Stendale Solutions Limited

Strategic Report, Director's Report and Financial Statements with Independent Auditor's Report

as at 31 July 2013 and for the year then ended

Company Registration No 06972288

Director
Roy Ervin DELCY

Auditors
Grant Thornton UK LLP
Grant Thornton House
Euston Square
London NW1 2EP

Registered office
Las Suite 5 Percy Street
London
UK
W1T 1DG

Strategic report

The director presents the Strategic report, Director's report and financial statements for the year ended 31 July 2013. These financial statements have been prepared under International Financial Reporting Standards as adopted by the European Union.

Results

The losses for the year amounted to USD 1,383,825 (2012: USD 86,644).

Principal activity and review of the business

The company's principal activity during the year continued to be trading of LPG outside of the UK. The Company's key performance indicator is revenue, as the Company's main goal is to increase the market share for sales of LPG. For the year ended 31 July 2013 this amounted to USD 54,997,028 (2012: USD 23,271,499). The Company has reviewed its pricing policy and expects to be profitable in the 2014 financial year.

Going concern

The Company meets its day to day working capital requirements through cash held by the Company and advances sourced from related party customers. The Company has a number of contracts in place for future trading that will generate sufficient cash proceeds to cover the operating expenses in the year following the issuance of the financial statements. Also the Company has received a support letter from the Parent company Polimerus Trading Limited that will provide support in all means in order to maintain Stendale Solutions Limited in operating condition.

Therefore the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis in preparing the annual report and financial statements.

Risks

The main customer is Income Trast Ltd – a related company that operates a network of fuel-gas stations. The main risk of business is a decrease in retail sales for end-customers within the Ukrainian market place

MR ROY ERVIN CONRAD DELCY
Director

15 July 2014

Director's report

Statement of Director' responsibility

The director is responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with International Financial Standards (IFRSs) as adopted by the European Union (EU). Under company law, the director must not approve the financial statements unless he is 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 year. In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable IFRSs as adopted by the EU have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statement on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They 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.

Directors

The following were directors during or since the year ended 31 July 2013:

Roy Ervin Delcy (appointed 11 March 2013)
Paul Rodger Dudley Hodgkinson (resigned 11 March 2013)
Millward Investments Limited (resigned 11 March 2013)

Disclosure of information to the auditors

So far as each person who was a director at the date of approving the report is aware, there is no relevant audit information needed by the auditor in connection with preparing its report, of which the auditor is unaware. The director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

Grant Thornton UK LLP was appointed as the auditor on 9 April 2014.

In accordance with section 485 of the Companies Act 2006, a resolution is to be proposed at the Annual General Meeting for reappointment of Grant Thornton UK LLP as auditors.

MR ROY ERVIN CONRAD DELCY
Director

15 July 2014

Independent auditor's report to the members of Stendale Solutions Limited

We have audited the financial statements of Stendale Solutions Limited for the year ended 31 July 2013 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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 directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/apb/scope/private.cfm.

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 July 2013 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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.

Grant Thornton UK LLP

Marc Summers, FCA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London
Date: 23 July 2014

Statement of comprehensive income

for the year ended 31 July 2013

in US Dollars

	Notes	2013	2012
Revenue	4	54 997 028	23 271 499
Cost of sales	5	(55 115 821)	(22 563 467)
Gross (loss)/profit		**(118 793)**	**708 032**
Selling and distribution costs	6	(624 299)	(509 143)
General and administrative expenses	7	(61 833)	(134 810)
Other expenses	8	(630 555)	(104 349)
Operating loss		**(1 435 480)**	**(40 270)**
Finance income		17 510	1 006
Finance costs		-	(10 129)
Exchange difference		34 145	(37 251)
Loss before tax		**(1 383 825)**	**(86 644)**
Income tax expenses	11	-	-
Loss for the year		**(1 383 825)**	**(86 644)**
Total comprehensive loss for the year, net of tax		**(1 383 825)**	**(86 644)**

Total comprehensive loss for the year is attributable to the owners of the Company as there is no non-controlling interest.

