Urgula Platinum Limited

Directors' report and audited financial statements

For the financial year ended 31 December 2016

Registered number 9017525

Urgula Platinum Limited

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Directors and other information

Directors	Lelia O'Hea (resigned 15.11.2016) David Greene (resigned 15.11.2016) Jenny Anna Bergin (appointed 15.11.2016) John Thomas Carberry (appointed 15.11.2016) Tamara Ioshpa Evgenii Zhukov (alternate director)
Registered office	33 St. James's Square London SW1Y 4JS England
Company secretary	**Centralis Ireland Limited** 8th Floor, Block E, Iveagh Court, Harcourt Road, Dublin 2, Ireland
Administrator	**Centralis Ireland Limited** 8th Floor, Block E, Iveagh Court, Harcourt Road, Dublin 2, Ireland
Independent auditor	JPA Brenson Lawlor Chartered Accountants and Statutory Audit Firm JPA Brenson Lawlor House Argyle Square Morehampton Road Donnybrook Dublin 4 Ireland
Bankers	PJSC Promsvyazbank, Cyprus Branch Arch. Makarios III Avenue 224 Limassol Cyprus

Directors' report
For the financial year ended 31 December 2016
The directors present their report and audited financial statements of Urgula Platinum Limited (the "Company") for the financial year ended 31 December 2016. The Company's financial statements have been prepared in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

Principal activities and business review
The principal activity of the Company is to hold investments.

At the financial year end the Company held 49.9975% of the share capital of Promsvayaz Capital B.V., a company incorporated in the Netherlands. The shares in Promsvayaz Capital B.V. were purchased for consideration of RUB 31,113,500,000, which remains payable at the financial year end.

On 31 July 2015 the Company contributed RUB 2,379,909,000 to Promsvyaz Capital B.V.. This contribution was treated as a capital contribution without any additional shares being contributed to the Company and without any obligation of Promsvyaz Capital B.V. to repay such amount to the Company.

The Company made a further capital contribution to Promsvyaz Capital B.V. on 21 August 2015 totalling RUB 1,700,000,000 without any additional shares being contributed to the Company and without any obligation of Promsvyaz Capital B.V. to repay such amount to the Company.

The Company is incorporated in the United Kingdom, with a registered branch in Ireland. The activities of the Company reside in the Irish branch. The Irish branch employed one person as branch manager during the period.

Change of director, company secretary and registered office
Evgenii Zhukov (Russian resident) was appointed an alternate to Tamara Ioshpa on 1 September 2015. Lelia O'Hea was resigned from position of director of the Company on 15 November 2016. David Greene was resigned from position of director of the Company on 15 November 2016. Jenny Anna Bergin was appointed as director of the Company on 15 November 2016. John Thomas Carberry was appointed as director of the Company on 15 November 2016.

On 15 November 2016 Intertrust Management Ireland Limited was resigned from position of the Company's secretary. On the same date Centralis Ireland Limited was appointed as secretary of the company.

On 30 November 2016 the registered address of the Company was changed to 33 St. James's Square, London SW1Y 4JS, England.

There has been no further changes in directors and no changes in the secretary or registered office during the financial year and/or since the financial year end.

Directors and secretary and their interests
The directors and secretary who held office at 31 December 2016 had no direct or beneficial interest in the share capital of the Company or any group company at any time during the financial year.

Statement of directors' responsibilities
The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102, "The Financial Reporting Standard Applicable in the UK and Republic of Ireland" ("FRS 102").

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that financial year.

In preparing these financial statements, the directors are required to:
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, including FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in preparation of financial statements;

The directors are responsible for keeping adequate accounting records that are sufficient to:
- correctly record and explain the transactions of the Company;
- enable, at any time, the assets, liabilities, financial position and profit or loss of the Company to be determined with reasonable accuracy; and

Director's report (continued)
For the financial year ended 31 December 2016

Statement of directors' responsibilities (continued)

- enable the directors to ensure that the financial statements comply with the Companies Act 2006 and enable those financial statements to be audited.

The directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends for the financial year
The results for the financial year are set out on page 6. During the financial period, the Company made a loss after tax of RUB 363,028,296. The directors do not recommend the payment of a dividend for the financial period under review.

Future development
The directors have no plans to change the activities and operations of the Company in the foreseeable future.

Financial risk management
The financial risk management policies of the Company and the associated credit, market, operational and liquidity risks are discussed in detail in note 15 to the financial statements.

