

SWS PARTNER LIMITED

REPORT AND FINANCIAL STATEMENTS

31 December 2010

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SWS PARTNER LIMITED

REPORT AND FINANCIAL STATEMENTS

31 December 2010

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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 Cosec Limited

Registered office:

20-22 Bedford Row
WC1R 4JS London
United Kingdom

Banker:

Hellenic Bank Public Company Ltd

Registration number:

4825797

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 2010

Principal activities

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 main risks and uncertainties faced by the Company and the steps taken to manage these risks, are described in note 3 of the financial statements

Results and Dividends

The Company's results for the year are set out on page 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 under review

Board of Directors

The members of the Company's Board of Directors as at 31 December 2010 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 2010

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

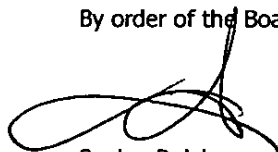
Events after the reporting period

Any significant events that occurred after the end of the reporting period are described in note 18 to the financial statements

Basis of preparation

The accounts have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006

By order of the Board of Directors,



Siarhei Dalchanin
Director

Limassol, Cyprus, 18 March 2011

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 2010. You have acknowledged on the balance sheet, your responsibilities for ensuring that the company keeps accounting records which comply with sections 386 and 387 of the Companies Act 2006 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 15 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, 18 March 2011

SWS PARTNER LIMITED

STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2010

	Note	2010 US\$	2009 US\$
Revenue	5	14,500	15,000
Administration expenses		<u>(9,934)</u>	(8,361)
Operating profit	6	4,566	6,639
Finance costs	7	(1,442)	(2,461)
Net profit from investing activities	8	<u>781</u>	1,070
Profit before tax		3,905	5,248
Tax	9	<u>(394)</u>	(704)
Net profit for the year		3,511	4,544
Other comprehensive income		<u>-</u>	-
Total comprehensive income for the year		<u>3,511</u>	<u>4,544</u>

The notes on pages 8 to 15 form an integral part of these financial statements

STATEMENT OF FINANCIAL POSITION

31 December 2010

	Note	2010 US\$	2009 US\$
ASSETS			
Current assets			
Trade and other receivables	10	45,468	43,074
Cash at bank and in hand	11	<u>34</u>	<u>92</u>
		<u>45,502</u>	<u>43,166</u>
Total assets		<u>45,502</u>	<u>43,166</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	12	1,650	1,650
Retained earnings		<u>32,528</u>	<u>29,017</u>
Total equity		<u>34,178</u>	<u>30,667</u>
Current liabilities			
Trade and other payables	13	10,699	11,116
Current tax liabilities	14	<u>625</u>	<u>1,383</u>
		<u>11,324</u>	<u>12,499</u>
Total equity and liabilities		<u>45,502</u>	<u>43,166</u>

The directors are satisfied that the company is entitled to exemption from the requirement to obtain an audit under section 477 of the Companies Act 2006 and that members not required the company to obtain an audit in accordance with section 476 of the Act

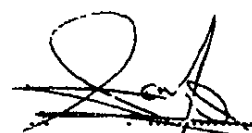
The director acknowledges his responsibility for.


- Ensuring that the company keeps proper accounting records which comply with Sections 386 and 387 of the Companies Act 2006, 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 396 of the Companies Act 2006, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company

The accounts have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006

On 18 March 2011 the Board of Directors of SWS Partner Limited authorised these financial statements for issue


.....
Siarhei Dalchanin
Director


.....
Grigoris Loizou
Director


.....
Gennady Skidanov
Director

The notes on pages 8 to 15 form an integral part of these financial statements

SWS PARTNER LIMITED

STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2010

	Share capital US\$	Retained earnings US\$	Total US\$
Balance - 1 January 2009	1,650	24,473	26,123
Net profit for the year	-	4,544	4,544
Balance at 31 December 2009/ 1 January 2010	1,650	29,017	30,667
Net profit for the year	-	3,511	3,511
Balance at 31 December 2010	1,650	32,528	34,178

The notes on pages 8 to 15 form an integral part of these financial statements

SWS PARTNER LIMITED

CASH FLOW STATEMENT

Year ended 31 December 2010

	Note	2010 US\$	2009 US\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		3,905	5,248
Adjustments for			
Unrealised exchange loss		<u>35</u>	<u>1,109</u>
Cash flows from operations before working capital changes		3,940	6,357
Increase in trade and other receivables		(2,394)	(4,989)
(Decrease) / increase in trade and other payables		<u>(417)</u>	<u>235</u>
Cash flows from operations		1,129	1,603
Tax paid		<u>(1,152)</u>	<u>(646)</u>
Net cash flows (used in) / from operating activities		<u>(23)</u>	<u>957</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Unrealised exchange (loss)		<u>(35)</u>	<u>(1,109)</u>
Net cash flows used in financing activities		<u>(35)</u>	<u>(1,109)</u>
Net decrease in cash and cash equivalents		(58)	(152)
Cash and cash equivalents			
At beginning of the year		<u>92</u>	<u>244</u>
At end of the year	11	<u><u>34</u></u>	<u><u>92</u></u>

