



**Horwath DSP Limited**  
Member Crowe Horwath International

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## **AKTOR RUSSIA OPERATIONS LIMITED**

**REPORT AND FINANCIAL STATEMENTS**  
31 December 2013

# AKTOR RUSSIA OPERATIONS LIMITED

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## REPORT AND FINANCIAL STATEMENTS

31 December 2013

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# **AKTOR RUSSIA OPERATIONS LIMITED**

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## **BOARD OF DIRECTORS AND OTHER OFFICERS**

**Board of Directors:**

Andreas Mavromatis  
Dimitrios Koutras  
Georgios Koutsopodiotis  
Igor Baranskyy

**Company Secretary:**

Brena Services Limited  
Zinonos Kitieos 8  
2322 Kato Lakatamia  
Nicosia Cyprus

**Independent Auditors:**

Horwath DSP Limited  
Certified Public Accountants and Registered Auditors  
Photiades Business Centre  
1st floor, 8 Stassinos Avenue  
P.O. Box 22545  
1522 Nicosia

**Registered office:**

11 Ko  
2302 Anthoupoli  
Nicosia Cyprus

# AKTOR RUSSIA OPERATIONS LIMITED

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## REPORT OF THE BOARD OF DIRECTORS

The Board of Directors presents its report and audited financial statements of the Company for the year ended 31 December 2013.

### **Principal activities**

The principal activities of the Company, which are unchanged from last year, are the holding of investments and provision of finance.

### **Review of current position, future developments and significant risks**

The Company has incurred losses during the year. However the board of directors expects that the appreciation of the value of the investment in the subsidiary company in the forthcoming years will outweigh these losses.

The main risks and uncertainties faced by the Company and the steps taken to manage these risks, are described in note 3 of the financial statements.

### **Results**

The Company's results for the year are set out on page 5.

### **Share capital**

There were no changes in the share capital of the Company during the year under review.

### **Board of Directors**

The members of the Company's Board of Directors as at the date of this report are presented on page 1.

In accordance with the Company's Articles of Association all directors presently members of the Board continue in office.

### **Events after the reporting period**

There were no material events after the reporting period, which have a bearing on the understanding of the financial statements.

### **Independent Auditors**

The Independent Auditors, Horwath DSP Limited, have expressed their willingness to continue in office and a resolution giving authority to the Board of Directors to fix their remuneration will be proposed at the Annual General Meeting.

By order of the Board of Directors,



Andreas Mavromatis  
Director

Nicosia, 21 January 2014



## Independent auditor's report

### To the Members of Aktor Russia Operations Limited

#### Report on the financial statements

We have audited the financial statements of parent company Aktor Russia Operations Limited (the "Company") on pages 5 to 13 which comprise the statement of financial position as at 31 December 2013, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### *Board of Directors' responsibility for the financial statements*

The Board of Directors is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### *Auditor's responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. 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 about 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 of financial statements that give a true and fair view 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 parent company Aktor Russia Operations Limited as at 31 December 2013, 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 European Union and the requirements of the Cyprus Companies Law, Cap. 113.

## **Independent auditor's report (continued)**

### **To the Members of Aktor Russia Operations Limited**

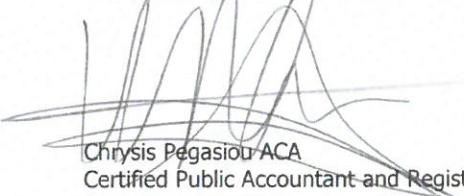
#### **Report on other legal requirements**

Pursuant to the requirements of the Auditors and Statutory Audits of Annual and Consolidated Accounts Law of 2009, 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 Cyprus Companies Law, Cap. 113, in the manner so required.
- In our opinion, the information given in the report of the Board of Directors is consistent with the financial statements.

#### **Other matter**

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 34 of the Auditors and Statutory Audits of Annual and Consolidated Accounts Law of 2009 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.



