



MGI GREGORIOU & CO LTD

Certified Public Accountants (CY), Tax and Business Advisors

HAVELL'S CYPRUS LIMITED

Reg. Number: 178111

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REPORT AND FINANCIAL STATEMENTS
For the year ended 31 December 2010

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HAVELL'S CYPRUS LIMITED

REPORT AND FINANCIAL STATEMENTS
For the year ended 31 December 2010

HAVELL'S CYPRUS LIMITED

REPORT AND FINANCIAL STATEMENTS 31 December 2010

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HAVELL'S CYPRUS LIMITED

BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors:	CCY Management Limited
Company Secretary:	CCY Services Limited
Independent Auditors:	MGI Gregoriou & Co Ltd Certified Public Accountants (CY) 7 Florinis Street Greg Tower, 6th Floor P.C.1065, Nicosia Cyprus
Registered office:	10 Diomidous Street Alphamega Akropolis Building, 3rd floor, office 401 P.C. 2024, Nicosia Cyprus
Banker:	Barclays
Registration number:	178111

HAVELL'S CYPRUS LIMITED

REPORT OF THE BOARD OF DIRECTORS

The Board of Directors presents its report and audited financial statements of the Company for the year ended 31 December 2010.

Principal activity

The principal activity of the Company, which is unchanged from last year, is the holding and financing of group companies.

Going concern basis

The financial statements have not been prepared on a going concern basis since it is the intention of the Management to liquidate the company as soon as arrangements can be made.

Results

The Company's results for the year are set out on page 5. The net loss for the year is carried forward.

Share capital

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

Board of Directors

The members of the Company's Board of Directors as at 31 December 2010 and at the date of this report are presented on page 1.

Events after the reporting period

Any significant events that occurred after the end of the reporting period are described in note 15 to the financial statements.

Independent Auditors

The Independent Auditors, MGI Gregoriou & Co Ltd , have expressed their willingness to continue in office and a resolution giving authority to the Board of Directors of Directors to fix their remuneration will be proposed at the Annual General Meeting.

By order of the Board of Directors,



CCY Services Limited
Secretary

Nicosia, 16/5/2011



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Independent Auditor's Report

To the Members of HAVELL'S CYPRUS LIMITED

Report on the Financial Statements

We have audited the financial statements of HAVELL'S CYPRUS LIMITED (the "Company") on pages 5 to 13, which comprise the statement of financial position as at 31 December 2010, 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 notes.

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 (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.

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 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.

Board of Directors: A.N. GREGORIOU (Managing Director), M.D. MARCOU, G.N. PETSAS, N. GREGORIOU, L. GREGORIOU

Other Offices:

PAPHOS: P.O.Box 60254, 8101 Paphos-Cyprus	Tel. (357) 26933957	Fax: (357) 26936667	e-mail: pafos@gregoriou.com
LIMASSOL: P.O.Box 53442, 3302 Limassol-Cyprus	Tel. (357) 25338850	Fax: (357) 25338851	e-mail: limassol@gregoriou.com
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Opinion

In our opinion, the financial statements give a true and fair view of the financial position of HAVELL'S CYPRUS LIMITED 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 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 where it is indicated that the financial statements have not been prepared on a going concern basis since it is the intention of the Management to liquidate the company as soon as arrangements can be made.

Report on Other Legal and Regulatory Requirements

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



LORIA GREGORIOU on behalf of
MGI Gregoriou & Co Ltd
Certified Public Accountants (CY)

Nicosia, 16/5/..... 2011

HAVELL'S CYPRUS LIMITED

STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2010

	Note	2010 US\$	2009 US\$
Net profit from investing activities	3	4,323	1,195
Administration and other expenses	4	<u>(8,867)</u>	<u>(21,224)</u>
Operating loss	5	(4,544)	(20,029)
Finance costs	6	<u>(619)</u>	<u>(1,511)</u>
Loss before tax		(5,163)	(21,540)
Tax	7	<u>-</u>	<u>-</u>
Net loss for the year		(5,163)	(21,540)
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u>(5,163)</u>	<u>(21,540)</u>

The notes on pages 9 to 13 form an integral part of these financial statements.