Disclosure of information to auditors
The directors have taken all the steps that they should have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

As far as the directors are aware, there is no relevant audit information of which the Company's auditor is unaware.

Going concern
The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Political donations and political expenditure
Company law requires companies to make disclosures of all political donations in excess of GBP 2,000 in aggregate made during the financial period. The directors, on enquiry, have satisfied themselves there were no such political donations made by the Company during the financial period.

Subsequent events
Subsequent events are disclosed in note 18.

Independent auditor
The auditors, JPA Brenson Lawlor, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

By order of the board:

Jenny Anna Bergin	**John Thomas Carberry**
Director	*Director*

Date: 25th May 2017

We have audited the financial statements of Urgula Platinum Limited for the year ended 31 December 2016 which comprise the Statement of Comprehensive Income, the Statement Of Financial Position, the Statement of Changes in Equity, Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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.

Respective responsibilities of director and auditor
As explained more fully in the Director's Responsibilities Statement, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements
An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the director; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements
In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of our audit, the information given in the Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements, and the Director's Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Director's Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the director was not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Director's Report and take advantage of the small companies exemption from the requirement to prepare a Strategic Report.

Ian Lawlor

Mr Ian Lawlor (Senior Statutory Auditor)
for and on behalf of JPA Brenson Lawlor,

25/05/17

Chartered Accountants
Statutory Auditor

Brenson Lawlor House,
Argyle Square,
Morehampton Road,
Donnybrook,
Dublin 4.

Statement of comprehensive income
For the financial year ended 31 December 2016

	Note	2016 RUB	2015 RUB
Finance costs			
Loan interest	5	(359,533,478)	(142,210,305)
Operating expenses			
Administration expenses	6	(3,494,818)	(11,034,553)
Loss on ordinary activities before taxation		**(363,028,296)**	**(153,244,858)**
Tax on loss on ordinary activities	8	-	-
Loss for the financial year		**(363,028,296)**	**(153,244,858)**

All items dealt in arriving at the loss for the financial year ended 31 December 2016 related to continuing operations.

The Company has no recognised gains or losses in the financial year other than those dealt with in the statement of comprehensive income.

The accompanying notes on pages 10 to 16 form an integral part of these financial statements.

On behalf of the board:

Jenny Anna Bergin
Director

John Thomas Carberry
Director

Date: 26th May 2017

Statement of financial position
As at 31 December 2016

	Note	2016 RUB	2015 RUB
Assets			
Investment	9	35,193,409,000	35,193,409,000
Cash at bank	10	39,344	2,393,934
Total assets		35,193,448,344	35,195,802,934
Liabilities			
Payables	11	(1,442,322)	(2,027,682)
Loans payable	12	(4,100,026,725)	(4,098,232,980)
Interest payable	5	(501,677,581)	(142,212,260)
Payable to Peters International Investment Holding B.V.	13	(31,113,500,000)	(31,113,500,000)
Total liabilities		(35,716,646,628)	(35,355,972,922)
Net liabilities		(523,198,284)	(160,169,988)
Capital and reserves			
Called up share capital presented as equity	14	970,556	970,556
Retained earnings		(524,168,840)	(161,140,544)
		(523,198,284)	(160,169,988)

The accompanying notes on pages 10 to 16 form an integral part of these financial statements.

On behalf of the board:

Jenny Anna Bergin
Director

John Thomas Carberry
Director

Date: 20th May 2017

Statement of changes in equity
For the financial year ended 31 December 2016

	Share capital RUB	Retained earnings RUB	Total RUB
Balance at 1 January 2016	970,556	(161,140,544)	(160,169,988)
Issue of share capital	-	-	-
Loss for financial year	-	(363,028,296)	(363,028,296)
Balance as at 31 December 2016	**970,556**	**(524,168,840)**	**(523,198,284)**
Balance as at 1 January 2015	61	(7,895,686)	(7,895,625)
Issue of share capital	970,495	-	970,495
Loss for the financial year	-	(153,244,858)	(153,244,858)
Balance as at 31 December 2015	**970,556**	**(161,140,544)**	**(160,169,988)**

The accompanying notes on pages 10 to 16 form an integral part of these financial statements.

