

# **Tithys Limited**

## **Report and financial statements 31 December 2006**

### **Contents**

	<b>Page</b>
<b>Board of Directors and other officers</b>	<b>1</b>
<b>Report of the Board of Directors</b>	<b>2 – 3</b>
<b>Auditor’s report</b>	<b>4 – 5</b>
<b>Income statement</b>	<b>6</b>
<b>Balance sheet</b>	<b>7</b>
<b>Statement of changes in equity</b>	<b>8</b>
<b>Cash flow statement</b>	<b>9</b>
<b>Notes to the financial statements</b>	<b>10 – 18</b>

# **Tithys Limited**

## **Board of Directors and other officers**

### **Board of Directors**

Arta Antoniou  
Spyroulla Papaeracleous  
Stelios Triantafyllides

### **Company Secretary**

**A.T.S. Services Limited**  
2-4 Arch. Makarios Avenue III  
Capital Center, 9<sup>th</sup> Floor  
CY-1505 Nicosia  
Cyprus

### **Registered office**

2-4 Arch. Makarios III Avenue  
Capital Center, 9<sup>th</sup> Floor  
CY-1505 Nicosia  
Cyprus

# **Tithys Limited**

## **Report of the Board of Directors**

1 The Board of Directors presents its report together with the audited financial statements of the Company for the year ended 31 December 2006.

### **Principal activities**

2 The principal activities of the Company, which are unchanged from last year, are those of an investment holding company, the investing and trading in shares including but not limited to any form of dividend and interest earning shares, bonds, deposits and loans and the provision of consultancy type of services to fellow group companies.

### **Review of developments, position and performance of the Company's business**

3 During the year the Company had a profit for the year of €711,274 in comparison to profit for the year 2005 of €987,821. The decrease was mainly due to a decrease of consultancy fee income from €909,754 to €599,543 partially compensated by a decrease in administrative expenses from €189,964 to €79,583 and an increase in dividend income from €222,921 in 2005 to €257,852 in 2006. The financial position of the Company as presented in the financial statements is considered satisfactory. The Board of Directors expects that the Company's profitability will continue in future, and does not expect any significant changes in the activities of the Company for the foreseeable future.

### **Principal risks and uncertainties**

4 The Company's principal risk or uncertainties are stated in Note 3.

### **Results**

5 The Company's results for the year are set out on page 6. The Board of Directors does not recommend the payment of a dividend and the profit for the year is retained.

### **Dividends**

6 On 27 February 2006 a dividend of €3,000,000 was paid out of profits for the years 2003, 2004 and 2005.

### **Share capital**

7 There were no changes in the share capital of the Company.

### **Board of Directors**

8 The members of the Board of Directors at 31 December 2006 and at the date of this report are shown on page 1. All of them were members of the Board throughout the year 2006.

# Tithys Limited

## Report of the Board of Directors (continued)

9 In accordance with the Company's Articles of Association all Directors will continue in office.

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

### Events after the balance sheet date

11 There were no material events which occurred after the end of the financial year.

### Branches

12 The Company did not operate through any branches during the year.

### Auditors

13 The auditors of the Company, Messrs Ernst & Young were appointed during the year 2006 in replacement of PricewaterhouseCoopers Limited. Messrs, Ernst & Young, have signified their willingness to continue in office. A resolution for reappointing them and authorising the Directors to set their remuneration will be proposed at the Annual General Meeting of the Company.

By order of the Board

Stelios Triantafyllides  
Director

Nicosia  
28 February 2007

## Independent Auditor's Report to the Members of Tithys Limited

### Report on the Financial Statements

We have audited the financial statements of Tithys Limited (the "Company") on pages 6 to 18, which comprise the balance sheet as at 31 December 2006, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

#### *Board of Directors' Responsibility for the Financial Statements*

The Company's Board of Directors is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (EU) and International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB) and the requirements of the Cyprus Companies Law, Cap 113. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### *Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. This report is made solely to the Company's members, as a body, in accordance with Section 156 of the Companies Law, Cap. 113. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed. 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 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 and fair presentation of the financial statements 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.

