



group  
PADDOCK  
CORPORATE SERVICES

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## QUALITY & RELIABILITY INTERNATIONAL S.A.

### ANNUAL ACCOUNTS

as at 31 December 2011

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## BALANCE SHEET

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**BALANCE SHEET AS OF DECEMBER 31st 2011**

	Note(s)	2011 EUR	2010 EUR
<b>ASSETS</b>			
<b>A. Subscribed capital unpaid</b>		<b>0,00</b>	<b>0,00</b>
<b>B. Formation expenses</b>		<b>0,00</b>	<b>0,00</b>
<b>C. Fixed assets</b>			
<b>Total fixed assets</b>		<b>0,00</b>	<b>0,00</b>
<b>D. Current assets</b>			
<b>II. Debtors</b>	<b>3</b>		
1 Trade receivables			
a) becoming due and payable within one year		1 273,45	0,00
4 Other receivables			
a) becoming due and payable within one year		18 771,18	37 439,57
		<b>20 044,63</b>	<b>37 439,57</b>
<b>IV. Cash at bank, cash in postal cheque accounts, cheques and cash in hand</b>		<b>21 019,12</b>	<b>5 528,34</b>
<b>Total current assets</b>		<b>41 063,75</b>	<b>42 967,91</b>
<b>E. Prepayments and accrued income</b>		<b>0,00</b>	<b>0,00</b>
<b>Total Assets</b>		<b>41 063,75</b>	<b>42 967,91</b>

The abridged legal notes is an integral part of the annual accounts

**BALANCE SHEET AS OF DECEMBER 31st 2011**

	Note(s)	2011 EUR	2010 EUR
<b>LIABILITIES</b>			
<b>A. Capital and reserves</b>			
I. Subscribed capital	4	37 500,00	37 500,00
IV. Reserves			
1 Legal reserve	4	3 192,23	3 192,23
V. Profit or loss brought forward	4	-86 883,12	-87 495,21
<b>VI. Profit or loss for the financial year</b>	<b>4</b>	<b>8 377,77</b>	<b>612,09</b>
<b>Total capital and reserves</b>		<b>-37 813,12</b>	<b>-46 190,89</b>
<b>B. Subordinated debt</b>		<b>0,00</b>	<b>0,00</b>
<b>C. Provisions for liabilities and charges</b>			
2 Provisions for taxation	5	186,00	124,00
<b>Total provisions for liabilities and charges</b>		<b>186,00</b>	<b>124,00</b>
<b>D. Creditors</b>			
4 Trade creditors on purchases and provisions of services	6		
a) becoming due and payable within one year		69 771,26	59 569,80
8 Tax and social security debts			
a) Tax debts		416,30	386,90
b) Social security debts		2 131,31	1 896,88
9 Other creditors			
a) becoming due and payable within one year		6 372,00	27 181,22
<b>Total creditors</b>		<b>78 690,87</b>	<b>89 034,80</b>
<b>E. Accruals and deferred income</b>		<b>0,00</b>	<b>0,00</b>
<b>Total liabilities</b>		<b>41 063,75</b>	<b>42 967,91</b>

The abridged legal notes is an integral part of the annual accounts

## PROFIT & LOSS ACCOUNT

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<b><u>PROFIT AND LOSS ACCOUNT FOR THE YEAR</u></b>	<b>Note(s)</b>	<b>2011 EUR</b>	<b>2010 EUR</b>
<b>A. CHARGES</b>			
2 Other external charges		12 674,57	13 502,84
3 Staff costs			
a) Wages and salaries		39 741,78	65 705,51
b) Social security costs accruing by reference to wages		5 138,73	7 999,01
8 Interest payable and similar charges			
b) other interest payable and charges		0,00	38,46
9 Extraordinary charges	<b>7</b>	70,20	4 080,09
11 Other tax not shown under the above items		<u>62,00</u>	<u>62,00</u>
<b>Total Charges</b>		<b>57 687,28</b>	<b>91 387,91</b>
<b>12 Profit for the financial year</b>		<b><u>8 377,77</u></b>	<b><u>612,09</u></b>
<b>Total</b>		<b>66 065,05</b>	<b>92 000,00</b>