Statement of cash flows
as at 31 December 2016

	2016 RUB	2015 RUB
Cash flows from operating activities		
Loss for the period	(363,028,296)	(153,244,858)
Adjustments for		
Interest payable	359,533,478	142,210,584
(Decrease) in creditors and accrued expenses	(585,361)	(1,204,315)
Decrease in other receivables	-	87
Net cash flows used in operating activities	(4,080,179)	(12,238,502)
Cash flows from investing activities		
Acquisition of shares in subsidiary	-	(4,079,909,000)
Net cash flows from investing activities	-	(4,079,909,000)
Cash flows from financing activities		
Proceeds from borrowings	1,725,589	4,092,771,031
Proceeds from issue of share capital	-	970,495
Net cash flows from financing activities	1,725,589	4,093,741,526
Net (decrease) increase in cash and cash equivalents during the year	(2,354,590)	1,594,024

The initial shares in Promsvayaz Capital B.V. were purchased for consideration of RUB 31,113,500,000 This amount remains payable to Peters International Investment Holding B.V. at the financial year end.

Notes to the financial statements
For the financial year ended 31 December 2016

1. General information

Urgula Platinum Limited was incorporated and registered in the United Kingdom with limited liability, under the Companies Acts 2006, on 29 April 2014 with registration number 9017525.

The principal activity of the Company is to hold investments.

At the financial year end the Company held 49.9975% of the share capital of Promsvayaz Capital B.V., a company incorporated in the Netherlands.

These annual accounts include the accounts of the Irish branch.

2. Basis of preparation

The Company's financial statements have been prepared in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

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

FRS 102 allows a qualifying entity certain disclosure exemptions. The Company has not taken advantage of any available exemption for qualifying entities.

3. Significant judgements and estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that may affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the financial period in which the estimate is revised and in any future financial periods affected.

4. 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 the financial year presented.

(a) Going concern

The Company has acquired a letter from its shareholder stating that he will assist the Company in meeting its liabilities as and when they fall due in respect of the relevant loan agreements.

On this basis, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

(b) Investments in joint venture entities

The investment in joint venture is accounted for at cost less any accumulated impairment losses.

Any distributions received from the investment are to be recognised as income without regard to whether the distributions are from accumulated profits of the jointly controlled entity arising before or after the date of acquisition.

(c) Functional and presentation currency

These financial statements are presented in Russian Roubles ("RUB") which is the Company's functional currency. Functional currency is the currency of the primary economic environment in which the entity operates. The directors of the Company believe that RUB most faithfully represents the economic effects of the underlying transactions, events and conditions.

(d) Foreign currency transactions

Transactions in foreign currencies are translated to RUB at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to RUB at the exchange rate ruling at the reporting date. Foreign currency differences arising on translation are recognised as profit or loss in the statement of comprehensive income.

(e) Non-derivative financial instruments

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Trade and other receivables

Trade and other receivables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses. If payments received from customers exceed the income recognised, then the difference is presented as deferred income.

Notes to the financial statements
For the financial year ended 31 December 2016 (continued)

4. Summary of significant accounting policies (continued)

(e) Non-derivative financial instruments (continued)

A provision for impairment of trade and other receivables is recognised when there is objective evidence the Company will not be able to collect all amounts due according to the original terms of the receivable. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired.

Cash and cash equivalents
Cash and cash equivalents include cash in hand and deposits held at call with banks which are subject to insignificant risk of changes in their fair value.

Interest-bearing borrowings
Interest-bearing borrowings are recognised initially at fair value less attributable debt issue costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method.

Debt issue costs incurred are capitalised and netted against the related borrowings and are amortised to the statement of comprehensive income as a component of net finance costs as part of the effective interest rate of the associated borrowings.

Trade and other payables
Trade and other payables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

(f) Share capital
Share capital is issued in GBP. Dividends are recognised as liabilities in the financial period in which they are approved. No dividends were approved during the period.

(g) Taxation
Tax on the profit or loss for the financial period comprises current and deferred tax. Tax is recognised in the profit or loss except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the financial period, using tax rates enacted or substantively enacted at the statement of financial position reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

5. Loan interest

During the period, the Company incurred the following financing charges:

	2016 RUB	2015 RUB
Milesona International Limited loan interest	39,369	50,955
Kefina Industry Limited loan interest	359,488,424	142,159,350
Kipford Ventures Limited loan interest	5,685	-
	359,533,478	**142,210,305**

As at 31 December 2016 the amount payable in relation to loan interest was RUB 501,677,581 (2015: RUR 142,212,260)

Information on the individual loans and the interest rates can be found in note 12.

