"Property Development Company" CJSC

Financial statements

Year ended 31 December 2014
Together with Independent Auditors' Report

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Կառուցելով բարեկեցիկ աշխարհ

Ernst & Young CJSC
1 Northern Ave., office 27
Yerevan, 0001, Armenia
Tel: +374 (10) 500 790
+374 (10) 500 705
Fax: +374 (10) 500 706
www.ey.com/am

«Էրնսթ ընդ Յանգ» ՓԲԸ
ՀՀ, ք. Երևան 0001
Հյուսիսային պող. 1, գրասենյակ 27
Հեռ. +374 (10) 500 790
+374 (10) 500 705
Ֆաքս. +374 (10) 500 706

Independent auditors' report

To the shareholders and Board of Directors of "Property Development Company" CJSC

We have audited the accompanying financial statements of "Property Development Company" CJSC ("the Company"), which comprise the statement of financial position as at 31 December 2014, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Audited entity's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management 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 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 audit procedures selected depend on our 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 preparation and fair presentation of the financial statements 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 management, 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 present fairly, in all material respects, the financial position of the Company as at 31 December 2014, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

Ernst and Young CJSC

Partner (Audit department) — Ruslan Khoroshvili

On behalf of General Director H. Sarkisyan (by power of authority dated 31 July 2013) — Eric Hayrapetyan

31 March 2015

Statement of comprehensive income
for the year ended 31 December 2014

(Thousands of Armenian Drams)

	Notes	2014 AMD '000	2013 AMD '000
Revenue		–	18,616
Increase in fair value of investment property	5	514,127	88,709
Depreciation and amortization		(595)	(2,639)
Payroll related expenses		(18,851)	(56,204)
Administrative expenses	6	(11,135)	(22,463)
Other income		4,262	1,852
Other expenses		(2,714)	(1,786)
Finance income	7	65,931	20,857
Finance costs		–	(4,005)
Profit before income tax		551,025	42,937
Income tax expense	8	(100,755)	(26,237)
Total comprehensive income for the year		450,270	16,700

Director Artashes Kazakhetsyan

Chief Accountant Lilit Chalikyan

31 March 2015

The accompanying notes 5-23 are an integral part of these financial statements.

Statement of financial position

as at 31 December 2014

(Thousands of Armenian Drams)

	Notes	2014 AMD '000	2013 AMD '000
Assets			
Non-current assets			
Property, plant and equipment and intangible assets		3,964	11,247
Investment property	5	6,698,834	5,494,840
VAT receivable		231,543	117,950
Other non-current assets	9	190,800	1,499
		7,125,141	5,625,536
Current assets			
Inventories		–	1,322
Current income tax prepayment		3,362	2,012
Receivables and prepayments	10	262,053	76,348
Cash and cash equivalents	11	329,871	882,957
		595,286	962,639
Total assets		7,720,427	6,588,175
Equity and liabilities			
Equity			
Share capital	14	6,970,270	6,447,770
Retained earnings/(Accumulated loss)		97,820	(352,450)
		7,068,090	6,095,320
Non-current liabilities			
Deferred tax liabilities	8	545,842	445,087
		545,842	445,087
Current liabilities			
Provisions	12	64,615	2,950
Payables	13	41,880	44,818
		106,495	47,768
Total liabilities		652,337	492,855
Total equity and liabilities		7,720,427	6,588,175

The accompanying notes 1–23 are an integral part of these financial statements.

Statement of changes in equity

for the year ended 31 December 2014

(Thousands of Armenian Drams)

	Notes	Ordinary shares	Accumulated loss/Retained earnings	Total equity
		AMD '000	AMD '000	AMD '000
At 1 January 2013		3,810,845	(584,725)	3,226,120
Issue of share capital		2,852,500	–	2,852,500
Decrease in par value of ordinary shares		(215,575)	215,575	–
Profit for the year		–	16,700	16,700
At 31 December 2013		6,447,770	(352,450)	6,095,320
Issue of share capital		522,500	–	522,500
Profit for the year		–	450,270	450,270
At 31 December 2014		6,970,270	97,820	7,068,090

The accompanying notes 1–23 are an integral part of these financial statements.