The abridged legal notes is an integral part of the annual accounts

**PROFIT AND LOSS ACCOUNT FOR THE YEAR**

	Note(s)	2011 EUR	2010 EUR
<b>B. INCOME</b>			
1 Net turnover		66 000,00	92 000,00
9 Extraordinary income	<b>7</b>	<u>64,80</u>	<u>0,00</u>
<b>Total Income</b>		<b>66 065,05</b>	<b>92 000,00</b>
<b>10 Loss for the financial year</b>		<u><b>0,00</b></u>	<u><b>0,00</b></u>
<b>Total</b>		<b>66 065,05</b>	<b>92 000,00</b>

The abridged legal notes is an integral part of the annual accounts

## NOTES TO THE ANNUAL ACCOUNTS

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## 1. NOTE – GENERAL INFORMATION

Quality & Reliability International S.A. (hereafter “the Company”) was incorporated on April 27th 1999 and organized under the laws of Luxembourg as a limited company company for an unlimited period.

The registered office of the Company is established in Luxembourg.

The Company’s financial year starts on 01<sup>st</sup> January and ends on 31<sup>st</sup> December of each year.

The main activity of the Company is to perform either in Luxembourg or abroad all activities connected to the analysis, the realisation, the development, the trade or the distribution, in any form whatsoever of computerised and electronically systems, including hardware, software or applications, as well as all operations of data and communication processing.

In conformity with Article 314 of the Commercial Law of August 10, 1915 as amended, the Company is exempted from the obligation to establish consolidated accounts.

The Company’s accounts are included in the consolidated accounts of Quality & Reliability S.A., incorporated under the law of Greece. These can be obtained from Quality & Reliability S.A., a company registered in Greece, Konitsis Str. 11B, 151 25 Marousi.

Therefore, in accordance with the legal provisions, these annual accounts will be presented on a non-consolidated basis to be approved by the shareholders during the Annual General Meeting.

## 2. NOTE – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 2.1 Basis of preparation

These annual accounts have been prepared in accordance with generally accepted accounting principles and in accordance with the laws and regulations in force in the Grand-Duchy of Luxembourg.

Accounting policies and valuation rules are, besides the ones laid down by the Law, determined and applied by the Board of Managers.

In accordance with article 35 of the law of December 19, 2002 on commercial companies and companies register, the Company fulfils the conditions for small companies and prepares abridged notes to the annual accounts.

### 2.2 Significant accounting policies

The main valuation rules applied by the Company are the following:

#### 2.2.1 Formation expenses

Formation expenses are valued at purchase price including the expenses incidental thereto or at production cost, less cumulated depreciation amounts and value adjustments.

These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

## 2.2.2 Financial assets

Shares in affiliated undertakings and loans to these undertakings are valued at purchase price including the expenses incidental thereto.

In case of a durable depreciation in value according to the opinion of the Board of Directors, value adjustments are made in respect of fixed assets, so that they are valued at the lower figure to be attributed to them at the balance sheet date. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

## 2.2.3 Current debtors

Debtors are valued at their nominal value. They are subject to value adjustments where their recovery is compromised. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

## 2.2.4 Foreign currency translation

The company maintains its accounting records in euro (EUR) and the annual accounts are prepared in this currency.

The transactions made in another currency than the currency of the annual accounts are translated into this currency at the exchange rate prevailing at the transaction date.

Formation expenses, intangible fixed assets and financial fixed assets expressed in another currency than the currency of the annual accounts are translated into this currency at the historical exchange rate.

Cash at bank is translated at the exchange rate effective at the balance sheet date. Exchange losses and gains are recorded in the profit and loss account of the period.

