

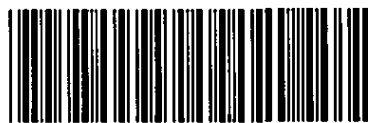
Company Number: 6005300

TEMM ENGINEERING LIMITED
REPORT AND FINANCIAL STATEMENTS
30 November 2008

PCP & CO
AAT REPORTING ACCOUNTANTS

393 LORDSHIP LANE
LONDON
N17 6AE

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TEMM ENGINEERING LIMITED

REPORT AND FINANCIAL STATEMENTS

30 November 2008

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TEMM ENGINEERING LIMITED

BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors: Nikoleta Garofita Angonas (appointed 28/7/08)
Christina Michailidou (resigned 28/7/08)

Company Secretary: Proteas Consulting & Services Limited

Accountants: PCP & CO
AAT REPORTING ACCOUNTANTS
393 Lordship Lane
London
N17 6AE

Registered office: 2, Athenaeum road
Prospect House
London N20 9YU

Banker: Bank of Cyprus Public Company Ltd

Registration number: 6005300

TEMM ENGINEERING LIMITED

REPORT OF THE BOARD OF DIRECTORS

The Board of Directors presents its report and unaudited financial statements of the Company for the year ended 30 November 2008.

Principal activities

The principal activities of the Company, which are unchanged from last year, are the investing activities.

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 not considered satisfactory and the Board of Directors is making an effort to reduce the Company losses.

The main risks and uncertainties faced by the Company and the steps taken to manage these risks, are described in note 3 of the financial statements.

Results

The Company's results for the year are set out on page 4. 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.

Board of Directors

The members of the Board of Directors as at 30 November 2008 and at the date of this report are presented on page 1. All of them were members of the Board throughout the year ended 30 November 2008.

In accordance with the Company's Articles of Association all directors presently members of the Board continue in office.

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

Basis of preparation

In preparing the above report, the directors have taken advantage of the special provisions of part VII of the Companies Act 1985 relating to small companies.

Post balance sheet events

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

By order of the Board of Directors,



Nikoleta Gatzofita Angonas
Director

Limassol, 16 September 2009

Accountants' Report on the Unaudited Financial Statements

To the Members of Temm Engineering Limited

Report on the Financial Statements

You consider that the company is exempt from an audit for the year ended 30 November 2008. You have acknowledged on the balance sheet, your responsibilities for ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985 and for preparing financial statements which give a true and fair view of the state of its profits and loss for the financial year.

In accordance with your instructions, we have prepared the financial statements on pages 4 to 14 from the accounting records of the company and on the basis of information and explanations you have given to us.

We have not carried out an audit or any review, and consequently we do not express any opinion on these financial statements.



PCP & CO
AAT REPORTING ACCOUNTANTS

London, 16 September 2009

TEMM ENGINEERING LIMITED

INCOME STATEMENT

Year ended 30 November 2008

	Note	2008 US\$	21/11/2006 -30/11/2007 US\$
Revenue	4	1.012.905	-
Administration expenses		(3.942)	(3.306)
Other expenses	5	-	(3.000)
Operating profit / (loss)		1.008.963	(6.306)
Net finance costs	6	(1.020.017)	(101)
Net (loss) / profit from investing activities	7	(88)	4
Loss before tax		(11.142)	(6.403)
Tax		-	-
Net (loss) for the year / period		(11.142)	(6.403)

The notes on pages 8 to 14 form an integral part of these financial statements.

