

**OXXY GROUP LIMITED (EX. OMS
CYPRUS LIMITED)**

REPORT AND FINANCIAL STATEMENTS
31 December 2013

OXXY GROUP LIMITED (EX. OMS CYPRUS LIMITED)

REPORT AND FINANCIAL STATEMENTS

31 December 2013

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OXXY GROUP LIMITED (EX. OMS CYPRUS LIMITED)

BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors:	Aston Management (Cyprus) Limited Stelios Kazamia (appointed on 2 January 2013) Dimitar Dimitrov (appointed on 2 January 2013)
Company Secretary:	White November Corporate Services (Cyprus) Limited
Independent Auditors:	M.D. MAKRIS & ASSOCIATES LTD Certified Public Accountants and Registered Auditors Christodoulou Sozou 31 ERMES Tower Office 402 1096 Nicosia Cyprus
Registered office:	25 Michalakopoulou Street MICHALAKOPOULOU TOWER, 1st floor, office M102 1075 Nicosia Cyprus
Banker:	Bank of Cyprus Public Company Ltd
Registration number:	HE307150

OXXY GROUP LIMITED (EX. OMS 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 2013.

Principal activities

The principal activities of the Company, which are unchanged from last year, are the holding of investments and the provision of finance and consultancy services.

Change of Company name

On 20 November 2013, the Company changed its name from OMS Cyprus Limited to Oxy Group Limited.

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.

Additional details that relate to the operating environment of the Company as well as other risks and uncertainties are described in notes 3 and 18 of the financial statements.

Results

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

Dividends

On 4 November 2013 an interim dividend from the profits of the year 2012 was paid (total dividend approved by the board of directors on 30 December 2012 amounted to €35,672 of which €31,153 was paid in 2012) amounted to €4,054 (2012: €31,153).

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 the date of this report are presented on page 1. All of them were members of the Board of Directors throughout the year ended 31 December 2013.

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.

Independent Auditors

During the year the Independent Auditor of the Company, Mr. PANTELIS IACOVIDES, resigned and M.D. MAKRIS & ASSOCIATES LTD were appointed in his place.

The Independent Auditors, M.D. MAKRIS & ASSOCIATES LTD, have expressed their willingness to continue in office and a resolution giving authority to the Board of Directors to fix their remuneration will be proposed at the Annual General Meeting.

By order of the Board of Directors,



White November Corporate Services (Cyprus) Limited
Secretary

Nicosia, 10 September 2014

Independent auditor's report

To the Members of Oxy Group Limited (ex. OMS Cyprus Limited)

Report on the financial statements

We have audited the financial statements of the parent company Oxy Group Limited (ex. OMS Cyprus Limited) (the "Company") on pages 5 to 19 which comprise the statement of financial position as at 31 December 2013, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

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 and the requirements of the Cyprus Companies Law, Cap. 113, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 about 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.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of parent company Oxy Group Limited (ex. OMS Cyprus Limited) as at 31 December 2013, 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 European Union and the requirements of the Cyprus Companies Law, Cap. 113.

Independent auditor's report (continued)

To the Members of Oxy Group Limited (ex. OMS Cyprus Limited)

Report on other legal requirements

Pursuant to the additional requirements of the Auditors and Statutory Audits of Annual and Consolidated Accounts Laws of 2009 and 2013, 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, so far as appears from our examination of these books.
- 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 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 34 of the Auditors and Statutory Audits of Annual and Consolidated Accounts Laws of 2009 and 2013 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.

Comparative figures

The financial statements of the Company for the year ended 31 December 2012 were audited by another auditor who expressed an unmodified opinion on those financial statements on 22 July 2013.



Michalis Makris
Certified Public Accountant and Registered Auditor
for and on behalf of
M.D. MAKRIS & ASSOCIATES LTD
Certified Public Accountants and Registered Auditors

Nicosia, 10 September 2014

OXXY GROUP LIMITED (EX. OMS CYPRUS LIMITED)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 December 2013

	Note	2013 €	30.05.2012- 31.12.2012 €
Revenue	5	-	42,463
Administration expenses		(902)	(2,271)
Other expenses	6	-	(831)
Operating (loss)/profit		(902)	39,361
Finance costs	8	(468)	(108)
(Loss)/profit before tax		(1,370)	39,253
Tax	9	-	(4,047)
Net (loss)/profit for the year/period		(1,370)	35,206
Other comprehensive income		-	-
Total comprehensive (expense)/income for the year/period		(1,370)	35,206

The notes on pages 9 to 19 form an integral part of these financial statements.