All other assets expressed in another currency than the currency of the annual accounts are valued individually at the lower of the value determined using the historical exchange rate or the value determined using the exchange rate prevailing at the balance sheet date;

All liabilities expressed in another currency than the currency of the annual accounts are valued individually at the higher of the value determined using the historical exchange rate or the value determined using the exchange rate prevailing at the balance sheet date.

Consequently only realized foreign exchange gains and losses and unrealized foreign exchange losses are taken into account in the profit and loss account.

## 2.2.5 Provisions for liabilities and charges

At the end of each period provisions are recorded to cover all foreseeable liabilities and charges.

Provisions relating to previous periods are regularly reviewed and released if the reasons for which the provisions were recorded have ceased to apply.

## 2.2.6 Debts

At December 31st 2011 the company has no creditor accounts which have a residual duration of more than 5 years.

### 3. NOTE – DEBTORS

Debtors are mainly composed by:

	<b>2011</b>
	<b>EUR</b>
<i>Trade receivables :</i>	
Trade creditors	1 273,45
<b>Total trade receivables</b>	<b>1 273,45</b>
<i>Other receivables :</i>	
Direct Taxation Authority (ACD)	15 384,00
Tax and V.A.T.	3 387,18
<b>Total other receivables</b>	<b>18 771,18</b>
<b>Total Debtors</b>	<b>20 044,63</b>

### 4. NOTE – CAPITAL AND RESERVES

#### 4.1 Subscribed capital

The subscribed capital amounts to EUR 37.500,00. The Board of Managers is authorised to increase the subscribed capital in accordance with the Articles of incorporation of the company.

As at December 31, 2011 the subscribed and fully paid up capital amounting to EUR 37.500,00 is represented by 500 shares of a nominal value of EUR 75,00 each.

The movements on the “Subscribed capital” item during the year are as follows:

	<b>2011</b>
	<b>EUR</b>
Subscribed capital at the beginning of the year	37 500,00
Redemptions for the period	0,00
Increase for the period	0,00
Subscribed capital at the end of the year	37 500,00

## 4.2 Legal reserve

In accordance with Luxembourg Company Law, the Company is required to transfer a minimum of 5% of its net profit for each financial year to a legal reserve. This requirement ceases to be necessary once the balance of the legal reserve reaches 10% of the issued share capital. The legal reserve is not available for distribution to the shareholders.

	Legal reserve	Profit or loss Brought forward	Profit or loss for the financial year
<b>As at December 31<sup>st</sup> 2010</b>	<b>3 192,23</b>	<b>-87 495,21</b>	<b>612,09</b>
Movements for the year			
• Allocation of prior year's profit or loss	-	612,09	- 612,09
• Profit or loss of the year	-	-	8 377,77
<b>As at December 31<sup>st</sup> 2011</b>	<b>3 192,23</b>	<b>-86 883,12</b>	<b>8 377,77</b>

## 5. NOTE – PROVISIONS FOR LIABILITIES AND CHARGES

Provisions for liabilities and charges are made up as follows:

	2011 EUR	2010 EUR
Provision for taxation	186,00	124,00
<b>Total</b>	<b>186,00</b>	<b>124,00</b>

## 6. NOTE – CREDITORS

Amounts due and payable for the accounts shown under "Creditors" are as follows:

	Less than 1 year	Between 1 and 5 years	More than 5 years	Total 2011	Total 2010
	EUR	EUR	EUR	EUR	EUR
Amounts owed to credit institutions	-	-	-	0,00	0,00
Trade creditors on purchases	69 771,26	-	-	69 771,26	59 569,80
Amount owed to affiliated undertakings	-	-	-	0,00	0,00
Tax and social security debts	2 547,61	-	-	2 547,61	2 283,78
Other creditors	6 372,00	-	-	6 372,00	27 181,22
<b>Total</b>	<b>78 690,87</b>	<b>0,00</b>	<b>0,00</b>	<b>78 690,87</b>	<b>89 034,80</b>

## 7. NOTE – EXTRAORDINARY CHARGES / EXTRAORDINARY INCOME

Extraordinary charges is made up as follows:

