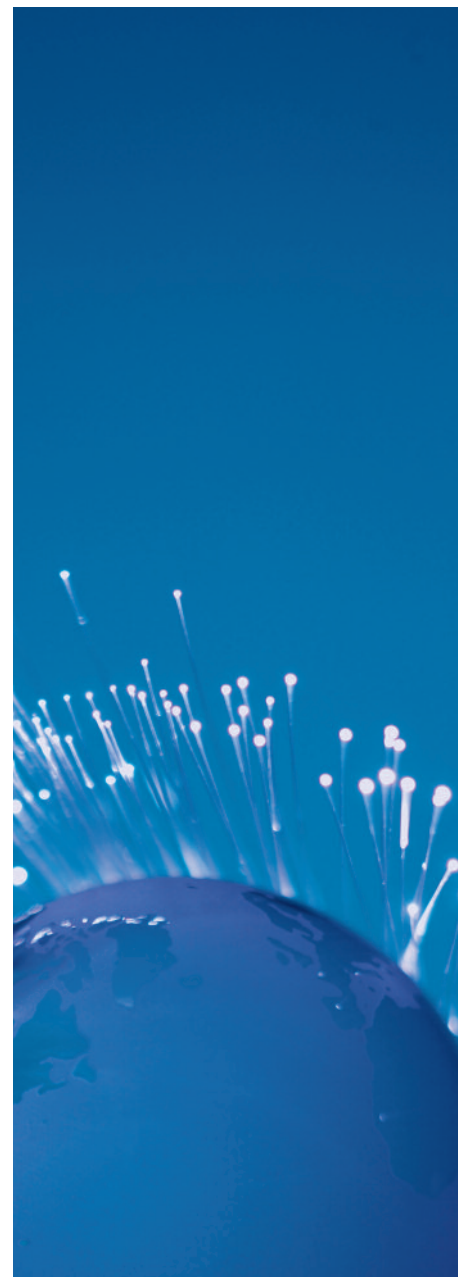




Accountants &
business advisers

Company Profile





Introducing PKF

PKF International is a worldwide association of legally independent firms spanning across 400 offices in 120 countries. Each member firm of the PKF global network is an established key player in its country in the fields of assurance, accounting and business advisory services, devoted to delivering these services at the highest standard of quality. At the same time, member firms around the world are committed to sharing of knowledge, expertise and skills in order to help their clients meet their business needs in any market of the world.

The relentless pursue of excellence and its vision to be composed of “Advisers of Choice” has fuelled PKF International to be among the highest-ranked international organizations of professional advisers in the world and a trusted international brand.

PKF International is a member of the **Forum of Firms** - an organization dedicated to consistent and high quality standards of financial reporting and auditing practices worldwide.

In Cyprus, PKF is a major professional organization with origins dating back as far as 1978.

In line with the international organization, the Cyprus firm enjoys an excellent reputation in the country as a result of its professionalism, integrity and commitment towards delivering outstanding services.

Our philosophy is to gain a thorough understanding and insight of our clients’ business in order to be positioned to deliver services that truly make a positive contribution and exceed expectations.

Dedicated partners of our firm oversee multi-disciplined teams and work closely to achieve maximum results. As progressive knowledge is gained for each client, we continuously adjust and tailor our services to the specific needs of the client and avoid forcing ready-made

products. This personal approach and constant aim to work closely with our clients are the key elements that set us apart.

Our firm deploys the qualifications, experience and talents of approximately 120 people in servicing clients which range from public companies and multinationals to small businesses, start ups and individuals. A significant number of our clients are engaged in international operations. Our operations are launched from two offices which are strategically situated in Limassol and Nicosia, the two major cities of Cyprus.

The firm provides a wide range of professional services. This publication is intended to provide you with an indicative, yet not exhaustive overview of our core services.

Our Services

1. Assurance and advisory

The Assurance and Business Advisory Department consists of highly experienced personnel with many years of service. These professionals provide the advice and knowledge to you for the fair presentation of the results of your companies and ensure that they conform with International Financial Reporting Standards (IFRS) and any other regulations if applicable. Key services include the following:

- Statutory audits according to the Cyprus Companies Law
- ISA audits and IFRS financial reporting
- Internal audits
- Due diligence engagements
- Business advisory services

2. Taxation

Profitable legal or physical persons should always aim not only to maximise profits but also to find legitimate ways to minimise tax burden. It is also imperative that the business community react to tax planning opportunities offered either through local legislation or through international tax planning.

