

Original

Startmart Limited

**Report and financial statements
31 December 2007**

Startmart Limited

Report and financial statements 31 December 2007

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Startmart Limited

Board of Directors and other officers

Board of Directors

Soterakis Koupepides
Stella Raouna

Company Secretary

Zet Secretarial Limited
5 Themistoclis Dervis Street
Elenion Building
2nd floor
1066 Nicosia
Cyprus

Registered office

Julia House
3 Themistocles Dervis Street
1066, Nicosia
Cyprus

Startmart Limited

Report of the Board of Directors

1 The Board of Directors presents its first report together with the audited financial statements of the Company for the period from 19 March 2007 (date of incorporation) to 31 December 2007.

Incorporation

2 The Company was incorporated on 19 March 2007.

Principal activity

3 The principal activity of the Company is the holding of investments. The Company remained dormant during the year.

Review of developments, position and performance of the Company's business

4 The loss of the Company for the period ended 31 December 2007 was €77.089. On 31 December 2007 the total assets of the Company were €3.555 and the net assets were negative €37.589. The financial position, development and performance of the Company as presented in these financial statements is considered satisfactory.

Principal risks and uncertainties

5 The Company's principal risk and uncertainty is in relation to liquidity risk. The Board of Directors of the Company employs risk management policy to manage this risk.

Future developments

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

Results

7 The Company's results for the period are set out on page 6. The loss for the period is carried forward.

Share capital

8 On 10 March 2007 (date of incorporation), the Company issued 2 000 shares of €1 each at their par value, amounting to €2.000. On 25 June 2007, the Company issued additional 10 000 shares of €1 each at a price of €3,75 per share, amounting to €37.500.

Startmart Limited

Report of the Board of Directors (continued)

Board of Directors

9 The members of the Board of Directors at 31 December 2007 and at the date of this report are shown on page 1. Mr Soterakis Koupepides and Mrs Stella Raouna were appointed as Directors on the incorporation date. All of them were members of the Board from the date of incorporation and throughout the year 2007.

Events after the balance sheet date

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

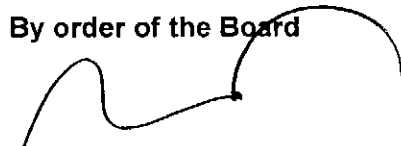
Branches

11 The Company did not operate through any branches during the period.

Independent Auditors

12 The Independent Auditors, PricewaterhouseCoopers Limited, have expressed their willingness to continue in office. 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



Soterakis Koupepides
Director

Nicosia
13 June 2008



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3 Themistocles Dervis Street
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Independent Auditors' Report To the Members of Startmart Limited

Report on the Financial Statements

We have audited the financial statements of Startmart Limited (the "Company") on pages 6 to 17, which comprise the balance sheet as at 31 December 2007 and the income statement, statement of changes in equity and cash flow statement for the period then ended, and a summary of significant accounting policies and other explanatory notes.

Board of Directors' Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the preparation and fair presentation of these financial statements 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.

Auditors' 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 and fair presentation of the financial statements 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.

Board Members: Phidias K Piliides (CEO), Dinos N Papadopoulos (Deputy CEO), Tassos I Telefantides (Deputy CEO), Panikos N Tsiallis, Christakis Santis, Stephanos D Stephanides, Costas L Hadjiconstantinou, George Foradaris, Costas M Nicolaidis, Angelos M Loizou, Vasilis Hadjivasiliou, Androulla S Pittas, Savvas C Michail, Costas L Mavrocordatos, Christos M Themistocleous, Panicos Kaouris, Nicos A Neophytou, George M Loizou, Pantelis G Evangelou, Liakos M Theodorou, Stellos Constantinou, Tassos Procopiou, Andreas T Constantinides, Theo Papperis, Constantinos Constantinou, Petros C Petrakis, Philippos C Sotellos, Evangelos C Evgeniou, Christos Tsolakis, Nicos A Theodoulou, Nikos T Nikolaidis, Cleo A Papadopolou, Marios S Andreou, Nicos P Chimarides, Aram Tavilian, Constantinos Taliotis, Stavros A Kattamis, Ylianos A Kaponides, Takos N Notas, Chrysalios K Pelekanos, Etychios Etychiou, George C Lambrou, Chris Odysseos
Directors of Operations: Adrian Ioannou, Androulla Aristidou, Achilleas Chrysanthou, George Skapoullaros, Bambos A Charalambous, Demetris V Psatis, Constantinos L Kapsalis, Stellos A Violaris

