

PROFILE SYSTEMS & SOFTWARE S.R.L.
FINANCIAL STATEMENTS
for the year ended 31 December 2010
prepared in accordance with IFRS

PROFILE SYSTEMS & SOFTWARE S.R.L.

FINANCIAL STATEMENTS

For the year ended 31 December 2010

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PROFILE SYSTEMS & SOFTWARE S.R.L.

ADMINISTRATOR AND OTHER OFFICERS

Administrator:	Stasinopoulos Charalampos
Independent Auditors:	Baker Tilly Klitou and Partners 52 Splaiul Independentei 5th District, Bucharest Romania
Legal Advisers:	Baker Tilly Romania Legal Services 52 Independentei Splai 5th District, Bucharest Romania
Registered office:	3 Lucretiu Patrascanu Street Ground Floor, Flat 8 3rd District, Bucharest Romania
Bankers:	Alpha Bank SA No. 20 Libertatii Bvd., 5th District Bucharest, Romania
Registration number:	J40/13628/2006 VAT number: RO 18961860

PROFILE SYSTEMS & SOFTWARE S.R.L.

REPORT OF THE ADMINISTRATOR

The Administrator presents its report together with audited financial statements of the Company for the year ended 31 December 2010.

Incorporation

The Company was incorporated in Romania on 24 August 2006 as a private company with limited liability under the provisions of the Romanian Companies Law.

Principal activities

The principal activities of the Company, which are unchanged from last year, is the consultancy and supply of software development.

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 unsatisfactory.

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.

Going concern basis

The financial statements have not been prepared on a going concern basis since it is the intention of the management to proceed to the winding up of the company as soon as arrangements can be made and provided that there will not be any material effect adverse to this intention.

Results

The Company's results for the year 2010 are set out on page 5.

Share capital

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

Administrator

The Administrator as at 31 December 2010 and at the date of this report is shown on page 1.

In accordance with the Articles of Association the Administrator continue in the office.

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

Post balance sheet events

In the year 2011 the intention of the management is to proceed to the winding up the company as soon as arrangements can be made and under the provision mentioned above. Except of the issue presented above, there are no other material post balance sheet events that have a material bearing on the understanding of the financial statements.

Stasinopoulos Charalampos
Administrator

Bucharest,
18 February 2011



**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
PROFILE SYSTEMS & SOFTWARE S.R.L.**

Report on the Financial Statements

- [1] We have audited the accompanying financial statements of **PROFILE SYSTEMS & SOFTWARE S.R.L.** (the Company), which comprise the balance sheet as at 31 December 2010, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Administrator's Responsibility for the Financial Statements

- [2] The Company's Administrator is responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB). 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.

Auditor's Responsibility

- [3] Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the 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.
- [4] An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depended 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 Administrator, as well as evaluating the overall presentation of the financial statements.
- [5] We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

- [6] In our opinion, the accompanying financial statements give a true and fair view of the financial position of **PROFILE SYSTEMS & SOFTWARE S.R.L.** as at 31 December 2010 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as issued by the IASB.

Emphasis of matter

- [7] Without qualifying our opinion we draw attention to the fact that the taxation system in Romania is at an early stage of development and is subject to varying interpretation and to constant changes, which may be retroactive. In certain circumstances the tax authorities can be arbitrary in assessing tax penalties. Although the actual tax on a transaction may be minimal, penalties can be significant as they may be calculated based on the value of the transactions and range between 0.05 % - 0.3 % per day. In Romania, tax periods remain open for tax reviews for 5 years.

Other Matter

- [8] This report, including the opinion, has been prepared and is intended solely for the information and use of the Company's members as a body. To the fullest extent permitted by the law, our audit work has been undertaken so that we might report those matters that we are required to report in an Auditor's Report and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purposes or to any other person to whose knowledge this report may come to.

Baker Tilly Klitou and Partners

Baker Tilly Klitou and Partners S.R.L.

Bucharest, 18 February 2011



PROFILE SYSTEMS & SOFTWARE S.R.L.

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2010

	Note	2010 RON	2009 RON
Revenue		<u>-</u>	<u>-</u>
Other income	5	581	-
Administration expenses		<u>(10,951)</u>	<u>(38,104)</u>
Operating loss	6	(10,370)	(38,104)
Net finance costs	7	<u>(10,501)</u>	<u>(13,875)</u>
Loss before tax		(20,871)	(51,979)
Tax	8	<u>(1,650)</u>	<u>(2,867)</u>
Net loss for the year		<u>(22,521)</u>	<u>(54,846)</u>
Other comprehensive (loss) / income:			
Transfer to legal reserves			72
Total comprehensive loss for the year		<u>(22,521)</u>	<u>(54,774)</u>

The notes on pages 9 to 17 form an integral part of these financial statements.