Statement of cash flows

For the year ended 31 December 2014

(Thousands of Armenian Drams)

	Notes	2014	2013
		AMD '000	AMD '000
Cash flows from operating activities			
Cash receipts from customers		3,480	21,850
Cash paid to suppliers		(13,849)	(41,976)
Cash paid to employees		(16,783)	(35,387)
Taxes paid other than income tax		(462)	(21,748)
Income tax paid		(1,350)	–
Net cash used in operating activities		(28,964)	(77,261)
Cash flows from investing activities			
Acquisition of investment property		(973,814)	(1,476,846)
Sale of property, plant and equipment		8,000	–
Acquisition of property, plant and equipment		(673)	(6,644)
Interest received		5,147	17,150
Net cash used in investing activities		(961,340)	(1,466,340)
Cash flows from financing activities			
Proceeds from issue of share capital		522,500	2,852,500
Repayment of borrowings		–	(446,586)
Payments done to receive borrowings		(151,664)	–
Interest paid		–	(3,659)
Net cash from financing activities		370,836	2,402,255
Net (decrease)/ increase in cash and cash equivalents		(619,468)	858,654
Cash and cash equivalents at 1 January		882,957	16,718
Effect of movements in exchange rates on cash and cash equivalents		66,382	7,585
Cash and cash equivalents at 31 December	11	329,871	882,957

The accompanying notes 1–23 are an integral part of these financial statements.

1. Background

a) Corporate information

"Property Development Company" closed joint-stock company ("the Company") is a legal entity, was established on 10 December 2007 under the laws of the Republic of Armenia.

The shareholder of Company is: Ameria Group (CY) Limited (the "Parent"). The ultimate controlling party of the Company is Ruben Vardanyan.

The legal address of the Company is Vazgen Sargsyan 2, Yerevan 0010, Republic of Armenia.

The Company is involved in the constriction of 8 floor business center in the center of Yerevan. The Company's future intended business is the operation of the business centre.

b) Armenian business environment

Armenia continues economic reforms and development of its legal, tax and regulatory frameworks as required by a market economy. The future stability of the Armenian economy is largely dependent upon these reforms and developments and the effectiveness of economic, financial and monetary measures undertaken by the government.

In 2014, the Armenian economy was negatively impacted by significant devaluation of the Armenian Dram. This resulted in a higher cost of capital, increased inflation and uncertainty regarding further economic growth, which could negatively affect the Company's future financial position, results of operations and business prospects.

Management believes it is taking appropriate measures to support the sustainability of the Company's business in the current circumstances.

2.1 Basis of preparation

Statement of compliance

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The financial statements have been prepared on a historical cost basis, except that investment property which is stated at fair value. The financial statements are presented in Armenian Dram ('AMD') and all values are rounded off to the nearest thousand except when otherwise indicated.

Reclassifications

The Company made reclassifications to prior year balances from intangible assets to property and equipment and intangible assets in the amount of AMD 106 thousand, from placements with banks to cash and cash equivalents in the amount of AMD 562,313 thousand and from payables to provisions AMD 2,950 thousand to conform to current year presentation.

2.2 Summary of significant accounting policies

c) Foreign currency translation

The functional currency of the Company is the currency of the primary economic environment in which the entity operates. The functional currency of the Company is national currency of the Republic of Armenia, Armenian Drams (AMD).

Monetary assets and liabilities are translated into functional currency at the official exchange rate of the Central Bank of Armenia (CBA) at respective dates of statement of financial position. Foreign exchange gains and losses resulting from the settlement of the transactions and from the translation of monetary assets and liabilities into functional currency at year-end official exchange rates of the CBA are recognized in profit and loss. Translation at year-end rates does not apply to non-monetary items that are measured at historical cost.

The official CBA exchange rates as at 31 December 2014 and 2013 are disclosed below:

	31 December 2014	*31 December 2013*
AMD to USD	474.97	405.64
AMD to EUR	577.47	559.54
AMD to RUB	8.15	12.44

2.2. Summary of significant accounting policies (continued)

d) Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and/or accumulated impairment losses, if any. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs for long–term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company recognises such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied.