Notes to the financial statements
For the financial year ended 31 December 2016 (continued)

6. Administrative expenses

The loss on ordinary activities before taxation is stated after charging:

	2016 RUB	2015 RUB
Audit fee	1,138,071	1,337,338
Tax advisory fee	1,426,108	418,984
Legal fees	146,741	304,202
Wages and salaries	656,881	602,783
Social insurance costs	308,588	598,919
Administration expenses	3,695,081	4,499,276
Bank charges	57,345	74,776
Office rental	1,166,337	829,741
Other expenses	-	116,905
Fx difference	(5,100,334)	2,251,629
	3,494,818	**11,034,553**

There are no amounts paid to directors.

Auditors' remuneration for work carried out for the Company in respect of the financial year is as follows:

	2016 EUR	2015 EUR
Audit of statutory accounts (including expenses, excluding VAT)	14,500	14,500
Tax advisory services	3,050	3,050

7. Employees and directors

The Irish branch employed one person as branch manager during the financial year. The Company had no other employees. The directors received no remuneration from the Company in respect of qualifying services rendered during the period.

	2016 RUB	2015 RUB
Staff costs comprise:		
Wages and salaries	656,881	602,783
Social insurance costs	308,588	598,919
	965,469	**1,201,702**

8. Taxation

	2016 RUB	2015 RUB
(a) Analysis of tax charge for the financial period		
Current tax (credit)/charge		
Current financial year	-	-
Deferred tax charge for the financial year		
Origination and reversal of temporary differences	-	-
Tax on loss on ordinary activities	-	-
(b) Reconciliation of effective tax rate		
Loss on ordinary activities before tax	(363,028,296)	(153,244,858)
Addback		
Non-deductible expenditure	363,028,296	153,244,858
Corporation Tax on ordinary activities at 12.5%	-	-
Total tax charge	-	-

Notes to the financial statements
For the financial year ended 31 December 2016 (continued)

8. Taxation (continued)

The Company is tax-resident in the Republic of Ireland. The Company is taxed at a rate of 12.5%. The Company is not subject to any UK corporation tax on profit or losses encountered during the period.

9. Investment

On 19 June 2014 the Company purchased 50% of the shares in Promsvyaz Capital B.V. for RUB 31,113,500,000 (ten thousand ordinary shares with a nominal value of one euro each).

On 31 July 2015 the Company contributed RUB 2,379,909,000 to Promsvyaz Capital B.V.. This contribution was treated as a capital contribution without any additional shares being contributed to the Company and without any obligation of Promsvyaz Capital B.V. to repay such amount to the Company.

The Company made a further capital contribution to Promsvyaz Capital B.V. on 21 August 2015 totalling RUB 1,700,000,000 without any additional shares being contributed to the Company and without any obligation of Promsvyaz Capital B.V. to repay such amount to the Company.

On 10 November 2015 Promsvyaz Capital B.V. issued one additional ordinary share at par value of EUR1 which was acquired by a new shareholder. The company's participation in the shares of Promsvyaz Capital B.V. changed to 49.9975%

The principal activity of Promsvyaz Capital B.V. is to act as an intermediate holding and finance company for Promsvyaz Capital B.V. Group (hereinafter the "Group").

The "Group" consists of various legal entities formed under the laws of the Russian Federation (the "RF") and other countries. As at 31 December 2016 the principal subsidiaries, which contribute significant share to the Group's total assets and total equity are the public joint-stock company (PAO) "Promsvyazbank" ("Promsvyazbank") and public joint-stock company (PAO) Bank Vozrozhdenie ("Vozrozhdenie"), the commercial banks registered in Moscow, Russian Federation.

The activities of Promsvyazbank and Vozrozhdenie (the "Banks") are regulated by the Central Bank of the Russian Federation (the "CBR"). The Bank holds a full (general) banking license from the CBR and are also authorised by the CBR to trade in precious metals.

The Company investment in Promsvyaz Capital B.V. is accounted for as a joint venture. The investment has been recognised at cost and reviewed for impairment. The directors have conducted a review of the activities of the joint-venture and are satisfied that the investment was not impaired at the financial year end. The carrying amount of the investment is RUB 35,193,409,000.

