

PROFILE SYSTEMS & SOFTWARE S.R.L.
DRAFT FINANCIAL STATEMENTS
for the year ended 31 December 2009
prepared in accordance with IFRS

PROFILE SYSTEMS & SOFTWARE S.R.L.

FINANCIAL STATEMENTS

For the year ended 31 December 2009

CONTENTS

PAGE

Administrator and other officers	1
Report of the Administrator	2
Auditors' report	3 - 4
Statement of comprehensive income	5
Statement of financial position	6
Statement of changes in equity	7
Statement of cash flow	8
Notes to the financial statements	9 - 17
Additional information to the statement of comprehensive income	18

PROFILE SYSTEMS & SOFTWARE S.R.L.

ADMINISTRATOR AND OTHER OFFICERS

Administrator: Stasinopoulos Charalampos

Independent Auditors: Baker Tilly Klitou and Partners SRL
52 Independentei Splai
5th District, Bucharest
Romania

Legal Advisers: Lucu & Tsignopoulou Law Office
52 Independentei Splai
5th District, Bucharest
Romania

Registered office: 3 Lucretiu Patrascanu Street
Ground floor, ap. 8
3rd District, Bucharest
Romania

Bankers: Alpha Bank SA
No. 20 Libertatii Bvd., 5th District
Bucharest, Romania

Registration 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 2009.

The present report is provided by the sole Administrator of the Company to the best of his current knowledge and belief.

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 2009 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 2009 and at the date of this report is shown on page 1. .

In accordance with the Articles of Association the Administrator continues 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 2010 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,
5 March 2010

Independent Auditor's Report

PROFILE SYSTEMS & SOFTWARE S.R.L.

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2009

	Note	2009 RON	2008 RON
Revenue	5	<u>-</u>	<u>198,958</u>
Gross profit		<u>-</u>	<u>198,958</u>
Administration expenses		(38,104)	(133,875)
Other expenses	6	<u>-</u>	<u>(8)</u>
Operating (loss) / profit	7	(38,104)	65,075
Net finance costs	9	<u>(13,875)</u>	<u>(17,044)</u>
(Loss)/ profit before tax		(51,979)	48,031
Tax	10	<u>(2,867)</u>	<u>(5,185)</u>
Net (loss) / profit for the year		<u>(54,846)</u>	<u>42,846</u>
Other comprehensive (loss) / income:			
Trasfer to legal reserve		<u>72</u>	<u>-</u>
Total comprehensive (loss) / income for the year		<u>(54,774)</u>	<u>42,846</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 2009

	Note	31/12/2009 RON	31/12/2008 RON
ASSETS			
Current assets			
Trade and other receivables	11	8,491	1,423
Cash at bank and in hand	12	15,993	71,559
Total assets		24,484	72,982
EQUITY AND LIABILITIES			
Equity and reserves			
Share capital	13	360	360
Other reserves	14	72	-
Accumulated losses		(163,589)	(108,743)
		(163,157)	(108,383)
Current liabilities			
Trade and other payables	16	52,878	53,344
Borrowings	15	133,688	126,398
Current tax liabilities	17	1,075	1,623
		187,641	181,365
Total equity and liabilities		24,484	72,982

On 5 March 2010 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 2009

	Share capital RON	Other reserves RON	Accumulated losses RON	Total RON
Balance - 1 January 2008	360	-	(151,589)	(151,229)
Net profit for the year	-	-	42,846	42,846
As at 31 December 2008/ 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	360	72	(163,589)	(163,157)

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 2009

	Note	2009 RON	2008 RON
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss)/ profit before tax		(51,979)	48,031
Adjustments for:			
Unrealised exchange loss		9,330	13,069
Interest expense	9	7,591	8,966
Cash flows (used in) / from operations before working capital changes		(35,058)	70,066
Increase in trade and other receivables		(7,068)	(4,486)
(Decrease) / increase in trade and other payables		(10,025)	5,691
Cash flows (used in) / from operations		(52,151)	71,271
Tax paid		(3,415)	(3,573)
Net cash (used in) / from operating activities		(55,566)	67,698
CASH FLOWS FROM INVESTING ACTIVITIES		-	-
CASH FLOWS FROM FINANCING ACTIVITIES		-	-
Net (decrease) / increase in cash and cash equivalents		(55,566)	67,698
Cash and cash equivalents:			
At beginning of the year	12	71,559	3,861
At end of the year	12	15,993	71,559

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 2009

1. Incorporation and principal activities

Country of incorporation

The Company PROFILE SYSTEMS & SOFTWARE S.R.L. (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. Its registered office is at 3 Lucretiu Patrascanu Street, Ground floor, ap. 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 2009 the company's current liabilities exceeded its current assets by RON 163,157.

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 International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning on 1 January 2007. 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 provide

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2009

2. Accounting policies (continued)

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.

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 4,2282 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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2009

2. Accounting policies (continued)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2009

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. 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.

(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.

PROFILE SYSTEMS & SOFTWARE S.R.L.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2009

3. Financial risk management (continued)

(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.