Costs of minor repairs and maintenance are expressed when incurred. Cost of replacing major parts or components of property, plant and equipment items are capitalized and the replaced part is retired.

At each reporting date management assesses whether there is any indication of impairment of property, plant and equipment. If any such indication exists, management estimates the recoverable amount, which is determined as the higher of an asset's fair value less costs to sell and its value in use. The carrying amount is reduced to the recoverable amount and the impairment loss is recognised in the statement of comprehensive income to the extent it exceeds the previous revaluation surplus in equity.
Gains and losses on disposals determined by comparing proceeds with carrying amount are recognised in profit or loss.

Depreciation

Land is not depreciated. Depreciation on other items of property, plant and equipment is calculated using the straight–line method to allocate their revalued amounts to their residual values over their estimated useful lives:

	Useful lives in years
Buildings	40 years
Plant and equipment	5-10 years
Fixtures and fittings	5-10 years

For specific items of property, plant and equipment the Company may set other useful life, which can't be less than indicated in the table above.

The residual value of an asset is the estimated amount that the Company would currently obtain from disposal of the asset less the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

e) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in the income statement in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognised in the income statement in the expense category consistent with the function of the intangible assets.

Amortization is provided using the straight–line basis over the estimated useful lives of the related assets as follows:

- Software 10 years

For specific items of intangible assets the Company may set other useful life depending on the asset's nature.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the income statement when the asset is derecognised.

2.2. Summary of significant accounting policies (continued)

f) Inventories

Inventories are recorded at the lower of cost and net realizable value. Cost of inventory is determined on the first in first out basis and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

g) Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.
The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the income statement in those expense categories consistent with the function of the impaired asset.

h) Cash and cash equivalents

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less.

i) Investment property

Investment property comprises of property under construction (principally offices, commercial warehouse and retail property) which are not occupied substantially for use by, or in the operations of the Company nor for the sale in the ordinary course of business, but are held to earn rentals or for capital appreciation or both, or land with currently undermined future use.

A property interest that is held by the Company under an operating is classified and accounted for as investment property if the property meets the definition of an investment property and the Company uses the fair value model for the asset recognized.

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met, and excludes the costs of a day to day servicing. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the statement of financial position date. Gains and losses arising from the changes in the investment properties are included in the statement of comprehensive income in the year in which they arise.

j) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) 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. Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

2.2. Summary of significant accounting policies (continued)

k) Operating leases

Where the Company is a lessee in a lease which does not transfer substantially all the risks and rewards incidental to ownership from the lessor to the Company, the total lease payments are charged to profit or loss on a straight-line basis over the lease term. The lease term is the non-cancellable period for which the lessee has contracted to lease the asset together with any further terms for which the lessee has the option to continue to lease the asset, with or without further payment, when at the inception of the lease it is reasonably certain that the lessee will exercise the option.

l) Loans and borrowings

This is the category most relevant to the Company. After initial recognition, interest -bearing loans and borrowings are subsequently measured at amortized cost using the EIR (effective interest rate) method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the income statement of profit or loss.

m) Employee benefits

Wages, salaries, contributions to the State budget of RA, paid annual leave and sick leave, bonuses, and non-monetary benefits (such as health services and kindergarten services) are accrued in the year in which the associated services are rendered by the employees of the Company. Employees receive pension benefits from the State pension fund of the Republic of Armenia in accordance with the laws and regulations. Contributions are made by the Company to the Government's Pension fund at the statutory rates in force during the year. Such contributions are expensed as incurred.

n) 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, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The Company assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent. The Company has concluded that it is acting as a principal in all of its revenue arrangements.

Rendering of services

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenues are measured at the fair value of the consideration received or receivable, excluding discounts, rebates and sales taxes. These taxes are regarded as collected on behalf on the authorities.

Interest income

Interest income is recognized as interest accrued (using the effective interest method). Interest income is included in finance income in the statement of comprehensive income.

o) Taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of comprehensive income. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

2.2. Summary of significant accounting policies (continued)

o) Taxes (continued)

Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.
Deferred tax liabilities are recognised for all taxable temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, would be recognised subsequently if new information about facts and circumstances changed. The adjustment would either be treated as a reduction to goodwill (as long as it does not exceed goodwill) if it incurred during the measurement period or in profit or loss.