Statement of financial position

at 31 July 2013

in US Dollars

	Notes	At 31 July 2013	At 31 July 2012
Non-current assets			
Loans granted to related parties	19	76 822	47 156
Deferred tax assets		-	-
		76 822	47 156
Current assets			
Inventories	12	648 821	162 134
Trade and other receivables	13	1 465 967	423 491
Loans granted to related parties		-	377 000
Prepayments	14	352 354	2 107 630
Cash at bank		13 396	11 381
		2 480 538	3 081 636
Total assets		**2 557 360**	**3 128 792**
Current liabilities			
Trade and other payables	15	1 954 089	648 451
Loans	16	2 263 505	58 104
Advances from customers	17	-	2 684 137
		4 217 594	3 390 692
Total liabilities		**4 217 594**	**3 390 692**
Net liabilities		(1 660 234)	(261 900)
Equity			
Share capital	18	3	3
Additional capital		-	14 509
Retained loss		(1 660 237)	(276 412)
Total equity		(1 660 234)	(261 900)

15 July 2014

MR ROY ERVIN CONRAD DELCY
Director

Company Registration No 06972288

Statement of changes in equity

for the year ended 31 July 2013

in US Dollars

	Share capital	Additional capital	Retained loss	Total equity
At 31 July 2011	3	14 509	(189 768)	(175 256)
Loss for the year	-	-	(86 644)	(86 644)
Total comprehensive loss for the year, net of tax	-	-	(86 644)	(86 644)
At 31 July 2012	3	14 509	(276 412)	(261 900)
Loss for the year	-	-	(1 383 825)	(1 383 825)
Total comprehensive loss for the year, net of tax	-	-	(1 383 825)	(1 383 825)
Transactions with the owner		(14 509)	-	(14 509)
At 31 July 2013	3	-	(1 660 237)	(1 660 234)

Statement of cash flows

for the year ended 31 July 2013

in US Dollars

		2013	2012
Operating activities			
Loss before tax		(1 383 825)	(86 644)
Adjustments to reconcile loss before tax to operating cash flows:			
Finance income		(17 510)	(1 006)
Finance cost		-	10 129
Unrealised foreign exchange rate difference		-	(5 994)
Working capital adjustments:			
Increase in trade receivables	13	(1 042 476)	(365 247)
Increase in inventories	12	(486 687)	(162 134)
Decrease/ increase in prepayments	14	1 755 276	(1 663 733)
Increase in trade and other payables	15	1 305 638	625 912
Decrease/increase in advances received from customers	16	(2 684 137)	1 945 937
Net cash flows from operating activities		**(2 553 721)**	**297 220**
Financing activities			
Proceeds from loans received from third parties		2 205 401	-
Loans repaid to related parties		-	(59 200)
Loans granted to third parties		-	(377 000)
Loans granted to related parties		(26 665)	(46 150)
Loans repaid by related parties		-	9 100
Loans repaid by third parties		377 000	-
Net cash flows generated from (used in) financing activities		**2 555 736**	**(473 250)**
Net increase/(decrease) in cash and cash equivalents		2 015	(176 030)
Cash and cash equivalents at 1 August		11 381	187 411
Cash and cash equivalents at 31 July		**13 396**	**11 381**

Notes to the financial statements

at 31 July 2013

1. Authorisation of financial statements, corporate information, statement of compliance with IFRS as adopted by EU

Authorization of financial statements

The financial statements of Stendale Solutions Limited (the "Company") for the year ended 31 July 2013 were authorised for issue by the board of directors on 15 July 2014 and the statements of financial position was signed on the board's behalf by Roy Ervin Delcy

Corporate information

Stendale Solutions Limited was incorporated on 24 July 2009 in England. The Company's principal activity is trading with liquid petroleum gas. The Company's registered office and principal place of business is located in London.

Statement of compliance with IFRS

The Company's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and as applied in accordance with the provisions of the Companies Act 2006.