HAVELL'S CYPRUS LIMITED

STATEMENT OF FINANCIAL POSITION 31 December 2010

	Note	2010 US\$	2009 US\$
ASSETS			
Current assets			
Receivables	8	-	2,058
Cash at bank and in hand	9	-	553
		<u>-</u>	<u>2,611</u>
Total assets		<u>-</u>	<u>2,611</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	10	39,742	39,742
Other reserves	11	39,652	-
Accumulated losses		(79,394)	(74,231)
Total equity		<u>-</u>	<u>(34,489)</u>
Current liabilities			
Trade and other payables	12	-	37,100
		<u>-</u>	<u>37,100</u>
Total equity and liabilities		<u>-</u>	<u>2,611</u>

On 16/5/2011 the Board of Directors of HAVELL'S CYPRUS LIMITED authorised these financial statements for issue.


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CCY Management Limited
Director

The notes on pages 9 to 13 form an integral part of these financial statements.

HAVELL'S CYPRUS LIMITED

STATEMENT OF CHANGES IN EQUITY Year ended 31 December 2010

	Note	Share capital US\$	Other reserves (Note 11) US\$	Accumulated losses US\$	Total US\$
Balance - 1 January 2009		2,198	38,201	(52,691)	(12,292)
Comprehensive income					
Net loss for the year		-	-	(21,540)	(21,540)
Issue of share capital	10	37,544	-	-	37,544
Transfer into equity		-	(38,201)	-	(38,201)
Balance at 31 December 2009		<u>39,742</u>	<u>-</u>	<u>(74,231)</u>	<u>(34,489)</u>
Total comprehensive income for the year		-	-	(5,163)	(5,163)
Advances from shareholders for future capital increase		-	39,652	-	39,652
Balance at 31 December 2010		<u>39,742</u>	<u>39,652</u>	<u>(79,394)</u>	<u>-</u>

The notes on pages 9 to 13 form an integral part of these financial statements.

HAVELL'S CYPRUS LIMITED

CASH FLOW STATEMENT Year ended 31 December 2010

	Note	2010 US\$	2009 US\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		(5,163)	(21,540)
Adjustments for:			
Unrealised exchange (profit) / loss		<u>(4,216)</u>	<u>1,080</u>
Cash flows used in operations before working capital changes		(9,379)	(20,460)
Decrease / (Increase) in receivables		2,058	(2,058)
Increase in trade and other payables		<u>2,552</u>	<u>5,552</u>
Net cash flows used in operating activities		<u>(4,769)</u>	<u>(16,966)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
		<u>-</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of share capital		-	37,544
Unrealised exchange profit / (loss)		4,216	(1,080)
Dividends paid to minority interest		<u>-</u>	<u>(38,201)</u>
Net cash flows from / (used in) financing activities		<u>4,216</u>	<u>(1,737)</u>
Net decrease in cash and cash equivalents		(553)	(18,703)
Cash and cash equivalents:			
At beginning of the year		<u>553</u>	<u>19,256</u>
At end of the year	9	<u>-</u>	<u>553</u>

The notes on pages 9 to 13 form an integral part of these financial statements.

HAVELL'S CYPRUS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2010

1. Incorporation and principal activities

Country of incorporation

The Company HAVELL'S CYPRUS LIMITED (the "Company") was incorporated in Cyprus on 15th of June 2006 as a private international business company with limited liability under the Cyprus Companies Law, Cap. 113. Its registered office is at 10 Diomidous Street, Alphamega Akropolis Building, 3rd floor, office 401, P.C. 2024, Nicosia, Cyprus. The objects of the Company are restricted to business carried on wholly outside Cyprus and its shares are held exclusively by non-residents.

Principal activity

The principal activity of the Company, which is unchanged from last year, is the holding and financing of group companies.

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 financial statements have not been prepared on a going concern basis since it is the intention of the Management to liquidate the company as soon as arrangements can be made.

Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) and the requirements of the Cyprus Companies Law, Cap.113. The financial statements have been prepared under the historical cost convention.

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

Adoption of new and revised IFRSs

During the current year the Company adopted all the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning on 1 January 2010. This adoption did not have a material effect on the accounting policies of the Company except for the application of International Accounting Standard 1 (Revised) "Presentation of Financial Statements" which has a material effect on the presentation of the financial statements.

HAVELL'S CYPRUS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2010

2. Accounting policies (continued)

Adoption of new and revised IFRSs (continued)

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

Revenues earned by the Company are recognised on the following bases:

- **Interest income**

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

Finance costs

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

Foreign currency translation

(1) *Functional and presentation currency*

Items included in the Company's financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in United States Dollars (US\$), which is the Company's functional and presentation currency.

(2) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

Financial instruments

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Cash and cash equivalents

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

Share capital

Ordinary shares are classified as equity.