OXXY GROUP LIMITED (EX. OMS CYPRUS LIMITED)

STATEMENT OF FINANCIAL POSITION


31 December 2013

	Note	2013 €	2012 €
ASSETS			
Non-current assets			
Intangible assets	11	97,900	-
Investments in subsidiaries	12	<u>175</u>	-
		<u>98,075</u>	-
Current assets			
Trade and other receivables	13	-	6,156
Cash at bank and in hand	14	<u>326</u>	<u>344</u>
		<u>326</u>	6,500
Total assets		<u><u>98,401</u></u>	<u>6,500</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	15	1,000	1,000
Accumulated losses /retained earnings		<u>(1,371)</u>	<u>4,053</u>
Total equity		<u>(371)</u>	<u>5,053</u>
Current liabilities			
Trade and other payables	16	98,525	1,200
Current tax liabilities	17	<u>247</u>	<u>247</u>
		<u>98,772</u>	<u>1,447</u>
Total equity and liabilities		<u><u>98,401</u></u>	<u>6,500</u>

On 10 September 2014 the Board of Directors of Oxy Group Limited (ex. OMS Cyprus Limited) authorised these financial statements for issue.



 Aston Management (Cyprus) Limited
 Director



 Stelios Kazamia
 Director

The notes on pages 9 to 19 form an integral part of these financial statements.

OXXY GROUP LIMITED (EX. OMS CYPRUS LIMITED)

STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2013

	Note	Share capital €	Accumulated losses/retained earnings €	Total €
Comprehensive income				
Net profit for the period		-	35,206	35,206
Transactions with owners				
Issue of share capital	15	1,000	-	1,000
Dividends	10	-	(31,153)	(31,153)
Balance at 31 December 2012/ 1 January 2013		1,000	4,053	5,053
Comprehensive income				
Net loss for the year		-	(1,370)	(1,370)
Transactions with owners				
Dividends	10	-	(4,054)	(4,054)
Balance at 31 December 2013		1,000	(1,371)	(371)

Companies which do not distribute 70% of their profits after tax, as defined by the relevant tax law, within two years after the end of the relevant tax year, will be deemed to have distributed as dividends 70% of these profits. Special contribution for defence at 20% for the tax years 2012 and 2013 and 17% for 2014 and thereafter will be payable on such deemed dividends to the extent that the shareholders (companies and individuals) are Cyprus tax residents. The amount of deemed distribution is reduced by any actual dividends paid out of the profits of the relevant year at any time. This special contribution for defence is payable by the Company for the account of the shareholders.

The notes on pages 9 to 19 form an integral part of these financial statements.

OXXY GROUP LIMITED (EX. OMS CYPRUS LIMITED)

CASH FLOW STATEMENT

Year ended 31 December 2013

	Note	2013 €	30.05.2012- 31.12.2012 €
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss)/profit before tax		(1,370)	39,253
Adjustments for:			
Interest expense	8	-	32
Cash flows (used in)/from operations before working capital changes		(1,370)	39,285
Decrease/(increase) in trade and other receivables		6,156	(6,156)
Increase in trade and other payables		97,325	1,200
Cash flows from operations		102,111	34,329
Tax paid		-	(3,800)
Net cash flows from operating activities		102,111	30,529
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for purchase of intangible assets	11	(97,900)	-
Payment for purchase of investments in subsidiaries	12	(175)	-
Net cash flows used in investing activities		(98,075)	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of share capital		-	1,000
Interest paid		-	(32)
Dividends paid		(4,054)	(31,153)
Net cash flows used in financing activities		(4,054)	(30,185)
Net (decrease) /increase in cash and cash equivalents		(18)	344
Cash and cash equivalents:			
At beginning of the year/period		344	-
At end of the year/period	14	326	344

The notes on pages 9 to 19 form an integral part of these financial statements.