PROFILE SYSTEMS & SOFTWARE S.R.L.

STATEMENT OF FINANCIAL POSITION

As at 31 December 2010

	Note	2010 RON	2009 RON
ASSETS			
Current assets			
Trade and other receivables	9	10,289	8,491
Cash at bank and in hand	10	354	15,993
Total assets		<u>10,643</u>	<u>24,484</u>
EQUITY AND LIABILITIES			
Equity and reserves			
Share capital	11	360	360
Other reserves	12	72	72
Accumulated losses		(186,110)	(163,589)
		<u>(185,678)</u>	<u>(163,157)</u>
Current liabilities			
Trade and other payables	14	59,835	52,878
Borrowings	13	136,486	133,688
Current tax liabilities	15	-	1,075
		<u>196,321</u>	<u>187,641</u>
Total equity and liabilities		<u>10,643</u>	<u>24,484</u>

On 18 February 2011 the Administrator of Profile Systems & Software S.R.L. authorised these financial statements for issue.

Stasinopoulos Charalampos
Administrator

The notes on pages 9 to 17 form an integral part of these financial statements.

PROFILE SYSTEMS & SOFTWARE S.R.L.

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2010

	Share capital RON	Other reserves RON	Accumulated losses RON	Total RON
Balance - 1 January 2009	360	-	(108,743)	(108,383)
Total comprehensive income / (expense) for the year	-	72	(54,846)	(54,774)
As at 31 December 2009/ 1 January 2010	360	72	(163,589)	(163,157)
Total comprehensive income / (expense) for the year	-	-	(22,521)	(22,521)
As at 31 December 2010	360	72	(186,110)	(185,678)

The notes on pages 9 to 17 form an integral part of these financial statements.

PROFILE SYSTEMS & SOFTWARE S.R.L.

STATEMENT OF CASH FLOWS

For the year ended 31 December 2010

	Note	2010 RON	2009 RON
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		(20,871)	(51,979)
Adjustments for:			
Unrealised exchange loss		2,270	9,330
Interest expense	7	7,713	7,591
		<hr/>	<hr/>
Cash flows used in operations before working capital changes		(10,888)	(35,058)
Increase in trade and other receivables		(1,798)	(7,068)
Decrease in trade and other payables		(1,328)	(10,025)
		<hr/>	<hr/>
Cash flows used in operations		(14,014)	(52,151)
Tax paid		(2,725)	(3,415)
		<hr/>	<hr/>
Net cash used in operating activities		(16,739)	(55,566)
		<hr/>	<hr/>
CASH FLOWS FROM INVESTING ACTIVITIES		-	-
		<hr/>	<hr/>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		1,100	-
		<hr/>	<hr/>
Net cash from financing activities		1,100	-
		<hr/>	<hr/>
Net decrease in cash and cash equivalents		(15,639)	(55,566)
Cash and cash equivalents:			
At beginning of the year	10	15,993	71,559
		<hr/>	<hr/>
At end of the year	10	354	15,993
		<hr/>	<hr/>

The notes on pages 9 to 17 form an integral part of these financial statements.

PROFILE SYSTEMS & SOFTWARE S.R.L.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2010

1. Incorporation and principal activities

Country of incorporation

The Company Profile Systems & Software S.R.L. was incorporated in Romania on 24 August 2006 as a private company with limited liability under the provisions of the Romanian Companies Law. Its registered office is at 3 Lucretiu Patrascanu Street, Ground Floor, Flat 8, 3rd District, Bucharest, Romania.

Principal activities

The principal activities of the Company, which are unchanged from last year, is the consultancy and supply of software development.

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.

Break-up basis

The financial statements have been prepared on a break-up basis. As at 31 December 2010 the company's current liabilities exceeded its current assets by RON 185,678.

Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by International Accounting Standard Board (IASB). 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 2010.

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.

Finance income

Finance income includes interest income which is recognised based on an accrual basis.

Finance costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2010

2. Accounting policies (continued)

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 RON, 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.

Assets and liabilities in foreign currencies are revalued using the closing exchange rate. Consequently, they have been revalued at a rate of RON 4,2848 per EUR 1,00.

Tax

Income tax expense represents the sum of the tax currently payable and deferred 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 temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Currently enacted tax rates are used in the determination of deferred tax.

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same fiscal authority.

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.

Borrowings

Borrowings are recorded initially at the proceeds received, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any differences between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2010

2. Accounting policies (continued)

Financial instruments (continued)

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.

Subsequent events

Post year end events that provide additional information about the Company's position at the balance sheet date or those that indicate the going concern assumption is not appropriate (adjusting events), are reflected in the accompanying financial statements. Post year end events that are not adjusting events are disclosed in the notes when material.