HAVELL'S CYPRUS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2010

3. Profit from investing activities

	2010	2009
	US\$	US\$
Exchange profit	<u>4,323</u>	<u>1,195</u>
	<u>4,323</u>	<u>1,195</u>

4. Administration and other expenses

	2010	2009
	US\$	US\$
Sundry operating expenses	<u>8,867</u>	<u>21,224</u>
	<u>8,867</u>	<u>21,224</u>

5. Operating (loss)

	2010	2009
	US\$	US\$
Operating loss is stated after charging the following items:		
Auditors' remuneration	<u>1,517</u>	<u>1,648</u>

6. Finance costs

	2010	2009
	US\$	US\$
Net foreign exchange transaction losses	242	1,095
Other finance expenses	<u>377</u>	<u>416</u>
	<u>619</u>	<u>1,511</u>

7. Tax

The Company is subject to corporation tax at the rate of 10%.

Due to tax losses sustained in the year, no tax liability arises on the Company in Cyprus. Under current legislation in Cyprus, tax losses may be carried forward and be set off against taxable income of the following years.

8. Receivables

	2010	2009
	US\$	US\$
Deposits and prepayments	<u>-</u>	<u>2,058</u>
	<u>-</u>	<u>2,058</u>

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

HAVELL'S CYPRUS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2010

9. Cash at bank and in hand

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

	2010 US\$	2009 US\$
Cash at bank and in hand	-	553
	<u>-</u>	<u>553</u>

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

10. Share capital

	2010 Number of shares	2010 US\$	2009 Number of shares	2009 US\$
Authorised				
Ordinary shares of EUR 1 each	<u>50,000</u>	<u>109,900</u>	<u>50,000</u>	<u>109,900</u>
Issued and fully paid				
On 1 January	26,940	39,742	1,000	2,198
Issue of shares	-	-	25,940	37,544
Balance at 31 December	<u>26,940</u>	<u>39,742</u>	<u>26,940</u>	<u>39,742</u>

11. Other reserves

	Other reserve US\$	Total US\$
Balance 1 January 2009	38,201	38,201
Issue of share capital	(38,201)	(38,201)
Balance at 31 December 2009/ 1 January 2010	-	-
Advances from shareholders for future capital increase	-	39,652
Balance at 31 December 2010	<u>-</u>	<u>39,652</u>

12. Trade and other payables

	2010 US\$	2009 US\$
Accruals	-	37,100
	<u>-</u>	<u>37,100</u>

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

13. Contingent liabilities

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

14. Commitments

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

HAVELL'S CYPRUS LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2010

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 3 and 4

HAVELL'S CYPRUS LIMITED

DETAILED INCOME STATEMENT

Year ended 31 December 2010

	Page	2010 US\$	2009 US\$
Revenue			
Other operating expenses	15	(8,867)	(21,224)
Exchange profit		4,323	1,195
Operating loss		(4,544)	(20,029)
Finance costs	16	(619)	(1,511)
Net loss for the year before tax		(5,163)	(21,540)

HAVELL'S CYPRUS LIMITED

OPERATING EXPENSES

Year ended 31 December 2010

	2010 US\$	2009 US\$
Other operating expenses		
Sundry expenses	1,395	1,809
Auditors' remuneration	1,517	1,648
Accounting fees	73	2,147
Other professional fees	<u>5,882</u>	<u>15,620</u>
	<u><u>8,867</u></u>	<u><u>21,224</u></u>

HAVELL'S CYPRUS LIMITED

FINANCE INCOME / COST Year ended 31 December 2010

	2010 US\$	2009 US\$
Finance income		
Realised exchange profit	107	1,180
Unrealised exchange profit	<u>4,216</u>	<u>15</u>
	<u>4,323</u>	<u>1,195</u>
Finance costs		
Other finance expenses		
Bank charges	377	416
Net foreign exchange transaction losses		
Realised exchange loss	242	-
Unrealised exchange loss	<u>-</u>	<u>1,095</u>
	<u>619</u>	<u>1,511</u>

HAVELL'S CYPRUS LIMITED

COMPUTATION OF CORPORATION TAX Year ended 31 December 2010

	Page	US\$	US\$
Net loss per detailed statement of comprehensive income	14		(5,163)
<u>Less:</u>			
Unrealised exchange profit		<u>4,216</u>	
Net loss for the year			<u>(4,216)</u>
			<u>(9,379)</u>
Converted into € at US\$ 1.319160 = €1			€ (7,110)
Loss brought forward			<u>(56,435)</u>
Loss carried forward			<u>(63,545)</u>