2. Significant accounting policies, accounting judgments estimates and assumptions

Basis of preparation

The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 July 2013.

The Company's financial statements are presented in US dollars (USD) and all values are rounded to the nearest USD ($) except when otherwise indicated. The financial statements are prepared under the historical cost convention.

Going concern

The Company meets its day to day working capital requirements through cash held by the Company and advances sourced from related party customers. The Company has a number of contracts in place for future trading that will generate sufficient cash proceeds to cover the operating expenses in the year following the issuance of the financial statements. Also the Company has received a support letter from the Parent company Polimerus Trading Limited that will provide support in all means in order to maintain Stendale Solutions Limited in operating condition.

Therefore the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, at least for 12 months within the issuance of these financial statements. Thus the directors continue to adopt the going concern basis in preparing the annual report and financial statements.

Foreign currency translation

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date. All differences are taken to the profit and loss.

Provisions

Provisions are recognised when the Company has a legal or constructive obligation 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.

Financial instruments

The Company recognises a financial asset or a financial liability when it becomes a party to the contractual provisions of the instrument.

The Company classifies financial assets into loans and receivables and financial liabilities into loans and borrowings.

Notes to the financial statements

at 31 July 2013

Interest-bearing Loans and borrowings

Loans issued as part of the Company's fund raising activities and the related interests payable are accounted for as other financial liabilities. Loans issued are initially recognised at fair value plus related transaction costs and are subsequently carried at amortised cost using the effective interest rate method. If there are no significant differences between the market rates and the effective interest rates loans are measured at amortised cost using the market rates.

Derecognition of financial assets and liabilities

(i) Financial assets

A financial asset (or where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired; or
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and (i) the Company has neither transferred nor retained substantially all the risks and rewards of the asset but had transferred control of the asset or (ii) the Company has transferred substantially all the risks and rewards of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset the asset is recognised to the extent of the Company's continuing involvement in the asset. In that case the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

(ii) Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability and the difference in the respective carrying amounts is recognised in Statement of Comprehensive Income.

Impairment of financial assets

The Company assesses at each reporting date whether a financial asset or group of financial assets is impaired.

Derivative financial instruments

A derivative financial instrument is initially recognised at fair value on the date on which a derivative contract is entered into and is subsequently measured at fair value. A derivative is carried as an asset when the fair value is positive and as a liability when the fair value is negative.

Changes in fair value of a derivative financial instrument are directly recorded in the Statement of Comprehensive income.

Inventories

Inventories are stated at the lower of its cost including costs incurred in bringing each item of inventory to its present location and condition and net realisable value. Cost is based on purchase cost on a first-in first-out basis.

Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.

Trade and other receivables

Trade receivables which generally have 30 day terms are recognised and carried at the lower of their original invoiced value and recoverable amount. Allowance is made when there is objective evidence that the Company will not be able to recover balances in full. Balances are written off when the probability of recovery is assessed as being remote.

Allowances for doubtful debts

Notes to the financial statements

at 31 July 2013

The Company sells products at wholesale to customers under its standard terms and conditions of sale. In calculating the allowances for doubtful debts the director uses his knowledge of payment history and credit information on individual accounts reviews the terms of the credit insurance policy and makes an assessment of the inherent risk in the market and economy.

Cash and cash equivalents

Cash and short-term deposits in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less. For the purpose of the cash flow statement cash and cash equivalents are as defined above and net of outstanding bank overdrafts.

Income taxes

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities based on tax rates and laws that are enacted or substantively enacted by the reporting date.

Deferred income tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements with the following exception:

- Deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences carried forward tax credits or tax losses can be utilised.
- Deferred income tax assets are liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Income tax is charged or credited directly to equity if it relates to transactions that are credited or charged to equity. Otherwise income tax is recognised in the income statement.

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. Revenue is measured at the fair value of the consideration received or receivable. The Company is not registered as a VAT payer in the UK since all its sales are outside UK. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and can be reliably measured.