OXXY GROUP LIMITED (EX. OMS CYPRUS LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2013

1. Incorporation and principal activities

Country of incorporation

The Company Oxy Group Limited (ex. OMS Cyprus Limited) (the "Company") was incorporated in Cyprus on 30 May 2012 as a private limited liability company under the Cyprus Companies Law, Cap. 113. Its registered office is at 25 Michalakopoulou Street, MICHALAKOPOULOU TOWER, 1st floor, office M102, 1075 Nicosia, Cyprus.

Principal activities

The principal activities of the Company, which are unchanged from last year, are the holding of investments and the provision of finance and consultancy services.

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 Cyprus Companies Law, Cap. 113.

The Company is not required by the Cyprus Companies Law, Cap.113, to prepare consolidated financial statements because the Company and its subsidiaries constitute a small sized group as defined by the Law and the Company does not intend to issue consolidated financial statements for the year ended 31 December 2013.

The European Union has concluded that since its 4th Directive requires parent companies to prepare separate financial statements, and since the Cyprus Companies Law, Cap. 113, requires the preparation of such financial statements in accordance with IFRS as adopted by the European Union, the provisions of International Accounting Standard 27 "Consolidated and separate financial statements" that require the preparation of consolidated financial statements in accordance with IFRS do not apply.

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 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 2013. 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.

OXXY GROUP LIMITED (EX. OMS CYPRUS LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2013

2. Accounting policies (continued)

Subsidiary companies

Subsidiaries are entities controlled by the Group. Control exists where the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

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.

Revenue recognition

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 provided.

Finance costs

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

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.

Dividends

Interim dividends are recognised in equity in the year in which they are paid. Dividend distribution to the Company's shareholders is recognised in the Company's financial statements in the year in which they are approved by the Company's shareholders.

Internally-generated intangible assets - research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from the Company's e-business development is recognised only if all of the following conditions are met:

- an asset is created that can be identified (such as software and new processes);
- it is probable that the asset created will generate future economic benefits; and
- the development cost of the asset can be measured reliably.

Internally-generated intangible assets are amortised on a straight-line basis over their estimated useful lives. Where no internally-generated intangible asset can be recognised, development expenditure is charged to profit or loss in the period in which it is incurred.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

OXXY GROUP LIMITED (EX. OMS CYPRUS LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2013

2. Accounting policies (continued)

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.

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

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.

Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position 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 statement of financial position.

OXXY GROUP LIMITED (EX. OMS CYPRUS LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2013

2. Accounting policies (continued)

Share capital

Ordinary shares are classified as equity.

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, credit risk, liquidity 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.

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 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.

OXXY GROUP LIMITED (EX. OMS CYPRUS LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2013

4. Critical accounting estimates and judgments (continued)

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:

- **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.

- **Impairment of investments in subsidiaries**

The Company periodically evaluates the recoverability of investments in subsidiaries whenever indicators of impairment are present. Indicators of impairment include such items as declines in revenues, earnings or cash flows or material adverse changes in the economic or political stability of a particular country, which may indicate that the carrying amount of an asset is not recoverable. If facts and circumstances indicate that investment in subsidiaries may be impaired, the estimated future discounted cash flows associated with these subsidiaries/associates would be compared to their carrying amounts to determine if a write-down to fair value is necessary.

- **Impairment of intangible asset**

Intangible assets are initially recorded at acquisition cost and are amortized on a straight line basis over their useful economic life. Intangible assets that are acquired through a business combination are initially recorded at fair value at the date of acquisition. Intangible assets with indefinite useful life are reviewed for impairment at least once per year. The impairment test is performed using the discounted cash flows expected to be generated through the use of the intangible assets, using a discount rate that reflects the current market estimations and the risks associated with the asset. When it is impractical to estimate the recoverable amount of an asset, the Company estimates the recoverable amount of the cash generating unit in which the asset belongs to.

