

**COMPANY NUMBER : 06213696**

**ABC MULTITRADE LIMITED**

**ABBREVIATED FINANCIAL STATEMENTS**  
31 December 2011

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# **ABC MULTITRADE LIMITED**

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## **ABBREVIATED FINANCIAL STATEMENTS**

31 December 2011

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# ABC MULTITRADE LIMITED

## BALANCE SHEET

31 December 2011

	Note	2011 US\$	2010 US\$
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Current assets</b>			
Receivables	11	<b>18,234</b>	1,565,498
Cash at bank and in hand	12	<b>133,333</b>	40,863
		<b>151,567</b>	1,606,361
<b>Total assets</b>		<b>151,567</b>	1,606,361
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	13	<b>1,560</b>	1,560
Retained earnings		<b>18,895</b>	25,314
<b>Total equity</b>		<b>20,455</b>	26,874
<b>Current liabilities</b>			
Trade and other payables	14	<b>129,012</b>	1,578,340
Bank overdrafts	12	<b>44</b>	-
Current tax liabilities	15	<b>2,056</b>	1,147
		<b>131,112</b>	1,579,487
<b>Total equity and liabilities</b>		<b>151,567</b>	1,606,361

### Directors' Statement

For the year ending 31st December 2011, the company was entitled to exemption from audit under section 477 of the Companies Act 2006

The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006

The Director's acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to small companies' regime

On 14/12/2012 the Board of Directors of ABC MULTITRADE LIMITED authorised these financial statements for issue

Manna Psyllou  
Director

The notes on pages 2 to 8 form an integral part of these financial statements

# **ABC MULTITRADE LIMITED**

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## **NOTES TO THE FINANCIAL STATEMENTS**

Year ended 31 December 2011

### **1. Incorporation and principal activities**

#### **Country of incorporation**

The Company ABC MULTITRADE LIMITED (the "Company") was incorporated in United Kingdom on 16th of April 2007 as a private company with limited liability with the special provisions of Part 15 of the Companies Act 2006. Its registered office is at Suite 351, 10 Great Russell Street, London, WC1B 3BQ, England

#### **Principal activity**

The principal activity of the Company, which is unchanged from last year, is the general trade

### **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 have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU). The financial statements have been prepared under the historical cost convention and in accordance with The Financial Reporting Standard for Smaller Entities (effective April 2008), and The special provisions of Part VII of the Companies Act 2006 relating to small companies.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires Management to exercise its judgment in the process of applying the Company's accounting policies. 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 2011. 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. 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 products net of Value Added Tax, rebates and discounts. Revenues earned by the Company are recognised on the following bases:

- **Sale of products**

Sales of products are recognised when significant risks and rewards of ownership of the products have been transferred to the customer, which is usually when the Company has sold or delivered the products to the customer, the customer has accepted the products and collectability of the related receivable is reasonably assured.

# ABC MULTITRADE LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2011

### 2. Accounting policies (continued)

#### Revenue recognition (continued)

- **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 provided

#### Finance income

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

#### Finance costs

Interest expense and other borrowing costs are charged to profit or loss 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 profit or loss

#### Tax

Current tax liabilities and assets 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 reporting date

#### Financial instruments

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

#### Prepayments from clients

Payments received in advance on sale contracts for which no revenue has been recognised yet, are recorded as prepayments from clients as at the reporting date and carried under liabilities

#### Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held at call with banks and bank overdrafts

# ABC MULTITRADE LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2011

### 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.

#### Derecognition of financial assets and liabilities

##### Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired;
- the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement, or
- the Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

##### Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss

#### Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the balance sheet

#### Share capital

Ordinary shares are classified as equity

# **ABC MULTITRADE LIMITED**

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## **NOTES TO THE FINANCIAL STATEMENTS**

Year ended 31 December 2011

### **3. Financial risk management**

#### **Financial risk factors**

The Company is exposed to interest rate risk, credit 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 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 reporting 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.

#### **3.3 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.

#### **3.4 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.

#### **3.5 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.

### **4. Critical accounting estimates and judgments**

Estimates and judgments 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. 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.