Interest income

Interest income is recognised as interest accrues using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to its net carrying amount.

Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset form part of the cost of that asset and, therefore, should be capitalised. Other borrowing costs are recognised as an expense.

Significant accounting judgments estimates-and assumptions

The preparation of the Company's financial statements in accordance with IFRSs as adopted by the European Union requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues

Notes to the financial statements

at 31 July 2013

expenses assets and liabilities and the disclosure of contingent liabilities at the reporting date. However uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Judgments

In the process of applying the Company's accounting policies the management has made the following judgments which have the most significant effect on the amounts recognised in these financial statements:

Income taxes

Judgement is required in determining the provision for income taxes. Tax consequences of some transactions and calculations in the ordinary course of business are uncertain. The Company recognizes 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.

As at 31 July 2013 and 31 July 2012 the management believes that its interpretation of the relevant legislation is appropriate and that the Company has complied with all regulations and paid or accrued all taxes and withholdings that are applicable.

Deferred tax assets

Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Please refer to Note 11 for additional information on the Company's tax position.

Doubtful debts

Judgement is required in determining the provision for doubtful debts. Consequences of some sale and prepayment transactions in the ordinary course of business are uncertain as accounts receivable may not be recovered and inventory may not be supplied for prepayments made. In calculating the allowances for doubtful debts the director uses his knowledge of payment history and credit information on individual accounts reviews the terms of the credit insurance policy and makes an assessment of the inherent risk in the market and economy.
Please refer to Note 21 for details of the Company's doubtful debt provision.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared.

Existing circumstances and assumptions about future developments however may change due to market changes or circumstances arising beyond the Company's control. Such changes in the assumptions are reflected when they occur.

Fair value of financial assets and liabilities

Fair value of financial assets and financial liabilities recorded on the statement of financial position determined observing market data were possible. Estimation of future cash flow and effective interest rates are based on current market information and rates applicable to financial instruments with similar yield credit quality and maturity characteristics. Estimated future cash flows are influenced by factors such as economic conditions market liquidity and financial conditions in specific countries. Changes in assumptions about these factors could affect the reported fair value of financial assets and liabilities.

3. Standards issued but not yet effective

As the Company prepares its financial statements in accordance with IFRS as adopted by the European Union the application of new standards and interpretations will be subject to their having been endorsed for use in the EU via the EU Endorsement mechanism. In the majority of cases this will result in an effective date consistent with that

Notes to the financial statements

at 31 July 2013

given in the original standard or interpretation but the need for endorsement restricts the Company's discretion to early adopt standards.

Standards issued but not yet effective up to the date of issuance of the Company's financial statements are listed below. This listing of standards and interpretations issued are those that the Company reasonably expects to have an impact on disclosures financial position or performance when applied at a future date. The Company intends to adopt these standards when they become effective.

IFRS 9 'Financial Instruments' (IFRS 9)

The IASB aims to replace IAS 39 'Financial Instruments: Recognition and Measurement' (IAS 39) in its entirety with IFRS 9. To date, the chapters dealing with recognition, classification, measurement and derecognition of financial assets and liabilities have been issued. These chapters are effective for annual periods beginning on or after 1 January 2015. Chapters dealing with impairment methodology and hedge accounting are still being developed. Further, in November 2011, the IASB tentatively decided to consider making limited modifications to IFRS 9's financial asset classification model to address application issues. The Company's management have yet to assess the impact of this new standard on the Company's financial statements. Management does not expect to implement IFRS 9 until it has been completed and its overall impact can be assessed.

'Investment Entities – Amendments to IFRS 10, IFRS 12 and IAS 27'

The Amendments define the term 'investment entity', provide supporting guidance and require investment entities to measure investments in the form of controlling interests in another entity at fair value through profit or loss. Management does not anticipate an impact on the Company's financial statements.

4. Revenue

Revenue represents the invoiced amount for LPG products sold to customers.