VAT

Revenues, expenses and assets are recognised net of the amount of VAT, except:

- Where the VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable.
- Receivables and payables that are stated with the amount of VAT included.

The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

2.2. Summary of significant accounting policies (continued)

p) Financial instruments - initial recognition and subsequent measurement

i) Financial assets

Initial recognition and measurement

Financial assets within the scope of IAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial assets at initial recognition.

Measurement of financial instruments at initial recognition

When financial instruments are recognized initially, they are measured at fair value, adjusted, in the case of instruments not at fair value through profit or loss, for directly attributable fees and costs.

The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price. If the Company determines that the fair value at initial recognition differs from the transaction price, then:

- if the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e., a Level 1 input) or based on a valuation technique that uses only data from observable markets, the Company recognizes the difference between the fair value at initial recognition and the transaction price as a gain or loss;
- in all other cases, the initial measurement of the financial instrument is adjusted to defer the difference between the fair value at initial recognition and the transaction price. After initial recognition, the Company recognizes that deferred difference as a gain or loss only when the inputs become observable, or when the instrument is derecognized.

The Company's financial assets include cash and cash equivalents, receivables and prepayments and investment property. None of the Company's financial assets were classified as financial assets at fair value through profit and loss, held-to-maturity investments and available-for-sale financial instruments as at 31 December 2014 and 2013.

Subsequent measurement

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are integral part of the effective interest rate. The amortization is included in finance income in the statement of comprehensive income.

ii) Impairment of financial assets

The Company assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

2.2 Summary of significant accounting policies (continued)

p) Financial instruments – initial recognition and subsequent measurement (continued)

iii) Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss and loans and borrowings. The Company determines the classification of its financial liabilities at initial recognition.

Financial liabilities are recognized initially at fair value plus, in the case of loans and borrowings, directly attributable transaction costs.

The Company's financial liabilities mainly include trade and other payables.

Subsequent measurement of trade and other payables

After initial recognition trade and other payables with fixed maturity are measured at amortized cost using effective interest method. Those that do not have fixed maturity are stated at cost.

iv) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

v) Fair value of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include using recent arm's length market transactions; reference to the current fair value of another instrument that is substantially the same; a discounted cash flow analysis or other valuation models.

2.3 Changes in accounting policies and disclosures

New and amended standards and interpretations

The Company applied for the first time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2014.

The nature and the impact of each new standard and amendment is described below:

Offsetting Financial Assets and Financial Liabilities – Amendments to IAS 32

These amendments clarify the meaning of 'currently has a legally enforceable right to set-off' and the criteria for non-simultaneous settlement mechanisms of clearing houses to qualify for offsetting and is applied retrospectively.

These amendments have no impact on the Company, since none of the entities in the Company has any offsetting arrangements.

Annual improvements 2010-2012 Cycle

In the 2010-2012 annual improvements cycle, the IASB issued seven amendments to six standards, which included an amendment to IFRS 13 Fair Value Measurement. The amendment to IFRS 13 is effective immediately and, thus, for periods beginning at 1 January 2014, and it clarifies in the Basis for Conclusions that short-term receivables and payables with no stated interest rates can be measured at invoice amounts when the effect of discounting is immaterial.

This amendment to IFRS 13 has no impact on the Company.

2.3 Changes in accounting policies and disclosures (continued)

New and amended standards and interpretations (continued)

Annual Improvements 2011-2013 Cycle

In the 2011-2013 annual improvements cycle, the IASB issued four amendments to four standards, which included an amendment to IFRS 1 First-time Adoption of International Financial Reporting Standards. The amendment to IFRS 1 is effective immediately and, thus, for periods beginning at 1 January 2014, and clarifies in the Basis for Conclusions that an entity may choose to apply either a current standard or a new standard that is not yet mandatory, but permits early application, provided either standard is applied consistently throughout the periods presented in the entity's first IFRS financial statements. This amendment to IFRS 1 has no impact on the Company, since the Company is an existing IFRS preparer.

