in issue but not yet effective. The Board of Directors expects that the adoption of these Standards in future periods will not have a material effect on the financial statements of the Company.

Revenue recognition

Revenue comprises the invoiced amount for the sale of goods and 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.

- **Interest income**

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

SWS PARTNER LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2007

2. Accounting policies (continued)

Finance costs

Interest expense and other borrowing costs are charged to the income statement 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 United States Dollars (US\$), 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 income statement

Tax

Current tax liabilities and assets for the current and prior periods 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 balance sheet date

Financial instruments

Financial assets and financial liabilities are recognised on the Company's balance sheet 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

Cash and cash equivalents

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

Trade payables

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

Share capital

Ordinary shares are classified as equity

Comparatives

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2007

3. Financial risk management

Financial risk factors

The Company is exposed to market price risk, interest rate risk, credit risk, liquidity risk, currency risk, other market price risk, operational risk, compliance risk, litigation risk, reputation risk, share ownership risk, capital risk management and other risks arising from the financial instruments it holds. The risk management policies employed by the Company to manage these risks are discussed below.

(3.1) Market price risk

Market price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices. The Company's available-for-sale financial assets and financial assets at fair value through profit or loss are susceptible to market price risk arising from uncertainties about future prices of the investments. The Company's market price risk is managed through diversification of the investment portfolio.

(3.2) 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.

(3.3) 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 balance sheet 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.

(3.4) 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.

(3.5) 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 Euro and the British Pound. The Company's management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

(3.6) Other market price risk

The Company is exposed to financial risks arising from changes in equity security prices. The Company monitors the mix of equity securities in its portfolio so as to mitigate its exposure to this market price risk.

(3.7) Operational risk

Operational risk is the risk that derives from the deficiencies relating to the Company's information technology and control systems as well as the risk of human error and natural disasters. The Company's systems are evaluated, maintained and upgraded continuously.

(3.8) Compliance risk

Compliance risk is the risk of financial loss, including fines and other penalties, which arises from non-compliance with laws and regulations of the state. The risk is limited to a significant extent due to the supervision applied by the Compliance Officer, as well as by the monitoring controls applied by the Company.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2007

3 Financial risk management (continued)

(3.9) Litigation risk

Litigation risk is the risk of financial loss, interruption of the Company's operations or any other undesirable situation that arises from the possibility of non-execution or violation of legal contracts and consequentially of lawsuits. The risk is restricted through the contracts used by the Company to execute its operations.

(3.10) Reputation risk

The risk of loss of reputation arising from the negative publicity relating to The Company's operations (whether true or false) may result in a reduction of its clientele, reduction in revenue and legal cases against The Company. The Company applies procedures to minimize this risk.

(3.11) Share ownership risk

The risk of share ownership arises from the investment in shares/participation of The Company and is a combination of credit, price and operational risk as well as the risk of compliance and loss of reputation. The Company applies procedures of analysis, measurement and evaluation of this risk in order to minimize it.

(3.12) 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.

(3.13) Other risks

The general economic environment prevailing in the United Kingdom and internationally may affect the Company's operations to a great extent. Concepts such as inflation, unemployment, and development of the gross domestic product are directly linked to the economic course of every country and any variation in these and the economic environment in general may create chain reactions in all areas hence affecting the Company.

Fair value estimation

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

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.

- **Provision for bad and doubtful debts**

The Company reviews its trade and other receivables for evidence of their recoverability. Such evidence includes the customer's payment record and the customer's overall financial position. If indications of irrecoverability exist, the recoverable amount is estimated and a respective provision for bad and doubtful debts is made. The amount of the provision is charged through the income statement. The review of credit risk is continuous and the methodology and assumptions used for estimating the provision are reviewed regularly and adjusted accordingly.

SWS PARTNER LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2007

4. Critical accounting estimates and judgements (continued)

• 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. Revenue

| | 2007 | 2006 |
|-----------------------|---------------|---------------|
| | US\$ | US\$ |
| Rendering of services | <u>21,420</u> | <u>24,720</u> |
| | <u>21,420</u> | <u>24,720</u> |

6. Operating profit

| | 2007 | 2006 |
|---|--------------|--------------|
| | US\$ | US\$ |
| Operating profit is stated after charging the following items | | |
| Auditors' remuneration | <u>4,061</u> | <u>2,897</u> |

7. Finance costs

| | 2007 | 2006 |
|---|--------------|---------------|
| | US\$ | US\$ |
| Net foreign exchange transaction losses | 542 | 6,546 |
| Other finance expenses | <u>2,470</u> | <u>3,757</u> |
| | <u>3,012</u> | <u>10,303</u> |

8. Profit from investing activities

| | 2007 | 2006 |
|-----------------|-----------|--------------|
| | US\$ | US\$ |
| Exchange profit | <u>21</u> | <u>7,066</u> |
| | <u>21</u> | <u>7,066</u> |

9. Tax

| | 2007 | 2006 |
|--------------------------------|------------|--------------|
| | US\$ | US\$ |
| Corporation tax - current year | <u>685</u> | <u>2,027</u> |
| Charge for the year | <u>685</u> | <u>2,027</u> |