Our tax advisers can help you reduce your tax liabilities and at the same time avoid pitfalls by reviewing your proposed options and their tax consequences. We can help you on tax issues with:

- International tax planning through Cyprus structures
- Corporate tax compliance
- Expatriates and other individuals tax compliance
- Tax investigations
- Employment tax
- Value added tax and related services

3. Consultancy

The role of the management and business consultant has become increasingly important in today's competitive and rapidly changing business world. Our experienced staff can help you with:

- Costing of individual business processes
- Feasibility and viability studies
- Project appraisals
- Establishing and implementing management accounting systems



4. Corporate Finance

Successful expansion of almost any form is largely dependent on adequate finance.

Our corporate finance experts can deliver the following services and specialist advice in the same personal style that is the trademark of PKF:

- Business valuations
- Financial projections / cash flow forecasts
- Assistance in the preparation of business plans
- Mergers & acquisitions
- Re-organizations of existing businesses
- Flotations
- Public Private Partnership (PPP) & Project Finance Initiative (PFI) projects

5. Accounting and record keeping

The accounting and record keeping department consists of personnel with many years of experience providing service in the office or out to the client's premises. They are ready to respond and solve problems as these arise acting on the capacity of an experienced accountant while you are doing your business.

The records you will need to maintain are partly governed by legal and tax requirements but most importantly they must be tailored to your particular business so as to generate the type of accounting and management information which is really useful to you in running your company. Sound management information is required to give you the tools for making the right decisions. We can help you with:

- Maintenance of accounting records
- Frequent management accounts and Management reporting
- Payroll services

6. International Business

The set-up of an international business entity often presents challenges such as setting up of office, facing adequately local laws and regulations, reliable and trustworthy administration and control of operations. Assistance can be provided with the following:

- Company registration
- Provision of nominee shareholders
- Provision of Company Directors and secretary
- Provision of registered office
- Administrative services such as opening and maintenance of bank accounts, invoicing, handling of correspondence, mail forwarding, telephone, fax and e-mail facilities
- Corporate secretarial work, such as maintenance of statutory registers, preparation of board and shareholders' meetings, maintenance of all minutes and generally compliance with statutory requirements

About Cyprus



Cyprus is situated in the eastern Mediterranean at the cross-roads of three continents - Europe, Asia and Africa. It covers an area of 9251 sq. km. Its climate is warm with about 340 sunny days a year and a light rainy season between November and March. The population is estimated at 800.000 and the capital is Nicosia.

The official languages are Greek, Turkish and English, with the latter being widely spoken by most of the population and in commercial and government sectors as well. The island is served by two international airports, the main one in Larnaka and the second in Pafos, with more than 1.000 scheduled flights to and from Europe, Africa and the Middle East each week.

An independent republic since 1960, Cyprus has a relatively high standard of living with a per capita income at around US\$26.000 at the end of 2007. The legal system is based on English law and has been amended to incorporate European Union Directives.

Furthermore, the island has excellent telecommunications and banking facilities that are made available through onshore and offshore banking units (OBU's) and specialized financial institutions operating on the island. On 1 May 2004, Cyprus became a full member of the European Union and on 1 January 2008 the Euro was adopted as the Country's main

currency. These developments further boosted the economy and enhanced stability.

Tax law was reformed in 2002 in order to align Cyprus with European Union directives. As part of this reform, all distinctions between local and international companies were abolished as from 1 January 2003, while at the same time maintaining a favourable tax regime for the international investor. The following are the main provisions of the new Tax law:

- Corporation tax at 10%
- Investment income from dividends and profit on sale of securities is exempt from tax
- Dividends from Cyprus companies to non-resident shareholders is free from any withholding tax
- Carrying forward of tax losses and setting-off against future profits with no time limitations
- Group relief provisions

In addition, Cyprus maintains an extensive network of double tax treaties with over 43 countries worldwide and negotiations are underway to conclude treaties with a number of other countries. More, importantly, the adoption of the European Union's Parent-Subsidiary

Directive effectively expands the treaties' network to all European Countries at a corporate level.

Over the years, Cyprus has developed into an important financial centre and is the natural choice for international business.

Contacts

If you would like further information concerning the matters covered by this publication please contact any of our offices shown below or visit our website at www.pkf.com.cy:

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