Chrysis Pegasiou ACA  
Certified Public Accountant and Registered Auditor  
for and on behalf of  
**Horwath DSP Limited**  
**Certified Public Accountants and Registered**  
**Auditors**

Nicosia, 21 January 2014

## AKTOR RUSSIA OPERATIONS LIMITED

### STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2013

	Note	2013 €	2012 €
Administration expenses		(7.794)	(3.663)
Other expenses	4	<u>(228)</u>	<u>-</u>
<b>Operating loss</b>		<b>(8.022)</b>	<b>(3.663)</b>
Finance costs	6	<u>(485)</u>	<u>(525)</u>
<b>Loss before tax</b>		<b>(8.507)</b>	<b>(4.188)</b>
Tax	7	<u>-</u>	<u>-</u>
<b>Net loss for the year</b>		<b>(8.507)</b>	<b>(4.188)</b>
<b>Other comprehensive income</b>		<u>-</u>	<u>-</u>
<b>Total comprehensive expense for the year</b>		<b><u>(8.507)</u></b>	<b><u>(4.188)</u></b>

The notes on pages 9 to 13 form an integral part of these financial statements.



# AKTOR RUSSIA OPERATIONS LIMITED

## STATEMENT OF FINANCIAL POSITION

31 December 2013

	Note	2013 €	2012 €
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investment in subsidiary	8	<u>1</u>	229
		<u>1</u>	<u>229</u>
<b>Current assets</b>			
Cash at bank	9	<u>1.837</u>	2.028
		<u>1.837</u>	<u>2.028</u>
<b>Total assets</b>		<u><b>1.838</b></u>	<u>2.257</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	10	1.000	1.000
Accumulated losses		<u>(30.962)</u>	<u>(22.455)</u>
<b>Total equity</b>		<u><b>(29.962)</b></u>	<u>(21.455)</u>
<b>Current liabilities</b>			
Trade and other payables	11	<u>31.800</u>	23.712
		<u>31.800</u>	<u>23.712</u>
<b>Total equity and liabilities</b>		<u><b>1.838</b></u>	<u>2.257</u>

On 21 January 2014 the Board of Directors of Aktor Russia Operations Limited authorised these financial statements for issue.

  
.....  
Andreas Mavromatis  
Director

  
.....  
Dimitrios Koutras  
Director

The notes on pages 9 to 13 form an integral part of these financial statements.



## AKTOR RUSSIA OPERATIONS LIMITED

### STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2013

	Share capital €	Accumulated losses €	Total €
<b>Balance at 1 January 2012</b>	<b>1.000</b>	<b>(18.267)</b>	<b>(17.267)</b>
Total comprehensive expense for the year	-	(4.188)	(4.188)
<b>Balance at 31 December 2012 / 1 January 2013</b>	<b>1.000</b>	<b>(22.455)</b>	<b>(21.455)</b>
Total comprehensive expense for the year	-	(8.507)	(8.507)
<b>Balance at 31 December 2013</b>	<b>1.000</b>	<b>(30.962)</b>	<b>(29.962)</b>

Companies which do not distribute 70% of their profits after tax, as defined by the relevant tax law, within two years after the end of the relevant tax year, will be deemed to have distributed as dividends 70% of these profits. Special contribution for defence at 20% for the tax years 2012 and 2013 and 17% for 2014 and thereafter will be payable on such deemed dividends to the extent that the shareholders (companies and individuals) are Cyprus tax residents. The amount of deemed distribution is reduced by any actual dividends paid out of the profits of the relevant year at any time. This special contribution for defence is payable by the Company for the account of the shareholders.

The notes on pages 9 to 13 form an integral part of these financial statements.