TEMM ENGINEERING LIMITED

BALANCE SHEET

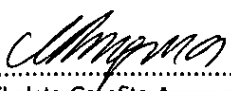
30 November 2008

	Note	2008 US\$	2007 US\$
ASSETS			
Non-current assets			
Investments in subsidiaries	8	892	467
Loan receivable	9	<u>9,265,905</u>	<u>-</u>
		<u>9,266,797</u>	<u>467</u>
Current assets			
Cash at bank	10	<u>63</u>	<u>-</u>
		<u>63</u>	<u>-</u>
Total assets		<u>9,266,860</u>	<u>467</u>
EQUITY AND LIABILITIES			
Equity and reserves			
Share capital	11	1,896	1,896
Accumulated (losses)		<u>(17,545)</u>	<u>(6,403)</u>
		<u>(15,649)</u>	<u>(4,507)</u>
Non-current liabilities			
Borrowings	12	<u>9,274,105</u>	<u>505</u>
		<u>9,274,105</u>	<u>505</u>
Current liabilities			
Trade and other payables	13	8,352	4,409
Borrowings	12	<u>52</u>	<u>60</u>
		<u>8,404</u>	<u>4,469</u>
Total liabilities		<u>9,282,509</u>	<u>4,974</u>
Total equity and liabilities		<u>9,266,860</u>	<u>467</u>

The directors consider that for the year ended 30 November 2008 the company is entitled to exemption under subsection 1 of section 249A of the Companies Act 1985. No member or members have deposited a notice requesting an audit for the current financial year under subsection 2 of section 249B of the Act.

The directors acknowledges their responsibilities for ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985, and preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 226 which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company. These accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (Effective January 2005).

On 16 September 2009 the Board of Directors of Temm Engineering Limited authorised these financial statements for issue.


 Nikoleta Garofita Angonas
 Director

The notes on pages 8 to 14 form an integral part of these financial statements.

TEMM ENGINEERING LIMITED

STATEMENT OF CHANGES IN EQUITY

Year ended 30 November 2008

	Share capital US\$	Accumulated (losses) US\$	Total US\$
Issue of share capital	1.896	-	1.896
Net loss for the period	-	(6.403)	(6.403)
At 30 November 2007/ 1 December 2007	1.896	(6.403)	(4.507)
Net loss for the year	-	(11.142)	(11.142)
At 30 November 2008	1.896	(17.545)	(15.649)

The notes on pages 8 to 14 form an integral part of these financial statements.

TEMM ENGINEERING LIMITED

CASH FLOW STATEMENT

Year ended 30 November 2008

	Note	2008 US\$	21/11/2006 -30/11/2007 US\$
Cash flows from operating activities			
Loss before tax		(11.142)	(6.403)
Adjustments for:			
Unrealised exchange loss / (profit)		88	(4)
Interest income	4	(1.012.905)	-
Interest expense	6	1.019.500	5
Cash flows used in operations before working capital changes		(4.459)	(6.402)
Increase in trade and other payables		3.943	4.409
Net cash flows used in operating activities		(516)	(1.993)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for purchase of investments in subsidiaries	8	(425)	(467)
Loans granted		(12.953.000)	-
Loans repayments received		4.700.000	-
Net cash flows used in investing activities		(8.253.425)	(467)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of share capital		-	1.896
Repayments of borrowings		(4.706.400)	-
Proceeds from borrowings		12.960.500	500
Unrealised exchange (loss) / profit		(88)	4
Net cash flows from financing activities		8.254.012	2.400
Net increase / (decrease) in cash and cash equivalents		71	(60)
Cash and cash equivalents:			
At beginning of the year/ period	10	(60)	-
At end of the year/ period	10	11	(60)

The notes on pages 8 to 14 form an integral part of these financial statements.

TEMM ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 November 2008

1. Incorporation and principal activities

Country of incorporation

The Company Temm Engineering Limited (the «Company») was incorporated in the United Kingdom on 21 November 2006 as a private company with limited liability under the Companies Act, 1985. Its registered office is at 2, Athenaeum road, Prospect House, London N20 9YU.

Principal activities

The principal activities of the Company, which are unchanged from last year, are the investing activities.

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.

Basis of preparation

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and the requirements of the Companies Act 1985.

The Company is not required to prepare consolidated financial statements and the Company does not intend to issue consolidated financial statements for the year ended 30 November 2008.

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 December 2007.

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.

Subsidiary companies

Investments in subsidiary companies are stated at cost less provision for impairment in value, which is recognised as an expense in the period in which the impairment is identified. Dividends from subsidiary companies are recognised in profit or loss when the Company's right to receive payment is established.