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. Revenue

	2009	2008
	RON	RON
Rendering of services	-	198,958
	<u>-</u>	<u>198,958</u>

6. Other expenses

	2009	2008
	RON	RON
Other operating expenses	-	8
	<u>-</u>	<u>8</u>

PROFILE SYSTEMS & SOFTWARE S.R.L.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2009

7. Operating (loss) / profit

	2009	2008
	RON	RON
Operating (loss) / profit is stated after charging the following items:		
Staff costs (Note 8)	-	95,657
Auditors' remuneration	<u>12,741</u>	<u>10,661</u>

8. Staff costs

	2009	2008
	RON	RON
Wages and salaries	-	74,373
Social insurance costs and other taxes related to salaries	<u>-</u>	<u>21,284</u>
	<u>-</u>	<u>95,657</u>

9. Finance Income/(Costs) - net

	2009	2008
	RON	RON
Foreign Exchange Gains	<u>3,666</u>	<u>8,369</u>
Finance income	<u>3,666</u>	<u>8,369</u>
Foreign Exchange Losses	9,541	15,770
Interest expense	7,591	8,966
Other finance expenses	<u>409</u>	<u>677</u>
Finance costs	<u>17,541</u>	<u>25,413</u>
Net finance costs	<u>(13,875)</u>	<u>(17,044)</u>

10. Tax

	2009	2008
	RON	RON
Corporation tax - current year	<u>2,867</u>	<u>5,185</u>
Charge for the year	<u>2,867</u>	<u>5,185</u>

The corporation tax rate is 16%.

For the fiscal year 2009 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 for the year 2009 is the higher of the minimum annual tax and the tax on profit. The minimum annual tax for the year 2009 is established based on the revenues of the year 2008. 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.

11. Trade and other receivables

	31/12/2009	31/12/2008
	RON	RON
Deposits and prepayments	1,215	1,215
Advances to suppliers	30	30
Other receivables	27	178
Refundable VAT	<u>7,219</u>	<u>-</u>
	<u>8,491</u>	<u>1,423</u>

PROFILE SYSTEMS & SOFTWARE S.R.L.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2009

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

12. Cash and cash equivalents

	31/12/2009	31/12/2008
	RON	RON
Cash in hand	314	314
Cash at bank	15,679	71,245
	<u>15,993</u>	<u>71,559</u>

13. Share capital

	31/12/2009	31/12/2009	31/12/2008	31/12/2008
	Number of shares	RON	Number of shares	RON
Issued, authorized and fully paid				
On 1 January	36	360	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.

14. Other reserves

	Legal reserve	Total
	RON	RON
Balance 1 January 2008	-	-
As at 31 December 2008/ 1 January 2009	-	-
Transfer	72	72
As at 31 December 2009	<u>72</u>	<u>72</u>

15. Borrowings

	31/12/2009	31/12/2008
	RON	RON
Current borrowings		
Loans from shareholders (See Note 18.4)	133,688	126,398

16. Trade and other payables

	31/12/2009	31/12/2008
	RON	RON
Trade payables	2,864	3,664
Interest on loan from related party (Note 17)	24,735	16,140
VAT	-	9,575
Accruals	7,188	6,926
Other creditors	58	46
Payables to related companies (Note 18)	18,033	16,993
	<u>52,878</u>	<u>53,344</u>

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

PROFILE SYSTEMS & SOFTWARE S.R.L.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2009

17. Current tax liabilities

	31/12/2009	31/12/2008
	RON	RON
Corporation tax	<u>1,075</u>	<u>1,623</u>
	<u>1,075</u>	<u>1,623</u>

18. 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 2009 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:

18.1 Directors' remuneration

The remuneration of Directors was as follows:

	2009	2008
	RON	RON
Managers' net fees	<u>-</u>	<u>74,373</u>
	<u>-</u>	<u>74,373</u>

Cristian Balan was the only employee of the Company. At 30 September he resigned. In 2009 the management of the Company intends to proceed in the winding up of the company

18.2 Sales of services

	2009	2008
	RON	RON
PROFILE SYSTEMS & SOFTWARE S.A.	<u>-</u>	<u>198,958</u>
	<u>-</u>	<u>198,958</u>

18.3 Payables to related parties (Note 16)

Name	Nature of transactions	31/12/2009	31/12/2008
		RON	RON
PROFILE SYSTEMS & SOFTWARE S.A.	Trade	<u>18,033</u>	<u>16,993</u>
PROFILE SYSTEMS & SOFTWARE S.A.	Interest on the loan	<u>24,735</u>	<u>16,140</u>
		<u>42,768</u>	<u>33,133</u>

18.4 Shareholders' current accounts - credit balances (Note 15)

	31/12/2009	31/12/2008
	RON	RON
PROFILE SYSTEMS & SOFTWARE S.A.		
- loan contract from 5/10/2006 - EUR 30.000	<u>126,846</u>	<u>119,556</u>
PROFILE SYSTEMS & SOFTWARE S.A.		
- cession contract from 9/10/2008 (Mr. Cristian Balan)	<u>6,842</u>	<u>6,842</u>
	<u>133,688</u>	<u>126,398</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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2009

19. Contingent liabilities

The Company had no contingent liabilities as at 31 December 2009.

20. Commitments

The Company had no capital or other commitments as at 31 December 2009.

21. 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.

22. Break-up basis

The financial statements have been prepared on a break-up basis as it is the intention of the management to wind up the company. As at 31 December 2009 the company incurred a loss of RON 54.846.

23. Post balance sheet events

In the year 2010 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.

Independent Auditor's Report pages 3 and 4

PROFILE SYSTEMS & SOFTWARE S.R.L.

ADMINISTRATIVE EXPENSES

For the year ended 31 December 2009

	2009	2008
	RON	RON
Administration expenses		
Staff salaries	-	74,373
Social insurance and other taxes	-	21,284
Rent	11,468	9,397
Telephone and postage	1,472	2,958
Stationery and printing	-	383
Auditors' remuneration	12,741	10,661
Accounting fees	10,175	11,107
Fines	109	82
Travel expenses	28	134
Commissions and fees	-	120
Consumables	-	27
Other third party services - utilities	2,111	3,349
	<u>38,104</u>	<u>133,875</u>