3. Significant accounting judgments, estimates and assumptions

Use of estimates and judgments

The preparation of financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information about significant areas of assumptions, estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the note 5 Investment property.

Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values.

When measuring the fair value of an asset or a liability, the Company uses market observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the period in which they arise, including the corresponding tax effect. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer applying a valuation model recommended by the International Valuation Standards Committee.

3 Significant accounting judgments, estimates and assumptions (continued)

Investment properties (continued)

Investment properties are derecognized either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of derecognition.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

4. Standards issued but not yet effective

Standards issued but not yet effective up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt those standards, if applicable when they become effective.

IFRS 9 Financial Instruments

In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. Early application of previous versions of IFRS 9 (2009, 2010 and 2013) is permitted if the date of initial application is before 1 February 2015.

The adoption of IFRS 9 will not significantly affect the classification and measurement of the Company's financial assets and financial liabilities.

Annual improvements 2010-2012 Cycle

These improvements are effective from 1 July 2014 and are not expected to have a material impact on the Company. They include:

IFRS 8 Operating Segments

The amendments are applied retrospectively and clarifies that:

- An entity must disclose the judgements made by management in applying the aggregation criteria in paragraph 12 of IFRS 8, including a brief description of operating segments that have been aggregated and the economic characteristics (e.g., sales and gross margins) used to assess whether the segments are 'similar';
- The reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker, similar to the required disclosure for segment liabilities.

IAS 16 *Property, Plant and Equipment* and IAS 38 *Intangible Assets*

The amendment is applied retrospectively and clarifies in IAS 16 and IAS 38 that the asset may be revalued by reference to observable data on either the gross or the net carrying amount. In addition, the accumulated depreciation or amortisation is the difference between the gross and carrying amounts of the asset.

IAS 24 *Related Party Disclosures*

The amendment is applied retrospectively and clarifies that a management entity (an entity that provides key management personnel services) is a related party subject to the related party disclosures. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services.

Annual improvements 2011-2013 Cycle

These improvements are effective from 1 July 2014 and are not expected to have a material impact on the Company. They include:

4. Standards issued but not yet effective (continued)

IFRS 13 *Fair Value Measurement*

The amendment is applied prospectively and clarifies that the portfolio exception in IFRS 13 can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of IFRS 9 (or IAS 39,as applicable).

IAS 40 *Investment Property*

The description of ancillary services in IAS 40 differentiates between investment property and owner-occupied property (i.e., property, plant and equipment). The amendment is applied prospectively and clarifies that IFRS 3, and not the description of ancillary services in IAS 40, is used to determine if the transaction is the purchase of an asset or business combination.

IFRS 15 *Revenue from Contracts with Customers*

IFRS 15 was issued in May 2014 and establishes a new five-step model that will apply to revenue arising from contracts with customers. Under IFRS 15 revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach to measuring and recognising revenue.

The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under IFRS. Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2017 with early adoption permitted.

The Company is currently assessing the impact of IFRS 15 and plans to adopt the new standard on the required effective date.

5. Investment property

The fair value of investment property as at 31 December 2014 was determined by external, independent property valuer. The independent valuers hold a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued.

The fair values of investment properties are categorized into Level 3 of the fair value hierarchy as at 31 December 2014 and 2013.

The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurements of investment property.

'000 AMD	2014	2013
Balance at 1 January	5,494,840	3,929,881
Acquisitions	689,867	1,476,250
Change in fair value	514,127	88,709
Balance at 31 December	6,698,834	5,494,840

Investment property comprises a land area and number of properties on it located in the center of Yerevan under development. The Group has obtained the properties with the intention to construct a multistorey business center. None of the properties are leased out to third parties.

Valuation techniques and significant unobservable inputs

The basis used for the appraisal is the discounted cash flows approach. The valuation model considers the present value of cash outflows to construct the property in two years time based on the approved project and net cash flows to be generated from the property after it is constructed, taking into account expected rental rate, occupancy rate and costs necessary to maintain the property. The expected net cash flows are discounted using risk-adjusted discount rate. Cash flows are based on a 9 year projection period in USD.

The following table shows the significant unobservable inputs used and the effect of reasonably possible alternative assumptions.

