

COMPANIES HOUSE

AKVINTA LIMITED

REPORT AND FINANCIAL STATEMENTS
Year ended 28 February 2013

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COMPANIES HOUSE

AKVINTA LIMITED

REPORT AND FINANCIAL STATEMENTS

Year ended 28 February 2013

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AKVINTA LIMITED

BOARD OF DIRECTORS AND OTHER OFFICERS

| | |
|-----------------------------|--|
| Board of Directors: | Anastasia Themistocleous Dmitry Zheleznyak |
| Company Secretary: | Lawsons Secretaries Limited |
| Independent Auditor: | Marios A Cosma |
| Registered office: | 1, Kings Avenue Winchmore Hill, London N21 3NA United Kingdom |
| Registration number: | 5377451 (England and Wales) |

AKVINTA LIMITED

REPORT OF THE BOARD OF DIRECTORS

The Board of Directors presents its report and audited financial statements of Akvinta Limited (the "Company") for the year ended 28 February 2013

Principal activity

The principal activity of the Company, which is unchanged from last year, is to act as a holding company for a Croatian subsidiary

Review of current position, future developments, significant risks and uncertainties

The results of this year are not considered satisfactory and the Board of Directors is making an effort to reduce the Company losses. Despite the loss this year the Company development to date and the financial position as reflected in the financial statements are satisfactory.

The Board of Directors does not expect in the foreseeable future, any significant changes or developments in the operations, financial position and performance of the Company, out of the ordinary course of its business.

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.

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year. In preparing these financial statements, the directors are required to

- select suitable accounting policies and apply them consistently,
- make judgments and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

In so far as the directors are aware

- there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and
- the directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

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

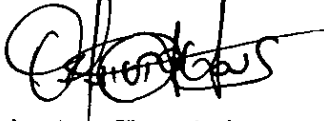
AKVINTA LIMITED

REPORT OF THE BOARD OF DIRECTORS

Auditor

Manos A Cosma is deemed to be reappointed in accordance with an elective resolution made under Section 386(1) of the Companies Act 1985 which continues in force under the Companies Act 2006

On behalf of the Board of Directors,

A handwritten signature in black ink, appearing to read 'Anastasia Themistocleous', written over a horizontal line.

Anastasia Themistocleous
Director

Nicosia, 27 September 2013

Member of Eura Audit International

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Auditor's report

To the Members of Akvinta Limited

Report on the financial statements

We have audited the financial statements of parent company Akvinta Limited (the "Company") on pages 6 to 14 which comprise the statement of financial position as at 28 February 2013, 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 information.

Board of Directors' responsibility for the financial statements

The Board of Directors is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Companies Act 2006, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the parent company Akvinta Limited as at 28 February 2013, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Companies Act 2006.

Auditor's report (continued)

To the Members of Akvinta Limited

Emphasis of matter

We draw attention to note 2 to the financial statements which indicates that the Company incurred a loss of EURO7.730 during the year ended 28 February 2013, and, as at that date its current liabilities exceeded its current assets by EURO11.855. 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. Our opinion is not qualified in respect of this matter.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.



Marios A. Cosma
Membership Certificate Number 8712578
Certified Public Accountant and Registered Auditor

Nicosia, Cyprus
27 September 2013

AKVINTA LIMITED

STATEMENT OF COMPREHENSIVE INCOME

Year ended 28 February 2013

| | Note | 2013 EURO | 2012 EURO |
|--|------|----------------|-----------------|
| Interest expense | | (4.784) | (4 806) |
| Administration expenses | 5 | (3.109) | (5 317) |
| Operating loss | | (7.893) | (10 123) |
| Net finance income | 6 | 163 | - |
| Loss before tax | | (7.730) | (10 123) |
| Tax | 7 | - | - |
| Net loss for the year | | (7.730) | (10.123) |
| Other comprehensive income | | | |
| Other comprehensive income for the year | | - | - |
| Total comprehensive expenses for the year | | (7.730) | (10 123) |

The notes on pages 10 to 14 form an integral part of these financial statements

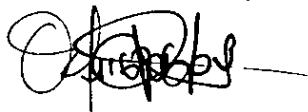
AKVINTA LIMITED

STATEMENT OF FINANCIAL POSITION

28 February 2013

| | Note | 2013 EURO | 2012 EURO |
|-------------------------------------|------|-------------------------|-----------------|
| ASSETS | | | |
| Non-current assets | | | |
| Investment in subsidiary | 8 | <u>13.621</u> | 13 621 |
| Total assets | | <u>13.621</u> | <u>13 621</u> |
| EQUITY AND LIABILITIES | | | |
| Equity and reserves | | | |
| Share capital | 9 | <u>1</u> | 1 |
| Accumulated losses | | <u>(102.837)</u> | (95 107) |
| Total equity | | <u>(102.836)</u> | <u>(95.106)</u> |
| Non-current liabilities | | | |
| Borrowings | 10 | <u>104.602</u> | 99 819 |
| Current liabilities | | | |
| Other payables | 11 | <u>11.855</u> | 8 908 |
| Total liabilities | | <u>116.457</u> | <u>108 727</u> |
| Total equity and liabilities | | <u>13.621</u> | <u>13 621</u> |