SWS PARTNER LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2007

10 Trade and other receivables

| | 2007 | 2006 |
|--------------------------|---------------|---------------|
| | US\$ | US\$ |
| Trade receivables | 35,844 | 29,946 |
| Deposits and prepayments | 1,271 | 1,244 |
| | <u>37,115</u> | <u>31,190</u> |

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

11. Cash and cash equivalents

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

| | 2007 | 2006 |
|--------------------------|--------------|------------|
| | US\$ | US\$ |
| Cash at bank and in hand | 6,423 | 207 |
| Bank overdrafts | - | - |
| | <u>6,423</u> | <u>207</u> |

12. Share capital

| | 2007 Number of shares | 2007 US\$ | 2006 Number of shares | 2006 US\$ |
|------------------------------|-----------------------------|--------------|-----------------------------|--------------|
| Authorised | | | | |
| Ordinary shares of GB£1 each | <u>1,000</u> | <u>1,650</u> | <u>1,000</u> | <u>1,650</u> |
| Issued and fully paid | | | | |
| On 1 January | <u>1,000</u> | <u>1,650</u> | <u>1,000</u> | <u>1,650</u> |
| At 31 December | <u>1,000</u> | <u>1,650</u> | <u>1,000</u> | <u>1,650</u> |

13. Trade and other payables

| | 2007 | 2006 |
|--|---------------|---------------|
| | US\$ | US\$ |
| Trade payables | 200 | - |
| Shareholders' current accounts - credit balances (Note 15) | 5,134 | 5,134 |
| Accruals | 13,187 | 5,795 |
| | <u>18,521</u> | <u>10,929</u> |

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

14. Current tax liabilities

| | 2007 | 2006 |
|-----------------|--------------|--------------|
| | US\$ | US\$ |
| Corporation tax | 2,754 | 2,027 |
| | <u>2,754</u> | <u>2,027</u> |

SWS PARTNER LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2007

15. Related party transactions

The following transactions were carried out with related parties

15.1 Shareholders' current accounts - credit balances (Note 13)

| | 2007 | 2006 |
|----------------------------|---------------------|---------------------|
| | US\$ | US\$ |
| Amount due to shareholders | 5,134 | 5,134 |
| | <u>5,134</u> | <u>5,134</u> |

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

16. Contingent liabilities

The Company had no contingent liabilities as at 31 December 2007

17. Commitments

The Company had no capital or other commitments as at 31 December 2007

18. Post balance sheet events

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

Accountants' Report on the Unaudited Financial Statements page 3

SWS PARTNER LIMITED

DETAILED INCOME STATEMENT

Year ended 31 December 2007

| | Page | 2007 US\$ | 2006 US\$ |
|---|------|------------------------|--------------|
| Revenue | | | |
| Rendering of services | | 21,420 | 24,720 |
| Operating expenses | | | |
| Administration expenses | 16 | <u>(13,922)</u> | (15,163) |
| Operating profit | | 7,498 | 9,557 |
| Finance income | 17 | 21 | 7,066 |
| Finance costs | 17 | <u>(3,012)</u> | (10,303) |
| Net profit for the year before tax | | <u>4,507</u> | <u>6,320</u> |

SWS PARTNER LIMITED

OPERATING EXPENSES

Year ended 31 December 2007

| | 2007 | 2006 |
|--------------------------------|----------------------|---------------|
| | US\$ | US\$ |
| Administration expenses | | |
| Auditors' remuneration | 4,061 | 2,897 |
| Accounting fees | 2,766 | 2,897 |
| Other professional fees | 5,909 | 8,074 |
| Fines | 1,186 | 1,295 |
| | <u>13,922</u> | <u>15,163</u> |

SWS PARTNER LIMITED

FINANCE INCOME / COSTS

Year ended 31 December 2007

| | 2007 | 2006 |
|--|---------------------|---------------|
| | US\$ | US\$ |
| Finance income | | |
| Realised exchange profit | <u>21</u> | 7,066 |
| | <u>21</u> | <u>7,066</u> |
| Finance costs | | |
| Other finance expenses | | |
| Bank charges | 2,470 | 3,757 |
| Net foreign exchange transaction losses | | |
| Unrealised exchange loss | <u>542</u> | 6,546 |
| | <u>3,012</u> | <u>10,303</u> |

SWS PARTNER LIMITED

COMPUTATION OF CORPORATION TAX

Year ended 31 December 2007

| | Page | US\$ | US\$ |
|--|------|-------|---------------------|
| Net profit per detailed income statement | 15 | | 4,507 |
| <u>Add</u> | | | |
| Expenses not allowable for taxation purposes | | 542 | |
| Unrealised exchange loss | | 1,186 | |
| Fines | | | <u>1,728</u> |
| Chargeable income for the year | | | <u><u>6,235</u></u> |
| | | | GB£ |
| Converted into CY£ at GB\$ 1 9963 = CY£1 | | | <u><u>3,123</u></u> |

Note:

The management and control of the Company is exercised in Cyprus and the Company is a tax resident of the Republic of Cyprus. Therefore the Company's profit will not be taxable in the United Kingdom, but will be subject to the provisions of the Cyprus Inland Revenue Department.