Offices: Nicosia, Limassol, Larnaca, Paphos

PricewaterhouseCoopers Ltd is a private company.
Registered in Cyprus (Reg. No. 143594)

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Startmart Limited as of 31 December 2007, and of its financial performance and its cash flows for the period 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 €81.089 during the period ended 31 December 2007 and, as of that date the Company's current liabilities exceeded its total assets by €41.589. 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.


Report on Other Legal Requirements

Pursuant to the requirements of the 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 Companies Law, Cap. 113, in the manner so required.
- In our opinion, the information given in the report of the Board of Directors on pages 2 to 3 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 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.


PricewaterhouseCoopers Limited
Chartered Accountants

Nicosia, 13 June 2008

Startmart Limited

Income statement for the period from 19 March 2007 (date of incorporation) to 31 December 2007

	Note	€
Administrative expenses		<u>(77.084)</u>
Operating loss		(77.084)
Finance costs	6	<u>(5)</u>
Loss before tax		(77.089)
Tax	7	<u>-</u>
Loss for the period		<u>(77.089)</u>

The notes on pages 10 to 17 are an integral part of these financial statements.

Startmart Limited

Balance sheet at 31 December 2007

	Note	2007 €
Assets		
Current assets		
Tax refundable		995
Cash and cash equivalents	10	<u>2,560</u>
		<u>3,555</u>
		<u>3,555</u>
Total assets		
Equity and liabilities		
Share capital	11	12,000
Share premium	11	27,500
Accumulated losses		<u>(77,089)</u>
Total equity		<u>(37,589)</u>
Current liabilities		
Payables	12	<u>41,144</u>
Total liabilities		<u>41,144</u>
		<u>3,555</u>
Total equity and liabilities		

On 13 June 2008 the Board of Directors of Startmart Limited authorised these financial statements for issue.

Soterakis Koupepides, Director


Stella Raouna, Director

The notes on pages 10 to 17 are an integral part of these financial statements.

Startmart Limited

Statement of changes in equity for the period from 19 March 2007 (date of incorporation) to 31 December 2007

	Note	Share capital €	Share premium €	Accumulated losses ⁽¹⁾ €	Total €
Issue of shares	11	12.000	27.500	-	39.500
Loss for the period		-	-	(77.089)	(77.089)
Balance at 31 December 2007		12.000	27.500	(77.089)	(37.589)

- (1) Companies which do not distribute 70% of their profits after tax, as defined by the Special Contribution for the Defence of the Republic Law, during the two years after the end of the year of assessment to which the profits refer, will be deemed to have distributed this amount as dividend. Special contribution for defence at 15% will be payable on such deemed dividend to the extent that the shareholders (individuals and companies) at the end of the period of two years from the end of the year of assessment to which the profits refer are Cyprus tax residents. The amount of this deemed dividend distribution is reduced by any actual dividend paid out of the profits of the relevant year at any time. This special contribution for defence is paid by the Company for the account of the shareholders.

The notes on pages 10 to 17 are an integral part of these financial statements.

Startmart Limited

Cash flow statement for the period from 19 March 2007 (date of incorporation) to 31 December 2007

	Note	€
Cash flows from operating activities		
Loss before tax		(77.089)
Changes in working capital:		<u>41.144</u>
Payables		(35.945)
Cash used in operations		<u>(995)</u>
Tax paid		<u>(36.940)</u>
Net cash used in operating activities		
Cash flows from financing activities		
Proceeds from issuance of ordinary shares	11	<u>39.500</u>
Net cash from financing activities		<u>39.500</u>
Net increase in cash and cash equivalents		2.560
Cash and cash equivalents at beginning of period		-
Cash and cash equivalents at end of period	10	<u>2.560</u>

The notes on pages 10 to 17 are an integral part of these financial statements.