## AKTOR RUSSIA OPERATIONS LIMITED

### CASH FLOW STATEMENT

Year ended 31 December 2013

	2013	2012
	€	€
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before tax	(8.507)	(4.188)
Adjustments for:		
Impairment charge - investments in subsidiaries	8 <u>228</u>	-
<b>Cash flows used in operations before working capital changes</b>	<b>(8.279)</b>	(4.188)
Increase in trade and other payables	<u>8.088</u>	4.087
<b>Cash flows used in operations</b>	<b>(191)</b>	(101)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	<u>-</u>	-
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	<u>-</u>	-
<b>Net decrease in cash and cash equivalents</b>	<b>(191)</b>	(101)
Cash and cash equivalents:		
At beginning of the year	<u>2.028</u>	2.129
<b>At end of the year</b>	9 <u><u>1.837</u></u>	<u>2.028</u>

The notes on pages 9 to 13 form an integral part of these financial statements.

# AKTOR RUSSIA OPERATIONS LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2013

### 1. Incorporation and principal activities

#### Country of incorporation

The Company Aktor Russia Operations Limited (the "Company") was incorporated in Cyprus on 30 March 2009 as a private limited liability Company under the Cyprus Companies Law, Cap. 113. Its registered office is at 11 Ko, 2302 Anthoupoli, Nicosia Cyprus.

#### Principal activities

The principal activities of the Company, which are unchanged from last year, are the holding of investments and provision of finance.

### 2. Accounting policies

The principal accounting policies adopted 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 of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and the requirements of the Cyprus Companies Law, Cap. 113.

The Company is not required by the Cyprus Companies Law, Cap.113, to prepare consolidated financial statements because the ultimate parent company publishes consolidated financial statements in accordance with Generally Accepted Accounting Principles in Greece and the Company does not intend to issue consolidated financial statements for the year ended 31 December 2013.

Since the 7th Directive of the European Union permits the preparation of consolidated financial statements in accordance with the Directive or in a manner equivalent to the Directive, and since the Cyprus Companies Law, Cap. 113, provides the aforementioned exemption, the provisions of International Accounting Standard 27 "Consolidated and separate financial statements" that require the preparation of consolidated financial statements in accordance with IFRS do not apply.

The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires Management to exercise its judgment in the process of applying the Company's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on Management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

#### Adoption of new and revised IFRSs

During the current year the Company adopted all the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning on 1 January 2013. This adoption did not have a material effect on the accounting policies of the Company.

At the date of approval of these financial statements, standards and interpretations were issued by the International Accounting Standards Board which were not yet effective. Some of them were adopted by the European Union and others not yet. The Board of Directors expects that the adoption of these accounting standards in future periods will not have a material effect on the financial statements of the Company.



# AKTOR RUSSIA OPERATIONS LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2013

### 2. Accounting policies (continued)

#### Subsidiary companies

Investments in subsidiary companies are stated at cost less provision for impairment in value, which is recognised as an expense in the period in which the impairment is identified.

#### Finance costs

Interest expense and other borrowing costs are charged to profit or loss as incurred.

#### Tax

Current tax liabilities and assets 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 reporting date.

#### Financial instruments

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

#### Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprise cash at bank and in hand.

#### Share capital

Ordinary shares are classified as equity.

#### Comparatives

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

### 3. Financial risk management

#### Financial risk factors

The Company is exposed to credit risk, liquidity risk and capital risk management arising from the financial instruments it holds. The risk management policies employed by the Company to manage these risks are discussed below:

##### 3.1 Credit risk

Credit risk arises when a failure by counter parties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the reporting date. The Company has no significant concentration of credit risk. The Company has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history and monitors on a continuous basis the ageing profile of its receivables. Cash balances are held with high credit quality financial institutions and the Company has policies to limit the amount of credit exposure to any financial institution.

##### 3.2 Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The Company has procedures with the object of minimising such losses such as maintaining sufficient cash and other highly liquid current assets and by having available an adequate amount of committed credit facilities.



# AKTOR RUSSIA OPERATIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2013

### 3. Financial risk management (continued)

#### 3.3 Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Company's overall strategy remains unchanged from last year.