On 27 September 2013, the Board of Directors of Akvinta Limited authorised these financial statements for issue



Anastasia Themistocleous
Director

AKVINTA LIMITED

STATEMENT OF CHANGES IN EQUITY

Year ended 28 February 2013

| | Share capital EURO | Accumulated losses EURO | Total EURO |
|--|--------------------------|-------------------------------|------------------|
| At 1 March 2011 | 1 | (84.984) | (84.983) |
| Total comprehensive expenses for the year | - | (10.123) | (10.123) |
| At 28 February 2012 / At 1 March 2012 | 1 | (95.107) | (95.106) |
| Total comprehensive expenses for the year | - | (7.730) | (7.730) |
| At 28 February 2013 | 1 | (102.837) | (102.836) |

The notes on pages 10 to 14 form an integral part of these financial statements

AKVINTA LIMITED

STATEMENT OF CASH FLOWS

Year ended 28 February 2013

| | Note | 2013 EURO | 2012 EURO |
|---|------|----------------|--------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Loss before tax | | (7.730) | (10 123) |
| Adjustment for | | | |
| Interest expense | 6 | <u>4.784</u> | <u>4 806</u> |
| Cash flows used in operations before working capital changes | | (2.946) | (5 317) |
| Changes in working capital: | | | |
| Other payables | | <u>2.946</u> | <u>5 171</u> |
| Cash flows used in operations | | - | (146) |
| Changes in borrowings | | <u>-</u> | <u>146</u> |
| Net cash flows used in operating activities | | <u>-</u> | <u>-</u> |
| Net increase in cash and cash equivalents | | - | - |
| Cash and cash equivalents | | | |
| At beginning of the year | | <u>-</u> | <u>-</u> |
| At end of the year | | <u>-</u> | <u>-</u> |

The notes on pages 10 to 14 form an integral part of these financial statements.

AKVINTA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 28 February 2013

1. Incorporation and principal activities

Country of incorporation

The Company Akvinta Limited (the "Company") was incorporated in United Kingdom on 28 February 2005 as a private limited liability Company under the Companies Act 2006. Its registered office is at 1, Kings Avenue, Winchmore Hill, London, N21 3NA, United Kingdom.

Principal activity

The principal activity of the Company, which is unchanged from last year, is to act as a holding company for a Croatian subsidiary.

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 EURO7,730 for the year ended 28 February 2013, and, as at that date, its current liabilities exceeded its current assets by EURO11,855. 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 Companies Act 2006.

The European Union has concluded that since its 4th Directive requires parent companies to prepare separate financial statements, and since the Companies Act 2006 requires the preparation of such financial statements in accordance with IFRS as adopted by the European Union, the provisions of International Accounting Standard 27 "Consolidated and separate financial statements" that require 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 judgment 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 March 2012. 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.

AKVINTA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 28 February 2013

2. Accounting policies (continued)

Subsidiary company

Investment in subsidiary company is stated at cost less provision for impairment in value, which is recognised as an expense in the period in which the impairment is identified

The financial statements of the subsidiary company have been prepared in accordance with the legal requirements of the country the subsidiary is operating.

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 (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

The Company is liable to U K corporation tax under the Income and Corporation Taxes Act 1988

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 profit or loss over the period of the borrowings using the effective interest method

Share capital

Ordinary shares are classified as equity

3. Financial risk management

Financial risk factors

The Company is exposed to currency risk arising from the financial instruments it holds. The risk management policy employed by the Company to manage this risk is discussed below

3.1 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 Great Britain Pound and the Croatian Kuna. The Company's Management monitors the exchange rate fluctuations on a continuous basis and acts accordingly

AKVINTA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 28 February 2013

3. Financial risk management (continued)

Fair value estimation

The fair values of the Company's financial assets and liabilities approximate their carrying amounts at the reporting date

4. Critical accounting estimates and judgments

Estimates and judgments 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.

- **Impairment of investment in subsidiary**

The Company periodically evaluates the recoverability of investment in subsidiary 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 subsidiary may be impaired, the estimated future undiscounted cash flows associated with this subsidiary would be compared to their carrying amounts to determine if a write-down to fair value is necessary.