Startmart Limited

Notes to the financial statements

1 General information

Country of incorporation

The Company is incorporated and domiciled in Cyprus as a private limited liability company in accordance with the provisions of the Companies Law, Cap. 113. Its registered office is at Julia House, 3 Themistocles Dervis Street, 1066, Nicosia, Cyprus.

Principal activity

The principal activity of the Company is the holding of investments. The Company remained dormant during the year.

2 Summary of significant accounting policies

The principal accounting policies applied 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 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 financial statements have been prepared under the historical cost convention.

All International Financial Reporting Standards issued by the International Accounting Standards Board (IASB) and effective as at 1 January 2007 have been adopted by the EU through the endorsement procedure established by the European Commission, with the exception of certain provisions of IAS 39 "Financial Instruments: Recognition and Measurement" relating to portfolio hedge accounting.

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. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

Startmart Limited

2 Summary of significant accounting policies (continued)

Adoption of new and revised IFRSs

In the current period the Company adopted all new and revised IFRSs that are relevant to its operations and are effective for accounting periods beginning on 19 March 2007.

The adoption of IFRS 7, "Financial Instruments: Disclosures", and the complementary amendment to IAS 1, "Presentation of financial statements - Capital Disclosures", introduces new disclosures relating to financial instruments and does not have any impact on the classification and valuation of the Company's financial statements or the disclosures relating to taxation and trade and other payables.

At the date of authorisation of these financial statements the following Standards were in issue but not yet effective:

Standards that become effective for years ending 31 December 2008

- IFRIC Interpretation 11 "IFRS 2 – Group and Treasury Share Transactions" (effective for annual periods beginning on or after 1 March 2007).
- IFRIC Interpretation 12 "Service Concession Arrangements" (effective for annual periods beginning on or after 1 January 2008). *
- IFRIC Interpretation 14 "IAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction" (effective for annual periods beginning on or after 1 January 2008). *

Standards that become effective for years ending 31 December 2009

- IFRS 8 "Operating Segments" (effective for annual periods beginning on or after 1 January 2009).
- IAS 23 (Amendment) "Borrowing Costs" (effective for annual periods beginning on or after 1 January 2009). *
- IFRIC Interpretation 13 "Customer Loyalty Programmes" (effective for annual periods beginning on or after 1 July 2008). *
- IAS 1 (Revised 2007) "Presentation of Financial Statements" (effective for annual periods beginning on or after 1 January 2009). *
- IFRS 2, Share-based Payment (Amendment 2008: Vesting Conditions and Cancellations) (effective for annual periods beginning on or after 1 January 2009). *
- IAS 32, Financial Instruments: Presentation and IAS 1, Presentation of Financial Statements (Amendment 2008: Puttable Financial Instruments and Obligations Arising on Liquidation) (effective for annual periods beginning on or after 1 January 2009). *

Startmart Limited

2 Summary of significant accounting policies (continued)

Adoption of new and revised IFRSs (continued)

Standards that become effective for years ending 31 December 2010

- IFRS 3 (Revised 2008), "Business Combinations" (effective for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009). *
- IAS 27 (Revised 2008), "Consolidated and Separate Financial Statements" (effective for annual periods beginning on or after 1 July 2009). *

* *Have not been endorsed by the European Union.*

The Board of Directors anticipates that the adoption of these Standards in future periods will have no material impact on the financial statements of the Company.

Going concern

The Company incurred a loss of €81.089 during the period ended 31 December 2007 and, as of that date the Company's current liabilities exceeded its total assets by €41.589. Despite of the existence of these conditions, the financial statements have been prepared on a going concern basis, which assumes the continuing financial support of the holding company.

Foreign currency translation

(i) 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.

(ii) 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 period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Startmart Limited

2 Summary of significant accounting policies (continued)

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.