Contingencies

Contingent liabilities are not recognised in the accompanying financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

Related parties

Parties are considered related when one party either through ownership, contractual rights, family relationship or otherwise, has the ability to directly or indirectly control, or significantly influence the other party.

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, operational risk, compliance risk, litigation risk, reputation risk, share ownership risk 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. The Company's income and operating cash flows are substantially independent of changes in market interest rates as the Company has no significant interest-bearing assets. The Company is exposed to interest rate risk in relation to its non-current borrowings. 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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2010

3. Financial risk management (continued)

(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 US Dollar and the Euro. The Company's management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

(3.6) 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.

(3.7) 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.

(3.8) 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.

(3.9) 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.

(3.10) 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.

(3.11) Other risks

The general economic environment prevailing in Romania 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.

PROFILE SYSTEMS & SOFTWARE S.R.L.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2010

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 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. In the year 2009 the intention of the management is to proceed to the winding up of the company as soon as arrangements can be. 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:

- **Revenue recognition**

The Company applies the provisions of IAS18 for accounting for revenue from services rendered, under which income and cost of sales are recognized upon the level of the costs incurred to finish the projects.

- **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. Other income

	2010	2009
	RON	RON
Sundry operating income	<u>581</u>	-
	<u>581</u>	<u>-</u>

6. Operating (loss):

	2010	2009
	RON	RON
Operating (loss) is stated after the following items:		
Auditors' remuneration	<u>-</u>	<u>12,741</u>

PROFILE SYSTEMS & SOFTWARE S.R.L.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2010

7. Finance Income/(Costs) - net

	2010	2009
	RON	RON
Foreign Exchange Gains	<u>11,835</u>	<u>3,666</u>
Finance income	<u>11,835</u>	<u>3,666</u>
Foreign Exchange Losses	14,426	9,541
Interest expense	7,713	7,591
Other finance expenses	<u>197</u>	<u>409</u>
Finance costs	<u>22,336</u>	<u>17,541</u>
Net finance costs	<u>(10,501)</u>	<u>(13,875)</u>

8. Tax

	2010	2009
	RON	RON
Corporation tax - current year	<u>1,650</u>	<u>2,867</u>
Charge for the year	<u>1,650</u>	<u>2,867</u>

The corporation tax rate is 16%.

Tax on profit is calculated in accordance with the Romanian tax legislation on profit as per the financial statements prepared in accordance with the Romanian GAAP. According to the tax legislation companies must submit tax returns on a quarterly basis.

For the fiscal period from 1 January 2010 to 31 December 2010 the Company recorded a fiscal loss. However, the Company recorded the corporation tax charge for the period based on the minimum annual tax. In accordance with the legislation in force, starting with 1 May 2009, the corporation tax that the Company should pay is the higher of the minimum annual tax and the tax on profit. The minimum annual tax for the year 2010 is established based on the revenues of the year 2009. Consequently, even if the Company has recorded a fiscal loss or the tax on profit is lower than the minimum annual tax, the Company should pay the minimum annual tax.

The above provisions regarding minimum annual tax are applicable for the year 2010 only until 30 September 2010.

Under current legislation, tax losses may be carried forward and be set off against taxable income of the following 7 years.

9. Trade and other receivables

	2010	2009
	RON	RON
Prepayments	-	1,215
Advances to suppliers	-	30
Other receivables	27	27
Refundable VAT	<u>10,262</u>	<u>7,219</u>
	<u>10,289</u>	<u>8,491</u>

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

At the date of the financial statements, the company was still reconciling the amounts from the trial balance with the fiscal statement from the 3rd District Financial Administration. At this date, according to the information obtained from the state authority, the difference between the accounting records and the fiscal statement is not significant for the preparation of the current financial statements.

PROFILE SYSTEMS & SOFTWARE S.R.L.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2010

10. Cash and cash equivalents

	2010	2009
	RON	RON
Cash in hand	314	314
Cash at bank	40	15,679
	<u>354</u>	<u>15,993</u>

11. Share capital

	2010	2010	2009	2009
	Number of	RON	Number of	RON
	shares		shares	
Issued, authorized and fully paid				
On 1 January	<u>36</u>	<u>360</u>	36	360
As at 31 December	<u>36</u>	<u>360</u>	<u>36</u>	<u>360</u>

Under its Memorandum the Company fixed its share capital at 36 ordinary shares of nominal value of RON 10 each. Upon incorporation on 24 August 2006 the Company issued to the subscribers of its Memorandum of Association 36 ordinary shares of RON 10 each at par.

Upon incorporation the sole shareholder was PROFILE SYSTEMS & SOFTWARE S.A Greece.