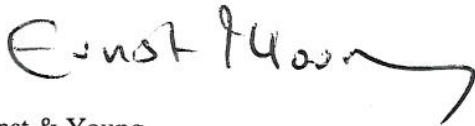
*Opinion*

In our opinion, the financial statements give a true and fair view of the financial position of Tithys Limited as of 31 December 2006, 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 EU and International Financial Reporting Standards as issued by the IASB and the requirements of the Cyprus Companies Law, Cap 113.

**Report on Other Legal Requirements**

Pursuant to the requirements of the Companies Law, Cap. 113, 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.
- 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 Companies Law, Cap. 113, in the manner so required.
- In our opinion, the information given in the report of the Board of Directors on pages 2 to 3 is consistent with the financial statements.



Ernst & Young  
Chartered Accountants

Nicosia  
28 February 2007

# Tithys Limited

## Income statement for the year ended 31 December 2006

	Note	2006 €	2005 €
Consultancy fee income		599,543	909,754
Dividend income		257,852	222,921
Interest income	5	32,644	55,772
Administrative expenses		(79,583)	(189,963)
<b>Operating profit</b>		<b>810,456</b>	<b>998,484</b>
Finance (costs)/income	6	(18,762)	46,666
<b>Profit before tax</b>		<b>791,694</b>	<b>1,045,150</b>
Tax	8	(80,420)	(57,329)
<b>Profit for the year</b>		<b>711,274</b>	<b>987,821</b>

The notes on pages 10 to 18 are an integral part of these financial statements.

# Tithys Limited

## Balance sheet at 31 December 2006

	Note	2006 €	2005 €
<b>Assets</b>			
<b>Non - current assets</b>			
Investment in subsidiary undertaking	11	42,726,928	42,726,928
<b>Current assets</b>			
Other receivables	12	25,541	66,812
Tax recoverable		4,407	4,407
Cash and cash equivalents	13	932,586	3,175,135
		<u>962,534</u>	<u>3,246,354</u>
<b>Total assets</b>		<u><b>43,689,462</b></u>	<u><b>45,973,282</b></u>
<b>Equity and liabilities</b>			
<b>Capital and reserves</b>			
Share capital	14	52,194	52,194
Share premium	14	42,221,636	42,221,636
Retained earnings		1,398,941	3,687,667
		<u>43,672,771</u>	<u>45,961,497</u>
<b>Current liabilities</b>			
Other payables	15	9,514	6,634
Current tax liabilities		7,177	5,151
		<u>16,691</u>	<u>11,785</u>
<b>Total liabilities</b>		<u><b>16,691</b></u>	<u><b>11,785</b></u>
<b>Total equity and liabilities</b>		<u><b>43,689,462</b></u>	<u><b>45,973,282</b></u>

On 28 February 2007 the Board of Directors of Tithys Limited authorised these financial statements for issue.

Stelios Triantafyllides, Director



Arta Antoniou, Director

The notes on pages 10 to 18 are an integral part of these financial statements.



# Tithys Limited

## Statement of changes in equity for the year ended 31 December 2006

	Share capital €	Share Premium (1) €	Retained Earnings (2) €	Total €
<b>Balance at 1 January 2005</b>	52,194	42,221,636	2,699,846	44,973,676
Profit for the year	-	-	987,821	987,821
<b>Balance at 31 December 2005/1 January 2006</b>	52,194	42,221,636	3,687,667	45,961,497
Profit for the year	-	-	711,274	711,274
Dividends	10	-	(3,000,000)	(3,000,000)
<b>Balance at 31 December 2006</b>	<u>52,194</u>	<u>42,221,636</u>	<u>1,398,941</u>	<u>43,672,771</u>

- (1) The share premium is not distributable by way of dividend. It can be used mainly for the issue of bonus shares to the shareholders.
- (2) The Company has opted to be taxed under the transitional rules until 31 December 2005. As from 1 January 2006, such companies that do not distribute 70% of their profits after tax, as defined by the Special Contribution for the Defence of the Republic Law, during the two years after the end of the year of assessment to which the profits refer, will be deemed to have distributed this amount of dividend. Special contribution for defence at 15% will be payable on such deemed dividend to the extent that the shareholders (individuals and companies) at the end of the period of two years from the end of the year of assessment to which the profit refer are Cyprus tax residents. The amount of this deemed dividend distribution is reduced by any actual dividend paid out of the profits of the relevant year at any time. This special contribution for defence is paid by the Company for the account of the shareholders.