TEMM ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 November 2008

2. Accounting policies (continued)

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:

- **Income from investments in securities**

Dividend from investments in securities is recognised when the right to receive payment is established. Withheld taxes are transferred to the income statement. Interest from investments in securities is recognised on an accruals basis.

Profits or losses from the sale of investments in securities represent the difference between the net proceeds and the carrying amount of the investments sold and is transferred to the income statement.

The difference between the fair value of investments at fair value through profit or loss as at 30 November 2008 and the mid cost price represents unrealised gains and losses and are included in the income statement in the period in which they arise as. Unrealised gains and losses arising from changes in the fair value of available-for-sale financial assets are recognised in equity. When available-for-sale financial assets are sold or impaired, the accumulated fair value adjustments are included in the income statement as fair value gains or losses on investments, taking into account any amounts charged or credited to the income statements in previous periods.

- **Interest income**

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

Finance costs

Interest expense and other borrowing costs are charged to the income statement as incurred.

Foreign currency translation

- (1) Functional and presentation currency

Items included in the Company's financial statements are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in 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 income statement.

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.

TEMM ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 November 2008

2. Accounting policies (continued)

Loans granted

Loans originated by the Company by providing money directly to the borrower are categorised as loans and are carried at amortised cost. This is defined as the fair value of cash consideration given to originate those loans as is determined by reference to market prices at origination date. All loans are recognised when cash is advanced to the borrower.

An allowance for loan impairment is established if there is objective evidence that the Company will not be able to collect all amounts due according to the original contractual terms of loans. The amount of the provision is the difference between the carrying amount and the recoverable amount, being the present value of expected cash flows including amounts recoverable from guarantees and collateral, discounted at the original effective interest rate of loans.

Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held at call with banks and bank overdrafts. In the balance sheet, bank overdrafts are included in borrowings in current liabilities.

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.

Share capital

Ordinary shares are classified as equity.

Non-current liabilities

Non-current liabilities represent amounts that are due more than twelve months from the balance sheet date.

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 interest rate risk, liquidity risk, currency risk and capital risk management arising from the financial instruments it holds. The risk management policies employed by the Company to manage these risks are discussed below:

3.1 Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. 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.

3.2 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.

TEMM ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 November 2008

3. Financial risk management (continued)

3.3 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.

3.4 Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Company's overall strategy remains unchanged from last year.

Fair value estimation

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

4. Revenue

	2008 US\$	21/11/2006 -30/11/2007 US\$
Interest income	<u>1,012,905</u>	<u>-</u>
	<u>1,012,905</u>	<u>-</u>

5. Other expenses

	2008 US\$	21/11/2006 -30/11/2007 US\$
Incorporation expenses	<u>-</u>	<u>3,000</u>
	<u>-</u>	<u>3,000</u>

6. Finance costs

	2008 US\$	21/11/2006 -30/11/2007 US\$
Interest expense	<u>1,019,500</u>	<u>5</u>
Other finance expenses	<u>517</u>	<u>96</u>
	<u>1,020,017</u>	<u>101</u>

7. (Loss) / profit from investing activities

	2008 US\$	21/11/2006 -30/11/2007 US\$
Exchange profit	<u>(88)</u>	<u>4</u>
	<u>(88)</u>	<u>4</u>

TEMM ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 November 2008

8. Investments in subsidiaries

	2008 US\$	2007 US\$
On 1 December / 21 November	467	-
Additions	425	467
At 30 November	892	467

The details of the subsidiaries are as follows:

<u>Name</u>	<u>Country of incorporation</u>	Holding %
OOO "Donata"	Russia	100
OOO "Sfera"	Russia	100

9. Loan receivable

	2008 US\$	2007 US\$
Loan receivable	9,265,905	-
	9,265,905	-

The loan carries interest at 10%.