In the opinion of the Directors, the value of shares in Promsvyaz Capital B.V. which are not listed, is not less than its carrying value. Details of the joint-venture undertakings held at 31 December 2016 are as follows:

Name (and nature of business)	Place of incorporation	% held 2016	% held 2015
Promsvyaz Capital B.V.	Netherlands	49,9975	49,9975

The registered office of Promsvyaz Capital B.V. is Zuidplein 126, Tower H, 15th Floor, 1077XV Amsterdam, the Netherlands.

Movement in carrying amount of investment

	2016 RUB	2015 RUB
Balance at 1 January 2016	35,193,409,000	31,113,500,000
Purchase of shares in investee	-	-
Contribution to share premium	-	4,079,909,000
Balance at 31 December 2016	**35,193,409,000**	**35,193,409,000**

There were no other commitments relating to joint ventures or capital commitments incurred jointly with other joint ventures, or capital commitments relating to the joint venture itself

Notes to the financial statements
For the financial year ended 31 December 2016 (continued)

10. Cash at bank

	2016 RUB	2015 RUB
Cash and cash equivalents	39,344	2,393,934

11. Payables

	2016 RUB	2015 RUB
Payables	64,864	307,298
Accrued expenses	1,377,458	1,720,384
	1,442,322	2,027,682

Accrued expenses and payables are payable at various dates in the next three months in accordance with the suppliers' usual and customary credit terms. Amounts are payable in Euro and Sterling. The exchange rates at period end are RUB63.8111: €1 and RUB74.5595: £1

12. Loans

	2016 RUB	2015 RUB
Kefina Industry Limited	4,094,926,942	4,091,863,580
Kipford Ventures Limited	5,099,783	-
Milesona International Limited	-	6,369,400
	4,100,026,725	4,098,232,980

The Company was issued a loan by Milesona International Limited ("Milesona") totalling EUR 79,920 in December 2014 in order to meet its working capital requirements. Interest is calculated on this loan at 0.8% per annum. The loan term is one calendar year, renewable automatically.

In March 2015 the Company received a loan for EUR 100,000 at an interest rate of 4.0% per annum from Kefina Industry Limited ("Kefina"), a Cypriot company which is owned by the sole shareholder of the Company. In July 2015 the Company received a further RUB 2,379,909,000 from Kefina at an interest rate of 8.80% per annum. The Company received a further loan from Kefina totalling RUB 1,700,000 on 21 August 2015 at an interest rate of 8.80% per annum. A further loan totalling EUR 50,000 at an interest rate of 4% per annum was also received from Kefina in December 2015. The term for all four loans is two calendar years and are renewable automatically.

In July 2016 the Company and Kefina concluded a loan agreement for a total amount of up to EUR 500,000 at an interest rate of 4.0% per annum. During 2016 the Company received a loan for EUR85,350 under this agreement. The term of the loan is five years.

On 10 November 2016 Milesona and Kipford Ventures Limited ("Kipford") entered into a receivables assignment agreement according to which Milesona assigned to Kipford its rights in the receivables under the loan agreement dated December 16, 2014 for the outstanding amount of EUR 81,135.66 where the amount of EUR 79,920 is the outstanding loan amount and EUR 1,215.66 is the amount of interest accrued.

13. Peters International Investment Holding B.V.

	2016 RUB	2015 RUB
Amounts payable to Peters International Investment Holding B.V.	31,113,500,000	31,113,500,000

Amounts payable to Peters International Investment Holding B.V. are unsecured, interest free and are repayable on demand but no later than 19 June 2017.

Notes to the financial statements
For the financial year ended 31 December 2016 (continued)

14. Share capital

	2016 Number of shares	2015 Number of shares
Authorised equity		
1 ordinary share of GBP 1 each	1	1
9,999 ordinary share of GBP 1 each	9,999	9,999
	10,000	**10,000**

	2016 RUB	2015 RUB
Allotted, called up and fully paid equity		
1 ordinary share of GBP 1 each	61	61
9,999 ordinary share of GBP 1 each	970,495	970,495
	970,556	**970,556**

During 2014 the Company issued 1 ordinary share with a par value of GBP 1 at a foreign exchange rate of RUB 61 as at the date of issue.

On 26 February 2015 the Company issued a further 9,999 ordinary shares with a par value of GBP 1 at a foreign exchange rate of RUB 97.0592 as at the date of issue.

	2016 RUB	2015 RUB
Shareholders' funds at 1 January 2016	(160,169,988)	(7,895,625)
Loss for the financial year	(363,028,296)	(153,244,858)
Issue of share capital	-	970,495
Shareholders' funds at 31 December 2016	**(523,198,284)**	**(160,169,988)**

15. Risk management

The board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. This note presents information about the Company's exposure to each of the significant risks and the Company's management of these risks.