The notes on pages 8 to 15 form an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2010

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 limited liability Company under the Companies Act 1985. Its registered office is at 20-22 Bedford Row, WC1R 4JS London, United Kingdom.

Principal activities

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 2006. The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires management to exercise its judgement in the process of applying the Company's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

Adoption of new and revised IFRSs

During the current year the Company adopted all the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning on 1 January 2010. This adoption did not have a material effect on the accounting policies of the Company.

At the date of approval of these financial statements, standards and interpretations were issued by the International Accounting Standards Board which were not yet effective. Some of them were adopted by the European Union and others not yet. The Board of Directors expects that the adoption of these accounting standards in future periods will not have a material effect on the financial statements of the Company.

Revenue recognition

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.

SWS PARTNER LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2010

2. Accounting policies (continued)

Revenue recognition (continued)

- **Interest income**

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

Finance costs

Interest expense and other costs on borrowings to finance construction or production of qualifying assets are capitalised, during the period of time that is required to complete and prepare the asset for its intended use. All other borrowing costs are expensed.

Foreign currency translation

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

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.

Cash and cash equivalents

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2010

2. Accounting policies (continued)**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

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 profit or loss.

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

Comparatives

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

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2010

3. Financial risk management (continued)**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 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.

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. 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2010

3. Financial risk management (continued)**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 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.

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 statement of comprehensive income. The review of credit risk is continuous and the methodology and assumptions used for estimating the provision are reviewed regularly and adjusted accordingly.

- **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.

SWS PARTNER LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2010

5. Revenue

	2010 US\$	2009 US\$
Rendering of services	<u>14,500</u>	<u>15,000</u>
	<u>14,500</u>	<u>15,000</u>

6. Operating profit

	2010 US\$	2009 US\$
Operating profit is stated after charging the following items		
Other professional fees	<u>7,596</u>	<u>5,801</u>

7. Finance costs

	2010 US\$	2009 US\$
Net foreign exchange transaction losses	86	1,217
Other finance expenses	<u>1,356</u>	<u>1,244</u>
	<u>1,442</u>	<u>2,461</u>

8. Profit from investing activities

	2010 US\$	2009 US\$
Exchange profit	<u>781</u>	<u>1,070</u>
	<u>781</u>	<u>1,070</u>

9. Tax

	2010 US\$	2009 US\$
Corporation tax - current year (payable in Cyprus)	<u>394</u>	<u>704</u>
Charge for the year	<u>394</u>	<u>704</u>

10. Trade and other receivables

	2010 US\$	2009 US\$
Trade receivables	44,381	42,044
Deposits and prepayments	<u>1,087</u>	<u>1,030</u>
	<u>45,468</u>	<u>43,074</u>

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

SWS PARTNER LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2010

11. Bank deposits

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

	2010 US\$	2009 US\$
Cash at bank and in hand	<u>34</u>	<u>92</u>
	<u>34</u>	<u>92</u>

The exposure of the Company to credit risk and impairment losses in relation to cash and cash equivalents is reported in note 3 of the financial statements

12. Share capital

	2010 Number of shares	2010 US\$	2009 Number of shares	2009 US\$
Authorised				
Ordinary shares of GBP£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>
Balance at 31 December	<u>1,000</u>	<u>1,650</u>	<u>1,000</u>	<u>1,650</u>

13. Trade and other payables

	2010 US\$	2009 US\$
Shareholders' current accounts - credit balances (Note 15)	<u>5,134</u>	<u>5,134</u>
Accruals	<u>5,565</u>	<u>5,982</u>
	<u>10,699</u>	<u>11,116</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

	2010 US\$	2009 US\$
Corporation tax	<u>625</u>	<u>1,383</u>
	<u>625</u>	<u>1,383</u>

15. Related party transactions

The following transactions were carried out with related parties

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

	2010 US\$	2009 US\$
Amount due to shareholders	<u>5,134</u>	<u>5,134</u>
	<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 2010

17. Commitments

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2010

The Company had no capital or other commitments as at 31 December 2010

18. 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

Accountants' Report on the Unaudited Financial Statements page 3