Deferred tax is provided in full, using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined using tax rates and laws that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

Share capital

Ordinary shares are classified as equity.

Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Provisions are not recognised for the future operating losses. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

Cash and cash equivalents

Cash and cash equivalents include deposits held at call with banks.

Startmart Limited

3 Financial risk management

(i) Financial risk factors

The Company's activities expose it to liquidity risk.

The Company does not have a formal risk management policy

- **Liquidity risk**

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	1 to 3 months
At 31 December 2007	
Payables	<u>45,144</u>

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The management maintains flexibility in funding by maintaining availability under committed credit lines.

(ii) Capital risk management

The Company's capital is not geared as it has no borrowings. The Company does not have formal policies and procedures for capital risk management.

(iii) Fair value estimation

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Company for similar financial instruments.

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.

Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. As at the balance sheet date, the Company's estimates and assumptions had no significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Startmart Limited

5 Expenses by nature

	For the period from 19 March 2007 to 31 December 2007 €
Stamp duty	61,140
Professional fees	14,403
Other expenses	<u>1,541</u>
Total cost of administrative expenses	<u>77,084</u>

6 Finance costs

	For the period from 19 March 2007 to 31 December 2007 €
Net foreign exchange transaction losses	<u>5</u>

7 Tax

The Company is subject to corporation tax on taxable profits at the rate of 10%.
At 31 December 2007 the Company carried forward tax losses amounting to C£6.672.

8 Financial instruments by category

	Loans and receivables €	Total €
31 December 2007		
Assets as per balance sheet		
Cash and cash equivalents	<u>2,560</u>	<u>2,560</u>
	Other financial liabilities	Total
Liabilities as per balance sheet		
Payables	<u>45,144</u>	<u>45,144</u>

Startmart Limited

9 Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if applicable) or to historical information about counterparty default rates:

	2007 €
Cash at bank and short-term bank deposits A2	<u>2.560</u>

10 Cash and cash equivalents

	2007 €
Cash at bank and in hand	<u>2.560</u>

Cash and cash equivalents include the following for the purposes of the cash flow statement:

	2007 €
Cash and cash equivalents	<u>2.560</u>

11 Share capital and share premium

	Number of shares	Share capital €	Share premium €	Total €
Issue of shares	<u>12 000</u>	<u>12.000</u>	<u>27.500</u>	<u>39.500</u>
At 31 December 2007	<u>12 000</u>	<u>12.000</u>	<u>27.500</u>	<u>39.500</u>

The total authorized number of ordinary shares is 10 002 000 shares with a par value of €1 per share. All issued shares are fully paid.

On 10 March 2007 (date of incorporation), the Company issued 2 000 shares of €1 each at their par value, amounting to €2.000. On 25 June 2007, the Company issued additional 10 000 shares of €1 each at a price of €3,75 per share, amounting to €37.500.

12 Payables

	2007 €
Payable to related party (Note 13(i))	25.448
Accrued expenses	<u>15.696</u>
	<u>41.144</u>

The fair value of payables which are due within one year approximates their carrying amount at the balance sheet date.

Startmart Limited

13 Related party transactions

The Company is controlled by Elliniki Technodomiki TEB S.A., incorporated in Greece, which owns 100% of the Company's shares.

The following transactions were carried out with related parties:

(i) Balances with related parties

	2007 €
Payable to related party (Note 12): Elliniki Technodomiki TEB S.A.	<u>25.448</u>
Payable to related party bears no interest and there are no specified terms and conditions.	

(ii) Directors' remuneration

The total remuneration of the Directors was as follows:

	For the period from 19 March 2007 to 31 December 2007 €
Fees	<u>671</u>

14 Events after the balance sheet date

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

Independent Auditors' Report on pages 4 to 5.

Startmart Limited

Analysis of expenses for the period from 19 March 2007 (date of incorporation) to 31 December 2007

	€
Administrative expenses	
Stamp duty	61.140
Professional fees	14.403
Directors' fees	671
License and taxes	407
Bank charges	273
Printing and stationery	190
	<u>77.084</u>