5. Revenue

	2013	30.05.2012- 31.12.2012
	€	€
Rendering of services	-	42,463
	-	42,463

6. Other expenses

	2013	30.05.2012- 31.12.2012
	€	€
Incorporation expenses	-	831
	-	831

OXXY GROUP LIMITED (EX. OMS CYPRUS LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2013

7. Expenses by nature

	2013	30.05.2012- 31.12.2012
	€	€
Auditors' remuneration for the statutory audit of annual accounts	552	850
Annual levy	350	350
Courier expenses	-	71
Accounting fees	-	1,000
Total expenses	902	2,271

8. Finance costs

	2013	30.05.2012- 31.12.2012
	€	€
Interest expense	-	32
Sundry finance expenses	468	76
	468	108

9. Tax

	2013	30.05.2012- 31.12.2012
	€	€
Corporation tax - current year/period	-	4,047
Charge for the year/period	-	4,047

The tax on the Company's results before tax differs from the theoretical amount that would arise using the applicable tax rates as follows:

	2013	30.05.2012- 31.12.2012
	€	€
(Loss)/profit before tax	(1,370)	39,253
Tax calculated at the applicable tax rates	(171)	3,925
Tax effect of expenses not deductible for tax purposes	44	122
Tax effect of tax loss for the year/period	127	-
Tax charge	-	4,047

The corporation tax rate is 12,5% (2012:10%).

Under certain conditions interest income may be subject to defence contribution at the rate of 30% (2012:15%). In such cases this interest will be exempt from corporation tax. In certain cases, dividends received from abroad may be subject to defence contribution at the rate of 20% for the tax years 2012 and 2013 and 17% for 2014 and thereafter.

Due to tax losses sustained in the year, no tax liability arises on the Company. Under current legislation, tax losses may be carried forward and be set off against taxable income of the five succeeding years. As at 31 December 2013, the balance of tax losses which is available for offset against future taxable profits amounts to €1,020 for which no deferred asset is recognised in the statement of financial position.

OXXY GROUP LIMITED (EX. OMS CYPRUS LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2013

10. Dividends

	2013	30.05.2012- 31.12.2012
	€	€
Interim dividend paid	4,054	31,153
	<u>4,054</u>	<u>31,153</u>

On 4 November 2013 an interim dividend from the profits of the year 2012 was paid (total dividend approved by the board of directors on 30 December 2012 amounted to €35,672 of which €31,153 was paid in 2012) amounted to €4,054 (2012: €31,153).

Dividends are subject to a deduction of special contribution for defence at 20% for the tax years 2012 and 2013 and 17% for 2014 and thereafter for individual shareholders that are residents of Cyprus.

11. Intangible assets

	Research and development €
Cost	
Additions	97,900
Balance at 31 December 2013	<u>97,900</u>
Net book amount	
Balance at 31 December 2013	<u>97,900</u>

The above research and development costs have been incurred by the company for the development of a software system. The company has made an application during the year 2014 and registered the brand name "OXXY".

12. Investments in subsidiaries

	2013 €	2012 €
Balance at 1 January/30 May	-	-
Additions	175	-
Balance at 31 December	<u>175</u>	<u>-</u>

The details of the subsidiaries are as follows:

Name	Country of incorporation	Principal activities	Holding %	2013 €
Oxy Applications Ltd	Bulgaria	Web site development and applications	100	50
Oxy Solutions Ltd	United Kingdom	Dormant	100	125
				<u>175</u>

13. Trade and other receivables

	2013 €	2012 €
Trade receivables	-	6,156
	<u>-</u>	<u>6,156</u>

OXXY GROUP LIMITED (EX. OMS CYPRUS LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2013

13. Trade and other receivables (continued)

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.

14. Cash at bank and in hand

Cash balances are analysed as follows:

	2013 €	2012 €
Cash at bank and in hand	326	344
	<u>326</u>	<u>344</u>

The exposure of the Company to credit risk and impairment losses in relation to cash and cash equivalents is reported in note 3 of the financial statements.