10. Cash and cash equivalents

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

	2008 US\$	2007 US\$
Cash at bank	63	-
Bank overdrafts (Note 12)	(52)	(60)
	11	(60)

11. Share capital

	2008 Number of shares	2008 US\$	2007 Number of shares	2007 US\$
Authorised				
Ordinary shares of GBP 1 each	1,000	1,896	1,000	1,896
Issued and fully paid				
On 1 December / 21 November	1,000	1,896	-	-
Issue of shares	-	-	1,000	1,896
At 30 November	1,000	1,896	1,000	1,896

TEMM ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 November 2008

12. Borrowings

	2008 US\$	2007 US\$
Current borrowings		
Bank overdrafts (Note 10)	52	60
Non current borrowings		
Other loan	<u>9.274.105</u>	<u>505</u>
Total	<u>9.274.157</u>	<u>565</u>
 Maturity of non-current borrowings		
Between one to two years	49.538	-
Between two and five years	<u>9.224.567</u>	<u>505</u>
	<u>9.274.105</u>	<u>505</u>

The loan carries interest at 9,5%.

13. Trade and other payables

	2008 US\$	2007 US\$
Shareholders' current accounts - credit balances (Note 14)	1.104	1.104
Accruals	<u>7.248</u>	<u>3.305</u>
	<u>8.352</u>	<u>4.409</u>

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

14. Related party transactions

The following transactions were carried out with related parties:

14.1 Shareholders' current accounts - credit balances (Note 13)

	2008 US\$	2007 US\$
Amount due to shareholder	1.104	1.104
	<u>1.104</u>	<u>1.104</u>

The shareholders' current accounts are interest free, and have no specified repayment date.

15. Contingent liabilities

The Company had no contingent liabilities as at 30 November 2008.

16. Commitments

The Company had no capital or other commitments as at 30 November 2008.

TEMM ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 November 2008

17. Post balance sheet events

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

Accountants' Report on the Unaudited Financial Statements page 3

TEMM ENGINEERING LIMITED

DETAILED INCOME STATEMENT

Year ended 30 November 2008

	Page	2008 US\$	21/11/2006 -30/11/2007 US\$
Revenue			
Interest income		1.012.905	-
Operating expenses			
Administration expenses	16	<u>(3.942)</u>	<u>(3.306)</u>
		1.008.963	(3.306)
Other operating expenses			
Incorporation expenses		-	(3.000)
Operating profit/ (loss)		1.008.963	(6.306)
Finance costs	17	<u>(1.020.017)</u>	<u>(101)</u>
Exchange profit		<u>(88)</u>	<u>4</u>
Net loss for the year / period before tax		<u>(11.142)</u>	<u>(6.403)</u>

TEMM ENGINEERING LIMITED

OPERATING EXPENSES

Year ended 30 November 2008

	2008 US\$	21/11/2006 -30/11/2007 US\$
Administration expenses		
Accounting fees	2.190	1.531
Other professional fees	<u>1.752</u>	<u>1.775</u>
	<u>3.942</u>	<u>3.306</u>

TEMM ENGINEERING LIMITED

FINANCE INCOME / COST

Year ended 30 November 2008

	2008 US\$	21/11/2006 -30/11/2007 US\$
Finance income		
Unrealised exchange profit	<u>(88)</u>	<u>4</u>
	<u>(88)</u>	<u>4</u>
 Finance costs		
Interest expense		
Loan interest	1.019.500	5
 Other finance expenses		
Bank charges	<u>517</u>	<u>96</u>
	<u>1.020.017</u>	<u>101</u>

TEMM ENGINEERING LIMITED

COMPUTATION OF CORPORATION TAX

Year ended 30 November 2008

	Page	US\$	US\$
Net loss per detailed income statement	15		(11,142)
<u>Add:</u>			
Unrealised exchange profit		(88)	88
Net (loss) for the year			<u><u>(11,054)</u></u>
			GB£
Converted into GB£ at US\$ 1,6412 = GB£1			(6,735)
Loss brought forward			<u>(1,645)</u>
Net (loss) at 30 November 2008 carried forward			<u><u>(8,380)</u></u>