The notes on pages 10 to 18 are an integral part of these financial statements.

# Tithys Limited

## Cash flow statement for the year ended 31 December 2006

	Note	2006 €	2005 €
<b>Cash flows from operating activities</b>			
Profit before tax		791,694	1,045,150
Adjustments for:			
Interest income	5	(32,644)	(55,772)
Dividend income		(257,852)	(222,921)
		<u>501,198</u>	<u>766,457</u>
Changes in working capital:			
Other receivables		41,271	113,795
Other payables		2,880	(3,094)
		<u>545,349</u>	<u>877,158</u>
<b>Cash generated from operating activities</b>		<b>545,349</b>	<b>877,158</b>
Tax paid		(78,394)	(60,460)
		<u>466,955</u>	<u>816,698</u>
<b>Cash flows from investing activities</b>			
Interest received		32,644	55,772
Dividends received		257,852	222,921
		<u>290,496</u>	<u>278,693</u>
<b>Net cash from investing activities</b>		<b>290,496</b>	<b>278,693</b>
<b>Cash flows from financing activities</b>			
Dividends paid	10	(3,000,000)	-
		<u>(3,000,000)</u>	<u>-</u>
<b>Net cash used in financing activities</b>		<b>(3,000,000)</b>	<b>-</b>
<b>Net (decrease)/increase in cash and bank balances</b>		<b>(2,242,549)</b>	<b>1,095,391</b>
<b>Cash and bank balances at the beginning of year</b>		<b>3,175,135</b>	<b>2,079,744</b>
		<u>932,586</u>	<u>3,175,135</u>
<b>Cash and bank balances at the end of year</b>	13	<b>932,586</b>	<b>3,175,135</b>

The notes on pages 10 to 18 are an integral part of these financial statements.

# **Tithys Limited**

## **Notes to the financial statements**

### **1 General information**

#### **Country of incorporation**

The Company is incorporated in Cyprus as a private limited liability company in accordance with the provisions of the Companies Law, Cap. 113. Its registered office is at 2 – 4 Arch. Makarios III Avenue, Nicosia, Cyprus.

#### **Principal activities**

The principal activities of the Company are those of an investment holding company, the investing and trading in shares including but not limited to any form of dividend and interest earning shares, bonds, deposits and loans and the provision of consultancy type of services to fellow group companies.

### **2 Summary of significant accounting policies**

The principal accounting policies applied 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) and International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB). The financial statements comply with both these reporting frameworks because at the time of their preparation all applicable IFRSs issued by the IASB have been adopted by the EU through the endorsement procedure established by the European Commission. In addition, the financial statements have been prepared in accordance with the requirements of the Cyprus Companies Law, Cap.113.

#### **Standards, interpretations and amendments to published standards that are not yet effective**

Certain new standards, interpretations and amendments to existing standards have been published that are not yet effective for the current reporting period and which the Company has not early adopted, as follows:

Issued by the IASB and adopted by the EU:

*IFRS 7, Financial Instruments: Disclosures, and a complementary amendment to IAS 1, Presentation of Financial Statements – Capital Disclosures*

*IFRIC 7, Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies*

*IFRIC 8, Scope of IFRS 2*

*IFRIC 9, Reassessment of Embedded Derivatives*

# Tithys Limited

## 2 Summary of accounting policies (continued)

Issued by the IASB but not yet adopted by the EU

*IFRS 8, Operating Segments*

*IFRIC 10, Interim Financial Reporting and Impairment*

*IFRIC 11, IFRS 2-Group and Treasury Share Transactions*

*IFRIC 12, Service Concession Arrangements*

The above are expected to have no impact on the Company's financial statements, other than the presentation of additional disclosures concerning financial instruments under IFRS7 and management of capital under the amendment to IAS1 in the 2007 financial statements.

### Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

#### (a) Sales of services

Rendering 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 and the outcome can be reliably estimated.

#### (b) Interest income

Interest income is recognised as the interest accrues (taking into account the effective yield on the asset).

#### (c) Dividend income

Dividend income is recognised when the shareholders' right to receive the payment is established.