15. Share capital

	2013 Number of shares	2013 €	2012 Number of shares	2012 €
Authorised				
Ordinary shares of €1 each	1,000	1,000	1,000	1,000
Issued and fully paid				
Balance at 1 January/30 May	1,000	1,000	-	-
Issue of shares	-	-	1,000	1,000
Balance at 31 December	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

16. Trade and other payables

	2013 €	2012 €
Accruals	-	1,200
Payables to related companies (Note 20)	98,525	-
	<u>98,525</u>	<u>1,200</u>

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

17. Current tax liabilities

	2013 €	2012 €
Corporation tax	247	247
	<u>247</u>	<u>247</u>

OXXY GROUP LIMITED (EX. OMS CYPRUS LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2013

18. Operating Environment of the Company

The Cyprus economy has been adversely affected from the crisis in the Cyprus banking system in conjunction with the inability of the Republic of Cyprus to borrow from international markets. As a result, the Republic of Cyprus entered into negotiations with the European Commission, the European Central Bank and the International Monetary Fund (the "Troika"), for financial support, which resulted into an agreement and the Eurogroup decision of 25 March 2013. The decision included the restructuring of the two largest banks in Cyprus through "bail in". During 2013 the Cyprus economy contracted further with a decrease in the Gross Domestic Product.

Following the positive outcome of the first and second quarterly reviews of Cyprus's economic programme by the European Commission, the European Central Bank and the International Monetary Fund during 2013, the Eurogroup endorsed the disbursement of the scheduled tranches of financial assistance to Cyprus.

The uncertain economic conditions in Cyprus, the unavailability of financing, the restructuring of the banking sector through "bail in" for Laiki Bank and Bank of Cyprus, and the imposition of capital controls together with the current situation of the banking system and the continuing overall economic recession, have affected:

- The ability of the Company to obtain new borrowings or re-finance its existing borrowings at terms and conditions similar to those applied to earlier transactions
- The ability of the Company's trade and other debtors to repay the amounts due to the Company
- The ability of the Company to enter into contracts for the development of new property units
- The cash flow forecasts of the Company's management in relation to the impairment assessment for financial and non-financial assets

The economic conditions disclosed above together with the impact of the results of the Eurogroup decision of 25 March 2013 for Cyprus had an adverse impact on the Company's debtors (inability to meet their obligations towards the Company), suppliers (inability to continue trading), valuation of real estate, bankers (inability to provide adequate finance), revenue (decreased demand for the Company's products or services due to decreased purchasing power by consumers).

The Company's management has assessed:

- (1) Whether any impairment provisions are deemed necessary for the Company's financial assets carried at amortised cost by considering the economic situation and outlook at the end of the reporting period. Provisions for trade receivables are determined using the incurred loss model required by the applicable accounting standards. These standards require recognition of impairment losses for receivables that arose from past events and prohibit recognition of impairment losses that could arise from future events, no matter how likely those future events are.

The Company's management is unable to predict all developments which could have an impact on the Cyprus economy and consequently, what effect, if any, they could have on the future financial performance, cash flows and financial position of the Company.

On the basis of the evaluation performed, the Company's management has concluded that no provisions or impairment charges are necessary.

The Company's management believes that it is taking all the necessary measures to maintain the viability of the Company and the development of its business in the current business and economic environment.

19. General events

The negotiations of the Cyprus Government with the European Commission, the European Central Bank and the International Monetary Fund (the "Troika"), in order to obtain financial support, resulted in an agreement and decision of the Eurogroup on 25 March 2013 on the key elements necessary for a future macroeconomic adjustment programme which includes the provision of financial assistance to the Republic of Cyprus of up to €10 billion. The programme aims to address the exceptional economic challenges that Cyprus is facing, and to restore the viability of the financial sector, with a view to restoring sustainable economic growth and sound public finances in the coming years.

OXXY GROUP LIMITED (EX. OMS CYPRUS LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2013

19. General events (continued)

The Eurogroup decision on Cyprus includes plans for the restructuring of the financial sector and safeguards deposits below €100.000 in accordance with European Union legislation. In addition, the Cypriot authorities have reaffirmed their commitment to step up efforts in the areas of fiscal consolidation, structural reforms and privatizations.

On 12 April 2013 the Eurogroup welcomed the agreement that was reached between Cyprus and the Troika institutions regarding the macroeconomic adjustment programme for Cyprus. Subsequently all the necessary procedures for the formal approval of the Board of Directors of the European Stability Mechanism were completed, as well as the ratification by Eurozone member states. Following the completion of the above procedures, the first tranche of the financing of the Republic of Cyprus was released in line with the provisions of the Memorandum.