5. Cost of sales

	2013	2012
Liquid petroleum gas	54 067 275	22 112 206
Transportation cost	1 048 546	451 261
	55 115 821	22 563 467

6. Selling and distribution costs

Selling and distribution costs for the year ended 31 July 2013 USD 624,299 (2011: USD 509,143) represent export expedition services from external providers.

7. General and administrative expenses

	2013	2012
Travel and entertainment	32 173	73 898
Consulting services	10 023	48 336
Bank fees	19 637	12 576
	61 833	134 810

8. Other expenses

	2013	2012
Oil tank demurrage	60 555	89 202

Notes to the financial statements

at 31 July 2013

Allowance for doubtful debts	570 000	15 147
	630 555	104 349

9. Auditor's remuneration

The audit costs are expensed in the year in which the audit service is provided. The Company had the audit for the years 31 July 2012 and 31 July 2013 with audit fee $92,129 and $27,200 respectively.

No non-audit services were provided for the year ended 31 July 2013 and 31 July 2012.

10. Director's remuneration

The director received no fees or remuneration for services as director of the Company during the years ended 31 July 2013 and 31 July 2012. The director is employed by the company providing secretarial services.

The Company had no employees during the year ended 31 July 2013 and 31 July 2012.

11. Income tax

(a) Income tax on profit on ordinary activities

	2013	2012
UK corporation taxable profit (losses) for the year	-	-
Income tax charge in the profit and loss	-	-

(b) Reconciliation of the total income tax charge

The current tax expense in the profit and loss account for the year differs from the standard rate of corporation tax in the UK of 23% (2012 – 24%). The differences are reconciled below:

	2013	2012
Loss on ordinary activities before tax	(1 383 825)	(86 644)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK 23% (2012 – 24%)	(318 280)	(21 921)
Expenses not deductible for tax purposes	-	6 145
Tax losses carried forward	318 280	15 776
Current income tax	-	-

(c) Deferred income tax

The Company has not recognised a deferred tax asset in respect of tax losses of USD 1 623 628 carried forward at 31 July 2013 (2012: USD 239 803) as the director does not consider there is sufficient evidence of future appropriate taxable profits to support recognition of this asset.

Notes to the financial statements

at 31 July 2013

12. Inventories

Inventories are liquid petroleum gas in fuel tank-wagons during transportation from oil refinery to customer.

	2013	2012
Liquid petroleum gas	648 821	162 134
	648 821	162 134

13. Trade and other receivables

	Note	2013	2012
Trade receivables from related parties	19	1 465 967	423 491
		1 465 967	423 491

14. Prepayments

	2013	2012
Prepayments	352 354	2 107 630
	352 354	2 107 630

Prepayments represent advances to suppliers for LPG products.

15. Trade and other payables

	2013	2012
Trade payables for liquid petroleum gas	1 954 089	614 448
Other payables	-	34 003
	1 954 089	648 451

16. Borrowings

	2013	2012
Short-term loans	2 263 505	58 104
	2 263 505	58 104

17. Advances from customers

	Note	2013	2012
Advances received from related parties	19	-	2 684 137
		-	2 684 137

18. Share capital

	2013	2013	2012	2012
Authorised allotted called up and fully paid	**No.**	**USD**	**No.**	**USD**

Notes to the financial statements

at 31 July 2013

Ordinary shares of £1 each	2	3	2	3

The company does not have externally imposed capital requirements.

19. Related party transactions

The Company entered into transactions in the ordinary course of business with its ultimate beneficiary parent Company and other related parties. Transactions entered into and trading balances outstanding at 31 July with its ultimate beneficiary parent Company and other related parties are as follows:

	2013	2012
Entities under common control:		
Revenue from UPK-Europlus	177 480	6 914 648
Revenue from Income Trust	54 542 890	13 297 215
Purchases from UPK- Europlus	-	27 683
Current assets		
Amounts owed by UPK-Europlus	366 894	423 491
Amounts owed by Income Trust	1 099 003	-
Current liabilities		
Amounts owed to Income Trust	-	2 684 137
Amounts owed to Europlus	-	-
Ultimate parent:		
Revenue from Polimerus	-	40 902
Amounts owed to Polimerus	54 858	58 104
Shareholder's loan:		
Non-current assets		
Amounts owed by D.Chirich - loan	76 822	47 156
Other related parties:		
Revenue from IDEAL ImportsExport	-	67 410

The Company issued a loan to its ultimate shareholder Dimitry Chirich in the amount of USD 72,814 bearing annual interest rate of 4%. The maturity date of the loan is 1 July 2015. The carrying value of the loan comprised USD 76,822 as at 31 July 2013, including USD 4,008 of accrued interest.