#### Fair value estimation

The fair values of the Company's financial assets and liabilities approximate their carrying amounts at the reporting date.

### 4. Other expenses

	2013 €	2012 €
Impairment charge - investments in subsidiaries	<u>228</u>	-
	<u>228</u>	-

### 5. Expenses by nature

	2013 €	2012 €
Auditors' remuneration - current year	1.770	1.770
Auditors' remuneration - prior years	(590)	30
Other professional fees	427	-
Accounting fees	1.475	1.804
Accounting fees - prior years	1.652	59
Annual company levy	700	-
Administration expenses	2.360	-
Other expenses	<u>228</u>	-
<b>Total expenses</b>	<u><b>8.022</b></u>	<u>3.663</u>

### 6. Finance costs

	2013 €	2012 €
Other finance expense	<u>485</u>	525
	<u>485</u>	<u>525</u>

### 7. Tax

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

	2013 €	2012 €
Loss before tax	<u>(8.507)</u>	<u>(4.188)</u>
Tax calculated at the applicable tax rates	(1.063)	(419)
Tax effect of expenses not deductible for tax purposes	<u>1.063</u>	<u>419</u>
<b>Tax charge</b>	<u>-</u>	<u>-</u>

# AKTOR RUSSIA OPERATIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2013

### 7. Tax (continued)

The corporation tax rate is 12,5% (2012:10%).

### 8. Investment in subsidiary

	2013	2012
	€	€
Balance at 1 January	229	229
Impairment charge	<u>(228)</u>	-
<b>Balance at 31 December</b>	<b><u>1</u></b>	<b><u>229</u></b>

The details of the subsidiaries are as follows:

<u>Name</u>	<u>Country of incorporation</u>	<u>Principal activities</u>	<u>Holding %</u>
LLC Aktor Operations	Russia	Dormant Company	<b>100</b>

### 9. Cash at bank

For the purposes of the cash flow statement, the cash and cash equivalents include the following:

	2013	2012
	€	€
Cash at bank	<u>1.837</u>	2.028
	<b><u>1.837</u></b>	<b><u>2.028</u></b>

### 10. Share capital

	2013	2013	2012	2012
	Number of shares	€	Number of shares	€
<b>Authorised</b>				
Ordinary shares of €1 each	<u>5.000</u>	<u>5.000</u>	5.000	5.000
<b>Issued and fully paid</b>				
Balance at 1 January	<u>1.000</u>	<u>1.000</u>	1.000	1.000
<b>Balance at 31 December</b>	<b><u>1.000</u></b>	<b><u>1.000</u></b>	<b><u>1.000</u></b>	<b><u>1.000</u></b>

### 11. Trade and other payables

	2013	2012
	€	€
Shareholders' current accounts - credit balances (Note 12)	600	600
Accruals	2.126	1.770
Other creditors	1.881	6.492
Payable to related company (Note 12)	<u>27.193</u>	14.850
	<b><u>31.800</u></b>	<b><u>23.712</u></b>

The fair values of trade and other payables due within one year approximate to their carrying amounts as presented above.

# AKTOR RUSSIA OPERATIONS LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2013

### 12. Related party transactions

The following transactions were carried out with related parties:

#### 12.1 Payables to related party (Note 11)

<u>Name</u>	<u>Nature of transactions</u>	2013 €	2012 €
Aktor Contractors Limited	Finance	14.850	14.850
Aktor Constructions International Limited	Finance	12.343	-
		<u>27.193</u>	<u>14.850</u>

#### 12.2 Shareholders' current accounts - credit balances (Note 11)

	2013 €	2012 €
As at 31 December	<u>600</u>	<u>600</u>
	<u>600</u>	<u>600</u>

The shareholders' current accounts are interest free, and have no specified repayment date.

### 13. Events after the reporting period

There were no material events after the reporting period, which have a bearing on the understanding of the financial statements.

**Independent auditor's report on pages 3 and 4**