On 22 March 2013 legislation was enacted by the House of Representatives concerning restrictive measures in respect of transactions executed through the banking institutions operating in Cyprus. The extent and duration of the restrictive measures are decided by the Minister of Finance and the Governor of the Central Bank of Cyprus and were enforced on 28 March 2013. The temporary restrictive measures, with respect to banking and cash transactions include restrictions on cash withdrawals, the cashing of cheques and transfers of funds to other credit institutions in Cyprus and abroad. They also provide for the compulsory partial renewal of certain maturing deposits.

On 29 March 2013 the Central Bank of Cyprus issued decrees relating to Laiki Bank and Bank of Cyprus, implementing measures for these two banks under the Resolution of Credit and Other Institutions Law of 2013.

On the basis of the relevant decrees, Laiki Bank was placed into resolution. What remained in Laiki Bank were mainly the uninsured deposits and assets outside Cyprus. The assets of Laiki Bank in Cyprus, the insured deposits and the Eurosystem financing have been transferred to Bank of Cyprus, with compensation for the value of the net assets transferred, the issue of shares by Bank of Cyprus to Laiki Bank.

The recapitalization process for the Bank of Cyprus was completed in accordance with the relevant decrees of the Resolution Authority through "bail-in", that is through the partial conversion of uninsured deposits into shares. In addition, the holders of shares and debt instruments in Bank of Cyprus on 29 March 2013 have contributed to the recapitalization of Bank of Cyprus through the absorption of losses.

Following the positive outcome of the first and second quarterly reviews of Cyprus's economic programme by the European Commission, the European Central Bank and the International Monetary Fund during 2013, the Eurogroup endorsed the disbursement of the scheduled tranches of financial assistance to Cyprus.

20. Related party transactions

The Company is controlled by a local company and a foreign individual which own 100% of the Company's shares.

The following transactions were carried out with related parties:

20.1 Payables to related parties (Note 16)

<u>Name</u>	<u>Nature of transactions</u>	2013	2012
		€	€
Verdun Technologies Ltd	Finance	98,525	-
		<u>98,525</u>	<u>-</u>

OXXY GROUP LIMITED (EX. OMS CYPRUS LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2013

21. 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

OXXY GROUP LIMITED (EX. OMS CYPRUS LIMITED)

DETAILED INCOME STATEMENT

Year ended 31 December 2013

	Page	2013 €	30.05.2012- 31.12.2012 €
Revenue			
Rendering of services		-	42,463
Operating expenses			
Administration expenses	21	<u>(902)</u>	<u>(2,271)</u>
		(902)	40,192
Other operating expenses			
Incorporation expenses		<u>-</u>	<u>(831)</u>
Operating (loss)/profit		<u>(902)</u>	39,361
Finance costs	22	<u>(468)</u>	<u>(108)</u>
Net (loss)/profit for the year/period before tax		<u><u>(1,370)</u></u>	<u><u>39,253</u></u>

OXXY GROUP LIMITED (EX. OMS CYPRUS LIMITED)

OPERATING EXPENSES

Year ended 31 December 2013

	2013 €	30.05.2012- 31.12.2012 €
Administration expenses		
Annual levy	350	350
Courier expenses	-	71
Auditors' remuneration for the statutory audit of annual accounts	552	850
Accounting fees	-	1,000
	<u>902</u>	<u>2,271</u>

OXXY GROUP LIMITED (EX. OMS CYPRUS LIMITED)

FINANCE COSTS

Year ended 31 December 2013

	2013	30.05.2012-
	€	31.12.2012
		€
Finance costs		
Interest expense		
Interest on taxes	-	32
Sundry finance expenses		
Bank charges	<u>468</u>	<u>76</u>
	<u>468</u>	<u>108</u>

OXXY GROUP LIMITED (EX. OMS CYPRUS LIMITED)

COMPUTATION OF CORPORATION TAX

Year ended 31 December 2013

Net loss per income statement	Page 20	€ (1,370)	€ (1,370)
<u>Add:</u> Annual levy		<u>350</u>	<u>350</u>
Net loss for the year			<u><u>(1,020)</u></u>