### Foreign currency translation

#### (a) Functional and presentation currency

Items included in the Company's financial statements are measured and presented in Euro (€) for the following reasons:

- The majority of assets and liabilities and majority of transaction of the Company were, and in the future are expected to be, denominated, executed and settled in €
- Due to the nature of the Company's business, key economic and operational decisions are based in €

# Tithys Limited

## 2 Summary of accounting policies (continued)

### (a) Functional and presentation currency (continued)

- The functional currency of the ultimate parent company, Titan Cement S.A. which significantly influences the Company's key economic and operational decisions is the €

### (b) 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.

## Tax

Current tax liabilities and assets for the current and prior periods 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 balance sheet date.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

## Share capital

The share capital is recognised at its nominal value. The difference between the fair value received by the Company and the nominal value of the issued share capital is transferred to the share premium reserve.

## Consolidated financial statements

Consolidated financial statements, which would include the financial statements of the Company and its subsidiary undertaking, have not been prepared because the Company is a wholly owned subsidiary itself and it does not need to prepare consolidated financial statements as these were prepared by its ultimate parent company Titan Cement S.A., a company incorporated in Greece. This exemption is permitted by International Accounting Standard IAS27 "Consolidated Financial Statements and Accounting for Investments in Subsidiaries" and the requirements of the Cyprus Companies Law, Cap. 113. Consolidated financial statements can be obtained from Titan Cement S.A., 22A Halkidos Street, 11143 Athens, Greece.

# **Tithys Limited**

## **2 Summary of accounting policies (continued)**

### **Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

### **Cash and cash equivalents**

Cash and short term deposits in the balance sheet comprise cash at banks and at hand and short term deposits with an original maturity of three months or less.

For the purposes of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

### **Investment in subsidiary undertaking**

Subsidiaries include all companies that are controlled by the company by the company. Control is presumed to exist when the parent owns, directly or indirectly through subsidiaries, more than one half of the voting power of an enterprise.

Investments in subsidiaries are stated at cost less any impairment in value. The carrying values of investments in subsidiaries are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Impairment losses are recognised in the income statement.

## **3 Financial risk management**

### **Receivables from subsidiary undertaking**

Receivables from subsidiary undertaking are stated at their transacted values as they are on demand. Management believes that their fair value is not materially different from their transacted value.

#### **(a) Financial risk factors**

The Company's activities expose it to currency risk arising from the financial instruments it holds. The risk management policies employed by the Company to manage this risk are discussed below.

# Tithys Limited

## 3 Financial risk management (continued)

### (b) Financial risk factors (continued)

#### (i) 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. At balance sheet date the Company held cash and cash equivalents denominated in US Dollar the equivalent of 2006:€196,369 (2005: €116,956). The Company's policy is not to enter into any currency hedging transactions.

The foreign exchange transactions losses recognised in the income statement were in 2006 amounted to €18,762 (and gain of €46,666 in 2005) and related to financing activities.

### (b) Fair value estimation

The fair values of financial assets and liabilities are not materially different from their carrying values at the balance sheet date.

## 4 Critical accounting estimates and judgement

Estimates and judgements 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.

### Income taxes

The Company operates in the Cypriot tax jurisdiction. The Company must interpret and apply existing legislation to transactions from its activities with third parties and related parties. 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.

# Tithys Limited

## 4 Critical accounting estimates and judgement (continued)

In Management's opinion, the Company is in substantial compliance with the tax laws governing its operations. However the risk remains that the relevant authorities could take differing positions with regard to interpretative issues and the effect could be significant. The Company met the tax filing in Cyprus. To the best of Management's knowledge, no breaches of tax law have occurred. Thus, the Company has not recorded any provision for potential impact of any such breaches as at 31 December 2006 or as at 31 December 2005.

## 5 Interest income

	2006 €	2005 €
Interest income:		
Bank balances	<u>32,644</u>	<u>55,772</u>

## 6 Finance (costs)/income

	2006 €	2005 €
Net foreign exchange transaction (losses)/gains	<u>(18,762)</u>	<u>46,666</u>

## 7 Staff costs

	2006 €	2005 €
Wages and salaries (including bonus)	<u>59,294</u>	<u>165,194</u>

## 8 Tax

	2006 €	2005 €
Corporation tax	51,374	35,037
Withholding tax on dividend income	25,785	22,292
Defence contribution	3,261	4,407
	<u>80,420</u>	<u>61,736</u>



