

## КО ОДИТ ООД

Одиторско предприятие

Стефан Корадов, д.е.с., регистриран одитор

Член на Института на дипломираните експерт-счетоводители в България

### INDEPENDENT AUDITOR'S REPORT

To the management of

**AKTOR Bulgaria EAD**

#### Financial Statements Report

1. We have audited the enclosed Financial Statement of **AKTOR Bulgaria EAD**, which includes the balance sheet as of 31 December 2011, and the Profit & Loss Accounts. The cash Flow Report and the Equity as well as the generalized announcement of significant accountancy policies and other explanatory notes.

#### *Management's Responsibility for the financial statements*

2. The responsibility for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes designing, implementing and maintaining of internal control relevant to the preparation and the fair presentation of financial statements that are free from material misstatements, whether due to fraud and error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable under particular circumstances.

#### *Auditor's Responsibility*

3. Our responsibility is to express an opinion on these financial statements based on our audit.

4. Except the mentioned in paragraph 6, our audit was performed according to the Independent Audit Law and the professional requirements of the International Audit Standards. Those standards require respect to the ethics and audit's planning and performing providing a reasonable conviction in the security of the financial report and lack of essential inaccuracy, deviations and discrepancy.

5. The Audit includes performing of procedures aiming to obtain evidence about the amounts and disclosures in the financial statements. Selected procedures depend on the auditor's judgment, including the assessment of the significant inexactness risk, discrepancy and deviation in the financial statements, whether due to fraud or error. By risk appraisal the auditor considers the internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design auditor's procedures that are appropriate in those circumstances, but not for the purpose of expressing an opinion about the effectiveness of the entity's internal control.

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The audit also includes evaluation of the appropriateness of applied accounting policies and the soundness of approximate accounting estimates made by the management, as well as evaluation of the overall presentation of the financial statements.

We believe that the audit evidence that we have obtained is sufficient and appropriate basis for our expressed audit opinion.

### *Emphasis of Matter*

6. Without qualifying our opinion, we draw attention on the fact that the company provides commercial representation by assigning this task by a related party. The income for 2010 and 2011 from this activity are not paid and receivables from them are not tested for impairment in accordance with International Accounting Standards. The Company has accumulated liabilities to the related parties BGN`000 978, receivables from related parties BGN`000 509 and losses amounting to BGN`000 376. As a result, net assets are negative, 7.5 times the amount of registered capital. Those factors in the report indicate the existence of significant uncertainty what could cause significant doubt regarding the abilities of the company to continue as going concern, if it does not realize its assets and does not set its liabilities, or do not receive financial support from the shareholders. On the other hand this asset condition undergoes the special regulation by the Commercial Law.

### **Report On Other Legal Regulatory Requirements**

*Annual Management Report about the activities according to the Law on Accountancy Art. (33)*

7. In accordance with the requirements of the Bulgarian Law on Accountancy (art.38, para.4), we have got acquainted with the Annual Management Report over the activities of the company for the year under review - 2011. This report does not represent a part of its Annual Financial Report regarding the same period.

The management of the Company is responsible for the preparation of this Annual Report on the activities. The historic financial documentation, represented in the annual report over the activities, corresponds in all significant aspects to the data, represented and announced in the financial report of the Branch as of 31 December 2011.

Auditor:

  
Stefan Koradov, Certified Accountant

15.03.2012

Plovdiv

Bulgaria