

NON FOR PROFIT COMPANY

LIMITED BY GUARANTEE

Polykarpos Kasheris - FCCA
ELYMPUS SERVICES LIMITED

NON FOR PROFIT COMPANY

A Non For Profit Company is a company established with the purpose of promoting art, science, religion, charity (or other similar cause) and utilizes its profit or other income in promoting its purpose and prohibits the distribution of any dividends to its members.

COMPANIES LIMITED BY GUARANTEE

A Company Limited by Guarantee is a Limited Liability Company having the liability of its members limited, in the event of winding up, to such amount as the members have agreed by the Company's memorandum.

This type of Company is restricted for Non For Profit Companies.

POWER TO DISPENSE WITH THE WORD "LIMITED"

Where it is proved to the satisfaction of the Council of Ministers that the Company about to be incorporated promotes art, science, religion, charity (or other similar cause) and will utilize its profit or other income in promoting its cause and prohibits the distribution of any dividends to its members, the Council of Ministers may by licence direct that the Company may be registered as a company with limited liability, without the addition of the word "limited" to its name.

EXEMPTION FROM CORPORATION TAX

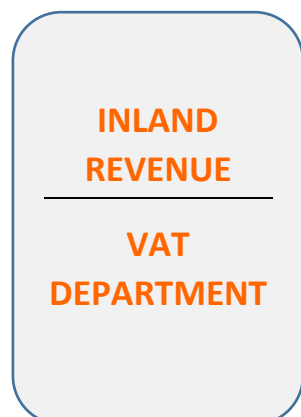
The profit of a Non For Profit Company is exempted from corporation tax as stipulated in the Tax Legislation.

INCOME TAX AND VAT OBLIGATIONS

The TAX/VAT obligations of a Company Limited by Guarantee are the same as a company limited by shares, specifically the obligations are:



- **Registration With The Inland Revenue**
Although a Non For Profit Company is exempted from corporation tax is not exempted from the obligation to prepare audited financial statements and submit tax returns.
- **Submission Of Company's Tax Return (IR4)**
The company must prepare and submit its Tax Return (IR4), based on the audited financial statements, for each year.
- **Submission Of Employer's Return (IR7)**
The Employer's Tax Return (IR7) contains information regarding the Company's employees (if no employment exists then there is no obligation).



- **Registration With The Inland Revenue VAT**
Companies that meet the criteria for VAT registration must register with the Inland Revenue – VAT within 30 days from the date at which the requirement to register exists.
- **Submission Of Quarterly VAT Returns**
Registered VAT companies must prepare their VAT form for each quarter and submit it within 40 days from the end of the quarter.
- **Submission Of VIES Statement**
If the company supplies goods/services to a VAT registered company in another member state then it has the obligation to register and submit the VIES statement.

LEGAL AND OTHER RELATED OBLIGATIONS (CYPRUS COMPANYS LAW)

Annual Company Levy	In accordance to Cyprus Company Law all companies that are registered in Cyprus, must pay the annual Levy of €350 by the 30 th of June of each year (newly incorporated companies are exempted from paying the levy in the year of their incorporation, if they have been incorporated after the 30 th of June).
Financial Statements	The Board of Directors is responsible for the preparation of Financial Statements in accordance with the International Financial Reporting Standards (IFRS) and Cyprus Companys Law.
Audit of Financial Statements	The Company's Financial Statements must be audited by licensed Certified Public Accountants and Registered Auditors practicing in Cyprus.
Annual General Meeting and subsequent Annual General Meetings	<p>A company must hold its first Annual General Meeting (AGM) within 18 months of the date of its incorporation. Thereafter, an AGM must be held annually and the time between each AGM must not exceed 15 months. The agenda of the AGM usually includes the following:</p> <ul style="list-style-type: none">• The appointment and remuneration of the Board of Directors• The appointment and remuneration of Auditors• The approval of the financial statements
Annual Return (Form HE32XK)	A Non For Profit Company is required to submit an Annual Return (Form HE32XK) accompanied by the Audited Financial Statements of the previous year.
Accounting records and files	The Board of Directors must ensure that all records that are considered essential for the preparation of the financial statements are properly maintained and safeguarded. All records must be kept at the registered office of the Company for 6 years from the end of the year to which they relate.
Recording of Minutes	The minutes of proceedings of any General Meeting and Board of Directors must be kept at the Company's Registered Office.
Filing of changes with the Registrar of Companies	All companies are required to inform the Registrar of Companies for any changes that will occur to its corporate structure, i.e. change of directors, secretary, amendment of articles, or memorandum, etc. If the Registrar is not duly notified of any changes, financial penalties will be imposed.
Filing of changes with other authorities	The changes filed with the Registrar of Companies above must also be filed with the Inland Revenue, Social Insurance and other Authorities Company has an obligation to be registered with