# ABC MULTITRADE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2011

### 4. Critical accounting estimates and judgments (continued)

#### • Income taxes

Significant judgment 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

	2011 US\$	2010 US\$
Sales of products	28,407,365	42,431,629
Rendering of services	113,014	-
	<u>28,520,379</u>	<u>42,431,629</u>

### 6. Cost of sales

	2011 US\$	2010 US\$
Purchases	27,870,401	35,977,472
Services received	592,183	6,399,414
	<u>28,462,584</u>	<u>42,376,886</u>

### 7. Administration expenses

	2011 US\$	2010 US\$
Auditors' remuneration	2,600	1,988
Accounting fees	-	5,996
Other professional fees	14,219	1,925
Nominee fees	-	839
Fines	-	584
	<u>16,819</u>	<u>11,332</u>

### 8. Operating profit

	2011 US\$	2010 US\$
Operating profit is stated after charging the following items:		
Auditors' remuneration	<u>2,600</u>	<u>1,988</u>



# ABC MULTITRADE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2011

### 9. Finance income/cost

	2011 US\$	2010 US\$
Exchange profit	<u>46</u>	<u>11,903</u>
<b>Finance income</b>	<b><u>46</u></b>	<b><u>11,903</u></b>
Net foreign exchange transaction losses	<b>(10,043)</b>	-
Interest expense	<b>(51)</b>	(1)
Sundry finance expenses	<b><u>(36,438)</u></b>	<b><u>(34,577)</u></b>
<b>Finance costs</b>	<b><u>(46,532)</u></b>	<b><u>(34,578)</u></b>
<b>Net finance costs</b>	<b><u>(46,486)</u></b>	<b><u>(22,675)</u></b>

### 10. Tax

	2011 US\$	2010 US\$
Corporation tax - current year	<u>909</u>	<u>1,147</u>
<b>Charge for the year</b>	<b><u>909</u></b>	<b><u>1,147</u></b>

### 11. Receivables

	2011 US\$	2010 US\$
Shareholders' current accounts - debit balances	<b>17,398</b>	17,398
Deposits and prepayments	<u>836</u>	<u>1,548,100</u>
	<b><u>18,234</u></b>	<b><u>1,565,498</u></b>

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

The exposure of the Company to credit risk and impairment losses in relation to trade and other receivables is reported in note 3 of the financial statements

### 12. Cash at bank and in hand

	2011 US\$	2010 US\$
Cash at bank and in hand	<u>133,333</u>	<u>40,863</u>
	<b><u>133,333</u></b>	<b><u>40,863</u></b>

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

	2011 US\$	2010 US\$
Cash at bank and in hand	<b>133,333</b>	40,863
Bank overdrafts	<b>(44)</b>	-
	<b><u>133,289</u></b>	<b><u>40,863</u></b>

# ABC MULTITRADE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2011

### 13. Share capital

	2011 Number of shares	2011 US\$	2010 Number of shares	2010 US\$
<b>Authorised</b>				
Ordinary shares of \$1.56 each	<u>1,000</u>	<u>1,560</u>	<u>1,000</u>	<u>1,560</u>
<b>Issued and fully paid</b>				
Balance at 1 January	<u>1,000</u>	<u>1,560</u>	<u>1,000</u>	<u>1,560</u>
<b>Balance at 31 December</b>	<u>1,000</u>	<u>1,560</u>	<u>1,000</u>	<u>1,560</u>

### 14. Trade and other payables

	2011 US\$	2010 US\$
Trade payables	119,072	1,300,000
Prepayments from clients	-	271,000
Accruals	<u>9,940</u>	<u>7,340</u>
	<u>129,012</u>	<u>1,578,340</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

	2011 US\$	2010 US\$
Corporation tax	<u>2,056</u>	<u>1,147</u>
	<u>2,056</u>	<u>1,147</u>

### 16. Contingent liabilities

The Company had no contingent liabilities as at 31 December 2011

### 17. Commitments

The Company had no capital or other commitments as at 31 December 2011

### 18. 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