12. Other reserves

	Statutory	Total
	reserve	RON
	RON	
Balance 1 January 2009	-	-
Total comprehensive (loss)/ income for the year	<u>72</u>	<u>72</u>
At 31 December 2009	<u>72</u>	<u>72</u>
As at 31 December 2009/ 1 January 2010	<u>72</u>	<u>72</u>
As at 31 December 2010	<u>72</u>	<u>72</u>

13. Borrowings

	2010	2009
	RON	RON
Current borrowings		
Loans from shareholders (Note 16.3)	136,486	133,688

PROFILE SYSTEMS & SOFTWARE S.R.L.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2010

14. Trade and other payables

	2010	2009
	RON	RON
Trade payables	8,782	2,864
Interest on loan from shareholder (Note 16)	32,779	24,735
Accruals	-	7,188
Sundry creditors	-	58
Payables to related companies (Note 16)	<u>18,274</u>	<u>18,033</u>
	<u>59,835</u>	<u>52,878</u>

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

15. Current tax liabilities

	2010	2009
	RON	RON
Corporation tax	<u>-</u>	<u>1,075</u>
	<u>-</u>	<u>1,075</u>

The amount presented as current tax represents the unpaid minimum tax on profit for 2 trimesters.

16. Related party transactions

The Company is controlled by PROFILE SYSTEMS & SOFTWARE S.A., incorporated in Greece, which owns 100% of the Company's shares.

As at 31 December 2010 the related parties of the company were:

Name of the Related Party	Type of relation	Country of origin
PROFILE SYSTEMS & SOFTWARE S.A.	Sole Shareholder and ultimate controlling party	Greece

The following transactions were carried out with related parties:

16.1 Interest charged

		2010	2009
	<u>Nature of transactions</u>	RON	RON
PROFILE SYSTEMS & SOFTWARE S.A.	Finance	<u>7,713</u>	<u>7,591</u>
		<u>7,713</u>	<u>7,591</u>

16.2 Payables to related parties (Note 14)

		2010	2009
<u>Name</u>	<u>Nature of transactions</u>	RON	RON
PROFILE SYSTEMS & SOFTWARE S.A.	Trade	18,274	18,033
PROFILE SYSTEMS & SOFTWARE S.A.	Interest on the loan	32,779	24,735
		<u>51,053</u>	<u>42,768</u>

PROFILE SYSTEMS & SOFTWARE S.R.L.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2010

16. Related party transactions (continued)

16.3 Shareholders' current accounts - credit balances (Note 14) (Note 13)

	2010 RON	2009 RON
PROFILE SYSTEMS & SOFTWARE S.A. - loan contract from 5/10/2006 - EUR 30.000	128,544	126,846
PROFILE SYSTEMS & SOFTWARE S.A. - cession contract from 9/10/2008 (Mr. Cristian Balan)	6,842	6,842
PROFILE SYSTEMS & SOFTWARE S.A.	<u>1,100</u>	-
	<u>136,486</u>	<u>133,688</u>

During the year 2006 the company took a loan from the related party PROFILE SYSTEMS & SOFTWARE S.A. Greece in total amount of 30.000 EUR, which was agreed to be repayable in 5 years time. The loan has an interest of 6% that has to be paid every 12 months, beginning with the contract date, which is 5 October 2006. Due to the break-up basis all the amounts were reclassified as current.

17. Contingent liabilities

The Company had no contingent liabilities as at 31 December 2010.

18. Commitments

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

19. Taxation and legal environment in Romania

The taxation system in Romania is at an early stage of development and is subject to varying interpretation and to constant changes, which may be retroactive. In certain circumstances the tax authorities can be arbitrary in assessing tax penalties. Although the actual tax on a transaction may be minimal, penalties can be significant as they may be calculated based on the value of the transactions and range between 0.05 % - 0.3 % per day. In Romania, tax periods remain open for tax reviews for 5 years.

20. Break-up basis

The financial statements have been prepared on a break-up basis for the reasons mentioned above. As at 31 December 2010 the company incurred a loss of RON 22,521.

21. Post balance sheet events

In the year 2011 the intention of the management is to proceed to the winding up of the company as soon as arrangements can be made. Except of the issue presented above, there are no other material post balance sheet events that have a bearing on the understanding of the financial statements.

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PROFILE SYSTEMS & SOFTWARE S.R.L.

ADMINISTRATIVE EXPENSES

For the year ended 31 December 2010

	2010	2009
	RON	RON
Administration expenses		
Rent	5,594	11,468
Other taxes and duties	14	-
Other operating expenses	1,245	-
Electricity	346	-
Repairs and maintenance	476	-
Telephone and postage	537	1,472
Auditors' remuneration	-	12,741
Accounting fees	2,615	10,175
Fines	-	109
Travel expenses	32	28
Other third party services	92	2,111
	<u>10,951</u>	<u>38,104</u>