Sales and purchases between related parties are made at normal market prices. Outstanding balances are unsecured interest free and cash settlement terms vary between 30 and 90 days. The Company has not provided or benefitted from any guarantees for any related party receivables or payables. The Company has not made any allowance for doubtful debts relating to amounts owed by related parties.

20. Ultimate parent undertaking and controlling party

The Company's immediate parent undertaking is Polimerus Trading a Company incorporated in Cyprus. Its registered office is at Avlonos 1 Maria House P.C. 1075 Nicosia.

The Company's ultimate parent company is Kokos Ltd. incorporated in Cyprus. Its registered office is at Avlonos 1 Maria House P.C. 1075 Nicosia.

The Company's ultimate beneficiary is Mr. Dmitriy Chirich.

21. Fair value of financial instruments

The estimated fair values of financial instruments are determined with reference to various market information and other valuation methodologies as considered appropriate. However, considerable judgement is required in interpreting market data to develop these estimates. Accordingly the estimates are not necessarily indicative of the amounts that the Company could realise in a current market situation.

Notes to the financial statements

at 31 July 2013

The carrying values of cash and cash equivalents approximate their fair values due to the short maturities of these instruments.

Loans granted to related parties and from related parties are measured at fair value which is amortised cost using interest rates that reflect the currently available terms for similar debt.

Set out below is a comparison by class of the carrying amounts and fair values of the Company's financial instruments that are carried in the financial statements:

	Carrying amount		Fair value	
	31 July 2013	31 July 2012	31 July 2013	31 July 2012
Financial assets				
Loans granted	-	377 000	-	377 000
Loans granted to related parties	76 822	47 156	76 822	47 156
Trade and other receivables	1 465 967	423 491	1 465 967	423 491
Total	**1 542 789**	**847 647**	**1 542 789**	**847 647**
Financial liabilities				
Trade and other payables	1 954 089	648 451	1 954 089	648 451
Loans received	2 263 505	58 104	2 263 505	58 104
Total	**4 217 594**	**706 555**	**4 217 594**	**706 555**

Trade and other receivables are stated after the allowance for doubtful debts in 2013 of USD 584 160 (2012: USD 15 147). There was an increase in allowance by USD 570 000 and collection of USD 987 in 2013.

22. Commitments and contingencies

The Company had no capital commitments and contingent liabilities as at 31 July 2013 and 2012.

23. Financial risk management objectives and policies

The Company's principal financial liabilities comprise loans and borrowings advances from customers' trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company has loans granted to related parties, trade and other receivables and cash that arrives directly from its operations.

The Company is exposed to market risk (in respect of foreign currency risk) credit risk and liquidity risk. The Company's senior management oversees the management of these risks.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a different currency from the Company's functional currency) and the Company's financing activity.

Notes to the financial statements

at 31 July 2013

Certain assets of the Company are denominated in currencies other than US Dollar the Company's functional currency with the effect that the Statement of Comprehensive Income and the Statement of Financial Position can be significantly affected by currency movements.

	31 July 2013	31 July 2012
EUR		
Cash at bank	7 788	15
Trade and other receivables	792 999	35 752
EUR		
Trade and other payables	(250 159)	(198 552)
Loans received from related parties	(38 558)	(33 805)
	512 070	(196 590)

The following table demonstrates the sensitivity to a reasonably possible change in the Euro exchange rate with all other variables held constant of the Group's profit before tax:

	Change in Euro rate (%)	Effect on profit before tax
2013	+10%	(51 207)
	-10%	51 207
2012	+10%	(19 659)
	-10%	19 659

The Company's exposure to foreign currency changes for all other currencies is not material.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily for trade receivables) and from its financing activities including loans granted to related parties.