5. Investment property (continued)

Valuation techniques and significant unobservable inputs (continued)

Unabsorbable inputs for the valuation of the investment property were as follows:

Description	*Measurements*	*Range*
Average rental rate (including VAT)	USD	33
Average occupancy rate at launch	Percent	75%
Average occupancy rate during 2nd year	Percent	95%
Average occupancy rate during 3rd year and thereafter	Percent	95%
Capital expenditure rate	Percent per year	7%
Discount rate at construction phase	Percent per year	17%
Discount rate at operational phase	Percent per year	13%
Investments required (in USD thousands)	USD thousands	18,589

Significant increases/(decreases) in rental rates and average occupancy rate would result in a significantly higher/(lower) fair value of the properties. Significant increases/(decreases) in capitalization rate, discount rate and investment required would result in significantly lower/(higher) fair value.

6. Administrative expenses

	2014	*2013*
	AMD '000	*AMD '000*
Utility	6,038	5,302
Marketing &Advisory	3,000	5,537
Non recoverable taxes	135	5,483
Other	1,962	6,141
Total administrative expenses	11,135	22,463

7. Finance income

	2014	*2013*
	AMD '000	*AMD '000*
Net foreign exchange income	60,784	–
Interest income	5,147	20,857
Total finance income	65,931	20,857

8. Income tax

	2014	*2013*
	AMD'000	*AMD'000*
Current income tax:		
Current income tax charge	–	–
Deferred tax:		
Relating to origination and reversal of temporary differences	(100,755)	(26,237)
Income tax benefit reported in the statement of comprehensive income	(100,755)	(26,237)

In 2014 applicable tax rate for current and deferred tax is 20% (2013: 20%).

8. Income tax (continued)

Profit before income tax	551,025	42,937
At Armenia's statutory income tax rate of 20% (2013: 20%)	(110,205)	(8,587)
Income not recognized for tax purposes	9,450	
Non-deductible expenses	–	(17,650)
At the effective income tax rate of 18.3% (2013: (61.1%))	(100,755)	(26,237)

Deferred tax

Temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes give rise to net deferred tax liabilities as at 31 December 2014 and 31 December 2013.

The deductible temporary differences do not expire under current tax legislation, except for the tax loss carry forwards which can be carried forward for 5 subsequent years.

Movements in temporary differences for the years ended 31 December 2014 and 2013 are presented as follows:

	1 January, 2014	*Origination and reversal of temporary differences through income statement*	*31 December, 2014*
	AMD'000	*AMD'000*	*AMD'000*
Investment property	(449,987)	(118,079)	(568,066)
Deferred tax liability	(449,987)	(118,079)	(568,066)
Other payables	–	12,923	12,923
Tax loss carry-forwards	4,900	4,401	9,301
Deferred tax asset	4,900	17,324	22,224
Net deferred tax liability	(445,087)	(100,755)	(545,842)

	1 January, 2013	*Origination and reversal of temporary differences through income statement*	*31 December, 2013*
	AMD'000	*AMD'000*	*AMD'000*
Investment property	(418,850)	(31,137)	(449,987)
Deferred tax liability	(418,850)	(31,137)	(449,987)
Tax loss carry-forwards	–	4,900	4,900
Deferred tax asset	–	4,900	4,900
Net deferred tax liability	(418,850)	(26,237)	(445,087)

9. Other non-current assets

	2014	*2013*
	AMD '000	*AMD '000*
Fees paid to receive loans	169,609	–
Other	21,191	1,499
Total other non-current assets	190,800	1,499

10. Receivables and prepayments

	2014	2013
	AMD '000	*AMD '000*
Prepayment to suppliers	253,500	64,135
Other receivables	7,561	4,263
Receivables from state budget	992	7,950
Total trade and other receivables	262,053	76,348

Trade and other receivables are non-interest bearing and are generally on 30-60 days term. The main part of receivables is presented in Armenian drams.