	<b>2011</b>
	<b>EUR</b>
<i>Extraordinary charges :</i>	
Tax, social and criminal fines and penalties	70,20
<b>Total extraordinary charges</b>	<b>70,20</b>

Extraordinary income is made up as follows:

	<b>2011</b>
	<b>EUR</b>
<i>Extraordinary income :</i>	
Other miscellaneous extraordinary income	64,80
<b>Total extraordinary income</b>	<b>64,80</b>

## 8. NOTE – OFF-BALANCE SHEET

The company has no off balance-sheet commitments as at December 31, 2011.

## 9. NOTE – ADVANCES AND LOANS GRANTED TO THE MEMBERS OF THE ADMINISTRATIVE MANAGERIAL AND SUPERVISORY BODIES

The members of the administrative, managerial and supervisory bodies have not been granted any advances nor credit from the company.

No commitment or guaranty has been taken on behalf of the members of the administrative, managerial and supervisory bodies..

<b>OTHERS EXTERNAL CHARGES</b>
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Title	Amount	V.A.T.
Bank fees	1 002,00	0,00
Accountant and auditor fees	10 017,57	1 502,64
Administrative fees	800,00	120,00
Legal and litigation fees	15,00	2,25
Publication fees	350,00	0,00
Other postal costs	350,00	0,00
Contribution to professional association	140,00	0,00
<b>Total :</b>	<b>12 674,57</b>	<b>1 624,89</b>

<b>STAFF COSTS</b>
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<b>Title</b>	<b>Amount</b>
<b>Wages and salaries</b>	<b>39 741,78</b>
Wages	39 741,78
<b>Social security costs accruing by reference to wages and salaries</b>	<b>5 138,73</b>
National state health office	5 138,73
<b>Total :</b>	<b>44 880,51</b>

<b>EXTRAORDINARY CHARGES</b>
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<b>Title</b>	<b>Amount</b>
Tax, social and criminal fines and penalties	70,20
<b>Total :</b>	<b>70,20</b>

<b>OTHER TAX</b>
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<b>Title</b>	<b>Amount</b>
Financial year	62,00
<b>Total :</b>	<b>62,00</b>



<b><i>NET TURNOVER</i></b>
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<b>Title</b>	<b>Amount</b>	<b>V.A.T.</b>
Studies	66 000,00	0,00
<b>Total :</b>	<b>66 000,00</b>	<b>0,00</b>

<b><i>OTHER OPERATING INCOME</i></b>
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<b>Title</b>	<b>Amount</b>
Other diversés operating products	0,25
<b>Total :</b>	<b>0,25</b>

<b><i>EXTRAORDINARY INCOME</i></b>
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<b>Title</b>	<b>Amount</b>
Other miscellaneous extraordinary income	64,80
<b>Total :</b>	<b>64,80</b>

**TRADE RECEIVABLE AS OF DECEMBER 31st 2011**

Title	Amount
<b><i>Becoming due and payable within one year</i></b>	<b>1 273,45</b>
Trade creditors, advances and payments on account of orders (*)	1 273,45
<b>Total :</b>	<b>1 273,45</b>

**OTHER RECEIVABLES AS OF DECEMBER 31st 2011**

Title	Amount
<b><i>Becoming due and payable within one year</i></b>	<b>18 771,18</b>
Advances on tax on profits	11 200,00
Advances on municipal trade tax	3 998,00
Advances on net wealth tax	186,00
VAT receivable	3 387,18
<b>Total :</b>	<b>18 771,18</b>

**TRADE CREDITORS, ADVANCES AND PAYMENTS ON ACCOUNT OF ORDERS OF DECEMBER 31st 2011 (\*)**

Title	Amount
Paddock S.A.	545,00
REGUS	728,45
<b>Total :</b>	<b>1 273,45</b>

**CASH AT BANK, LOANS, CASH IN POSTAL CHEQUE ACCOUNTS AND CASH IN HAND AS OF DECEMBER 31st 2011**

<b>Title</b>	<b>Debit</b>	<b>Credit</b>
<b>Current accounts</b>		
EFG Private Bank	21 019,12	
<b>Total :</b>	<b>21 019,12</b>	<b>0,00</b>