Credit risk

Credit risk is the risk of financial loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligation, and arises principally from the companies cash balance. The Company's financial assets are cash and other receivables, which represent the Company's maximum exposure to credit risk. The Company held cash and cash equivalents of RUB 39,344 as at 31 December 2016 with PJSC Promsvyazbank, Cyprus Branch.

Market risk

Market risk consists of foreign exchange, interest rate and price risk. The assets and liabilities of the Company are primarily denominated in the functional currency; therefore the foreign exchange risk is minimal. The interest rate on the loans issued to the Company is fixed per the loan agreements so the interest rate risk is minimal. The Company is exposed to price risk as there may be a permanent diminution in the value of the assets purchased.

Liquidity risk

The Company's exposure to liquidity risk is primarily that it may not be able to meet its commitments under the loan facilities agreements payable to Peters International Investment Holding B.V.. This risk is minimised by the existence of the letter of support from the shareholder to provide financial support for the business for the foreseeable future.

Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company's processes, personnel and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risk arises from all the Company's operations. Certain management and administration functions have been outsourced by the Directors of the Company to Centralis Ireland Limited.

Notes to the financial statements
For the financial year ended 31 December 2016 (continued)

16. Related party disclosures
The Company has identified the following transactions which are required to be disclosed under the terms of FRS102 Section 33, "Related Party Disclosures". A related party is a person or entity that is related to the entity that is preparing its financial statements.

The Company has identified the following related party transactions:

	Related Party	Nature of relationship	Note	31-Dec-2016 RUB	31-Dec-2015 RUB
Investment	Promsvyaz Capital B.V.	Joint Venture	9,13	35,193,409,000	35,193,409,000
Cash	PJSC Promsvyazbank	Under Common Control	10	39,344	2,393,934
Payables	Peters International Investment Holding B.V.	Under Common Control	11	31,113,500,000	31,113,500,000
Loan	Kefina Industry Limited	Under Common Control	12	4,094,926,942	4,091,863,580
Interest Payable	Kefina Industry Limited	Under Common Control	5	501,594,327	142,159,350
Loan	Kipford Ventures Limited	Under Common Control	12	5,099,783	-
Interest Payable	Kipford Ventures Limited	Under Common Control	5	83,254	-

The Company has identified several other related parties, including the guarantors as outlined in Note 17. The Company is satisfied that there were no other material related party transactions which would require disclosure.

17. Commitments and contingent liabilities
Agora Investment (Cayman) Limited, an entity under common control of the sole shareholder, obtained a loan from Commerzbank Aktiengesellschaft for an amount of EUR 195,000,000 on 27 February 2012.

On 30 December 2014, the Company entered into an agreement to amend and restate the EUR 195,000,000 facilities agreement dated 27 February 2012 between Agora Investment (Cayman) Limited as borrower and others as guarantors and Commerzbank Aktiengesellschaft as Lender to act as a guarantor for this facility.

The company, together with Peters International Investment N.V., Promsvyaz Capital B.V., Antracite Investment Limited, Mr. Alexey Nikolayevich Ananiev, Ms. Ananieva Daria Yuryevna,, Mr. Dmitry Nikolayevich Ananiev and Ms. Ananyeva Liudmila Nikolayevna are irrevocably and unconditionally jointly and severally liable for this amount, along any unpaid interest, in the event of default.

On 29 December 2016 Agora Investment (Cayman) Limited fully repaid the loan to Commerzbank Artiengesellschaft.

This guarantee has not been called on. There is no fee received by the Company for the provision of this guarantee.

The Company had no commitments or contingent liabilities at year end.

18. Subsequent events

On 26 July 2016 the Company approved an additional loan for EUR 500,000 from Kefina Industry Limited ("Kefina"), a Cypriot company which is owned by the sole shareholder of the Company. As of the date of signing the financial statements the Company has received EUR 87,705 under the loan agreement.

At the date of approval of these financial statements, the directors are not aware of any matter or circumstances which has arisen that has significantly affected or may affect the operations of the Company, the results of those operations or the state of affairs of the Company in the financial year ended 31 December 2016.

19. Controlling party
The ultimate controlling party is Mr. D. Ananiev.

20. Approval of the financial statements
The board of directors approved the financial statements on 25th May, 2017.