Customer credit risk is managed by senior management of the Company. The requirement for an impairment is analysed at each reporting date on an individual basis for major clients.

As at 31 July 2013 and 31 July 2012 the aging of the financial assets of the Company was as follows:

			Past due but not impaired		
	Total	Neither past due nor impaired	< 30 days	61-90 days	91-120 days
As at 31 July 2013					
Trade and other receivables	1 465 967	1 099 073	-	-	366 894
Loans granted	-	-	-	-	-
Loans granted to related parties	76 822	76 822	-	-	-

The Company's management considers that financial assets that are not impaired or past due for each of the reporting dates under review are of good credit quality.

			Past due but not impaired		
	Total	Neither past due nor impaired	< 30 days	61-90 days	91-120 days

Notes to the financial statements

at 31 July 2013

As at 31 July 2012					
Trade and other receivables	423 491	-	18 860	368 879	35 752
Loans granted	377 000	377 000	-	-	-
Loans granted to related parties	47 156	47 156	-	-	-

Liquidity risk

The Company's objective is to maintain continuity and flexibility of funding through the use of cash generated from the Company's operations, credit terms provided by suppliers and interest-bearing loans and borrowings. The Company analyses the aging of its assets and cash generation ability versus the maturity of its liabilities and plans its liquidity depending on the expected repayment of various instruments.

The table below summarizes the maturity profile of the Company's financial liabilities at 31 July 2013 and 2012 based on contractual undiscounted payments:

	Less than 3 months	3 to 12 months	Less: Effect of amortization	Carrying value
As at 31 July 2013				
Trade and other payables	1 954 089	-	-	1 954 089
Loans received	2 263 504		-	2 263 504
	4 217 593	-	-	4 217 593

	Less than 3 months	3 to 12 months	Less: Effect of amortization	Carrying value
As at 31 July 2012				
Trade and other payables	648 451	-	-	648 451
Loans received from related parties	-	59 813	(1 709)	58 104
	648 451	59 813	(1 709)	706 555

24. Subsequent events

The loan received from Evertec Impex S.A. during the year ended 31 July 2013 in the amount of USD 2 210 500 with the original maturity date of 31 December 2013 was early repaid in full subsequent to the reporting date. Loan received from Polimerus Trading LTD in amount of USD 53 005 was repaid in full subsequently to the reporting date.

The Ukrainian economy while deemed to be of market status continues to display certain characteristics consistent with that of an economy in transition. These characteristics include, but are not limited to, low levels of liquidity in the capital markets and the existence of currency controls which cause the national currency to be illiquid outside of Ukraine. The stability of the Ukrainian economy will be significantly impacted by the Government's policies and actions with regard to administrative, fiscal, legal, and economic reforms. As a result, operations in Ukraine involve risks that are not typical for developed markets. The Ukrainian economy is vulnerable to market downturns and economic slowdowns as elsewhere in the world.

In November 2013, the Ukrainian Government declined to sign the association agreement with the European Union, which resulted in protests and signs of political unrest. In January-February 2014, the political unrest escalated and resulted in the President and majority of Government officials being dismissed by the Parliament. The Parliament has initiated certain political reforms, has appointed a transitional Government and is forming a set of anti-crisis measures.

Notes to the financial statements

at 31 July 2013

Furthermore, from 1 August 2013 to 1 July 2014, the Ukrainian Hryvnia devalued against major foreign currencies by approximately 40%, and the National Bank of Ukraine imposed certain restrictions on purchase of foreign currencies at the inter-bank market. The international rating agencies have downgraded sovereign debt ratings for Ukraine. The combination of the above events has resulted in a deterioration of liquidity and much tighter credit conditions where credit is available.