<b>BALANCE ON TAXES AS OF DECEMBER 31st 2011</b>
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Libellé	Provision	Paiement	Solde
<b>Tax on profits</b>			
- 2010	0,00	6 400,00	-6 400,00
- 2011	0,00	4 800,00	-4 800,00
<b>Sous-total</b>	<b>0,00</b>	<b>11 200,00</b>	<b>-4 800,00</b>
<b>Municipal trade tax</b>			
- 2010	0,00	2 408,00	-2 408,00
- 2011	0,00	1 590,00	-1 590,00
<b>Sous-total</b>	<b>0,00</b>	<b>3 998,00</b>	<b>-3 998,00</b>
<b>Net wealth tax</b>			
- 2009	62,00	62,00	0,00
- 2010	62,00	77,50	-15,50
- 2011	62,00	46,50	15,50
<b>Sous-total</b>	<b>186,00</b>	<b>186,00</b>	<b>0,00</b>
<b>Total :</b>	<b>186,00</b>	<b>15 384,00</b>	<b>-8 798,00</b>

**TRADE PAYABLES AND BILLS OF EXCHANGE PAYABLE AS OF DECEMBER 31st 2011**

Title	Amount
<b><i>becoming due and payable within one year</i></b>	<b>69 771,26</b>
Suppliers (*)	59 429,80
Suppliers - Invoices receivable	10 341,46
<b>Total :</b>	<b>69 771,26</b>

**TAX AND SOCIAL SECURITY DEBT AS OF DECEMBER 31st 2011**

Title	Amount
<b><i>Tax debts</i></b>	<b>416,30</b>
Withholding tax on salary	416,30
<b><i>Social security debts</i></b>	<b>2 131,31</b>
Social security costs	2 131,31
<b>Total :</b>	<b>2 547,61</b>

**OTHER DEBTS AS OF DECEMBER 31st 2011**

Libellé	Montant
<b><i>becoming due and payable within one year</i></b>	<b>6 372,00</b>
Staff - Salary payable	6 372,00
<b>Total :</b>	<b>6 372,00</b>

**DETAIL OF PAYABLE CHARGES OF DECEMBER 31st 2011 (\*)**

Libellé	Montant
Quality & Reliability	58 517,80
Fiduciaire Jean Marc Faber	152,00
GARE IMMO	760,00
<b>Total :</b>	<b>59 429,80</b>

**V.A.T. : STATEMENT AS AT 31 DECEMBER 2011**

		Rate	Net amount	V.A.T.	Sub total
<b>CHIFFRE D'AFFAIRES IMPOSABLE</b>					
Sales	Intra	0%	66 000,00	0,00	
<b>Total</b>			<b>66 000,00</b>	<b>0,00</b>	<b>0,00</b>
<b>ACQUISITIONS INTRA-COMMUNITY</b>					
<b>Total V.A.T. downstream</b>			<b>66 000,00</b>	<b>0,00</b>	<b>0,00</b>
<b>V.A.T. UPSTREAM</b>					
Overhead expenses	Luxembourg	0%	1 842,00	0,00	
Overhead expenses	Luxembourg	15%	10 832,57	1 624,89	
<b>Total V.A.T. upstream</b>			<b>12 674,57</b>	<b>1 624,89</b>	<b>1 624,89</b>
Excess of V.A.T. upstream (-) / downstream (+) as at 31 December 2011 :					-1 624,89
Excess of V.A.T. upstream (-) / downstream (+) as at 31 December 2010 :					-18 698,62
Reimbursement of V.A.T. during the year :					16 936,33
<b>Excess of V.A.T. upstream (-) / downstream (+) as at 31 December 2011 :</b>					<b>- 3 387,18</b>