5. Administration expenses

| | 2013 EURO | 2012 EURO |
|------------------------|----------------------------|--------------|
| Courier expenses | - | 52 |
| Auditors' remuneration | 1.000 | 1 000 |
| Accounting fees | 225 | 225 |
| Fines | - | 146 |
| Administration fees | 1.884 | 3 894 |
| | 3.109 | 5.317 |

Non audit fees of EURO225 (2012: EURO225) have been charged by the Company's statutory auditors

6. Finance income

| | 2013 EURO | 2012 EURO |
|-----------------|----------------------------|--------------|
| Exchange profit | 163 | - |

7. Tax

No liability to UK corporation tax arose on ordinary activities for the year ended 28 February 2013 nor for the year ended 28 February 2012

AKVINTA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 28 February 2013

8. Investment in subsidiary

| | 2013 EURO | 2012 EURO |
|-----------------------|----------------------|----------------------|
| At 1 March | <u>13.621</u> | <u>13.621</u> |
| At 28 February | <u>13.621</u> | <u>13.621</u> |

The details of the subsidiaries are as follows

| Name | Country of incorporation | Principal activities | 2013 Holding % | 2012 Holding % |
|----------------------------|-----------------------------|--|----------------------|----------------------|
| Adriatic Investments d o o | Croatia | Development of certain projects in Croatia | 100 | 100 |

9. Share capital

| | 2013 Number of shares | 2013 GBP | 2012 Number of shares | 2012 GBP |
|------------------------------|-----------------------------|-----------------|-----------------------------|-----------------|
| Authorised | | | | |
| Ordinary shares of GBP1 each | <u>100</u> | <u>100</u> | <u>100</u> | <u>100</u> |
| | | EURO | | EURO |
| Issued and fully paid | | | | |
| At 1 March | <u>1</u> | <u>1</u> | <u>1</u> | <u>1</u> |
| At 28 February | <u>1</u> | <u>1</u> | <u>1</u> | <u>1</u> |

10. Borrowings

| | 2013 EURO | 2012 EURO |
|--|----------------|---------------|
| Non current borrowings | | |
| Loans from related companies (Note 12) | <u>104.602</u> | <u>99.819</u> |
| Maturity of non-current borrowings Between two and five years | <u>104.602</u> | <u>99.819</u> |

11. Other payables

| | 2013 EURO | 2012 EURO |
|----------------|----------------------|---------------------|
| Accruals | 1.225 | 2.448 |
| Other payables | <u>10.630</u> | <u>6.460</u> |
| | <u>11.855</u> | <u>8.908</u> |

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

AKVINTA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 28 February 2013

12. Related party transactions

The following transactions were carried out with related party.

12.1 Loans from related undertaking (Note 10)

| | 2013 EURO | 2012 EURO |
|-----------------------|----------------|---------------|
| At 1 March | 99.819 | 94.867 |
| Loans granted | - | 146 |
| Loan interest | 4.783 | 4.806 |
| At 28 February | 104.602 | 99 819 |

The loan from related party is for the amount of US\$100 000, bears interest at the rate of 6% and is repayable on 28 February 2015

13. Contingent liabilities

The Company had no contingent liabilities as at 28 February 2013

14. Commitments

The Company had no capital or other commitments as at 28 February 2013

15. 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 on pages 4 and 5

AKVINTA LIMITED

DETAILED STATEMENT OF COMPREHENSIVE INCOME

Year ended 28 February 2013

| | Page | 2013 EURO | 2012 EURO |
|---|------|-----------------------|------------------------|
| Interest expense | | (4.784) | (4 806) |
| Operating expenses | | | |
| Administration expenses | 16 | <u>(3.109)</u> | <u>(5 317)</u> |
| Operating loss | | (7.893) | (10 123) |
| Finance income | 17 | <u>163</u> | <u>-</u> |
| Net loss for the year before tax | | <u>(7.730)</u> | <u>(10 123)</u> |

AKVINTA LIMITED

OPERATING EXPENSES

Year ended 28 February 2013

| | 2013 EURO | 2012 EURO |
|--------------------------------|----------------------------|--------------|
| Administration expenses | | |
| Courier expenses | - | 52 |
| Auditors' remuneration | 1.000 | 1 000 |
| Accounting fees | 225 | 225 |
| Fines | - | 146 |
| Administration fees | 1.884 | 3 894 |
| | 3.109 | 5 317 |

AKVINTA LIMITED

FINANCE INCOME

Year ended 28 February 2013

| | 2013 EURO | 2012 EURO |
|--------------------------|--------------|--------------|
| Finance income | | |
| Realised exchange profit | <u>163</u> | <u>-</u> |

AKVINTA LIMITED

COMPUTATION OF CORPORATION TAX

Year ended 28 February 2013

EURO

TRADE COMPUTATON

Net loss per detailed statement of comprehensive income

(7 730)

(7.730)

PROFITS CHARGEABLE TO CORPORATION TAX

-

MEMO: There are no associated companies .

CORPORATION TAX CHARGEABLE

CORPORATION TAX OUTSTANDING

ENIL

MEMO: Summary of trading losses

Trading loss

(7 730)

Utilized (S393A) current year

-

Losses remaining for the year

(7 730)

Average exchange rate EURO to GBP for the period 01/03/2012 -
28/02/2013 is 0 8121

GBPE

Trading loss brought forward

(83.541)

Loss remaining for current year (EURO7.730 at 0 8121)

(6.278)

Losses carried forward

(89.819)

NO CAPITAL ALLOWANCES CLAIMED