# Tithys Limited

## 8 Tax (continued)

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

	2006 €	2005 €
Profit before tax	<u>791,694</u>	<u>1,045,150</u>
Tax calculated at the applicable tax rates	79,169	44,419
Tax effect of expenses not deductible for tax purposes	38	92
Withholding tax	25,785	22,292
Tax effect of allowances and income not subject to tax	(27,833)	-
Tax effect of withholding tax suffered abroad	-	(9,474)
Defence contribution	3,261	-
Taxation charge	<u><u>80,420</u></u>	<u><u>57,329</u></u>

The Company has opted to be taxed under the transitional rules until 31 December 2005 and is subject to income tax at the rate of 4,25%. From 1 January 2006 onwards the Company is subject to corporation tax on taxable profits at the rate of 10%.

Under certain conditions interest may be subject to defence contribution at the rate of 10%. In such cases 50% of the same interest will be exempt from corporation tax thus having an effective tax burden of approximately 15%. In certain cases dividends received from abroad may be subject to defence contribution at the rate of 15%.

## 9 Expenses by nature

	2006 €	2005 €
Salaries and wages (Note 7)	59,294	165,194
Auditors' remuneration	6,396	5,614
Audit fees prior year	(5)	112
Accountancy and administrative	8,587	7,907
Sundry expenses	3,359	4,931
Guarantee fees	-	2,177
Legal fees	1,952	4,028
Total administrative expenses	<u><u>79,583</u></u>	<u><u>189,963</u></u>

## 10 Dividends paid

On 27 February 2006, the Company's Board of Directors resolved the payment of an interim dividend of €3,000,000 (€101,93 per share) to the Company's shareholders out of the profits for the years 2003, 2004 and 2005. The interim dividend was paid to the Company's shareholder on 28 February 2006.

# Tithys Limited

## 11 Investment in subsidiary undertaking

	% shareholding	Country of incorporation	2006 €	2005 €
Cementara Kojeric– at cost	74,28	Serbia	<u>42,726,928</u>	<u>42,726,928</u>

The principal activity of the subsidiary is the production of cement. The subsidiary is listed on the Belgrade Stock Exchange, in Serbia.

## 12 Other receivables

	2006 €	2005 €
Receivables from subsidiary undertaking (Note 15)	23,640	64,860
Prepayments	1,901	1,952
	<u>25,541</u>	<u>66,812</u>

## 13 Cash and cash equivalents

For the purposes of the cash flow statement the cash and cash equivalents comprise the following:

	2006 €	2005 €
Cash at bank	<u>932,586</u>	<u>3,175,135</u>

## 14 Share capital and share premium

	Number of shares	Share capital £	2006 Share capital €	Share premium €
At 1 January and 31 December	<u>29,430</u>	<u>29,430</u>	<u>52,194</u>	<u>42,221,636</u>
	Number of shares	Share capital £	2005 Share capital €	Share premium €
At 1 January and 31 December	<u>29,430</u>	<u>29,430</u>	<u>52,194</u>	<u>42,221,636</u>

The total authorized number of ordinary shares is 30,000 shares (2004: 30,000 shares) with a par value C£1 per share, from which 29,430 have been issued and are fully paid.

# Tithys Limited

## 15 Other payables

	2006 €	2005 €
Other payables	3,140	2,423
Accrued expenses	6,374	4,211
	<u>9,514</u>	<u>6,634</u>

## 16 Related party transactions

The Company is controlled by Aemos Cement Limited, incorporated in Cyprus, which owns 100% of the Company's shares. The Company's ultimate controlling party is Titan Cement S.A., in Greece.

For the purposes of these financial statements parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the party making financial or operating decisions and as such include all companies which are ultimately controlled by a common manager.

The following transactions were carried out with related parties:

### (a) Sales of services

	2006 €	2005 €
<b>Consultancy fees:</b>		
Subsidiary undertaking	<u>599,543</u>	<u>849,754</u>

### (b) Year end balance arising from sale of services

	2006 €	2005 €
Receivables from subsidiary undertaking (Note 12)		
Consultancy services	<u>23,640</u>	<u>64,860</u>

The nature of the transaction above represents technical services provided to the subsidiary company.

## 17 Events after the balance sheet date

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

## 18 Commitments and Contingencies

There were no significant commitments and contingent liabilities at the balance sheet date.