11. Cash and cash equivalents

Cash on current bank accounts is held in the following currencies:

	2014	2013
Currency	*AMD '000*	*AMD '000*
USD	329,819	882,755
AMD	52	202
Total cash and cash equivalents	329,871	882,957

12. Provisions

	2014	2013
	AMD '000	*AMD '000*
Provision for bonuses	36,845	–
Vacation reserve	25,270	–
Accruals for received services	2,500	2,950
Total provisions	64,615	2,950

13. Payables

	2014	2013
	AMD '000	*AMD '000*
Payables for services received	39,160	42,170
Payables to state budget	2,720	2,648
Total payables	41,880	44,818

Trade and other payables are normally settled within 60 days. The main part of trade and other payables are presented in Armenian drams.

14. Capital and reserves

As at 31 December 2014 had outstanding 71,858,450 ordinary shares (2013: 66,471,852), with par value of AMD 97 per share (2013: 97).

During 2013 the Company issued 33,750,000 ordinary shares with par value AMD 97 per share. The part of issued shares in 2013 (5,386,598 ordinary shares) were paid in 2014 in amount of AMD 522,500 thousands.

All ordinary shares rank equally with regard to the Company's residual assets.

15. Related party disclosure

(a) Parent and ultimate controlling party

The Company's immediate parent company is Ameria Group (CY) Limited (formerly TDA Holdings Limited) registered in Cyprus.

The party with ultimate control over the Company is Ruben Vardanyan.

(b) Transactions with key management personnel

The Company enters into transactions with related parties under terms equivalent to those that prevail in arm's length transactions.

(i) Key management remuneration

Key management received the following remuneration during the year:

	2014	*2013*
	AMD '000	*AMD '000*
Salaries and bonuses	82,029	72,836

15. Related party disclosure (continued)

(c) Other related party transactions

'000 AMD	*Transaction value for the year ended 31 December*		*Outstanding balance as at 31 December asset/(liability)*	
	2014	*2013*	*2014*	*2013*
Statement of profit or loss and other comprehensive income:				
Sale of goods and services:				
Entities under common control	400	10,177	40	40
Other related parties	8,000	–	–	–
Purchase of goods and services:				
Entities under common control	37,884	17,258	(3,578)	(13,200)
Entities under common control	550	–	–	12,654
Interest income:				
Entities under common control	5,147	20,857	–	–
Interest expense:				
Parent	–	–	–	–
Entities under common control	–	3,186	–	–
Statement of financial position:				
Purchase of investment property:				
Entities under common control	–	1,066,309	–	–
Cash and cash equivalent:				
Entities under common control		–	329,871	320,644
Placements with banks:				
Entities under common control		–	–	562,313

Loans received from the Parent as at 31 December 2012 was interest free with the maturity date of 1 June 2014. The loan was early repaid during 2013.

16. Commitments and contingencies

(i) Operating environment, risks and economic conditions in Armenia

The Armenian economy while deemed to be of market status continues to display certain characteristics that make it particularly vulnerable to the sharp deterioration in the global economy and the economic downturns in Armenia. These characteristics include, but are not limited to, narrow export base, and pervasive monopolies in important business sectors. The stability of the Armenian economy will be significantly impacted by the Government's policies and actions with regard to administrative, legal, and economic reforms in order to secure economic growth, improve economic competitiveness and employment opportunities. As a result, operations in Armenia involve risks that are not typical for developed markets.

The global economic crisis has resulted in a decline in the gross domestic product, tighter credit conditions within Armenia, and significant devaluation of the Armenian dram against major currencies. Whilst the Armenian Government responded with a comprehensive and ambitious package of counter-cyclical measures including an easing of fiscal and monetary policies, there continues to be uncertainty regarding exchange rates, access to capital and its cost for the Company and its counterparties. These factors could affect the Company's financial position, results of operations and business prospects.

Whilst management believes it is taking appropriate measures to support the sustainability of the Company's business in the current circumstances, continued and unexpected further deterioration in the areas described above could negatively affect the Company's results and financial position in a manner not currently determinable.

16. Commitments and contingencies (continued)

(ii) Tax risks

Armenian tax, currency and customs legislation is subject to varying interpretations, and changes, which can occur frequently. Often, differing interpretations exist among numerous taxation authorities. Taxes are subject to review and investigation by a number of authorities, who are enabled by law to impose severe fines, penalties and interest charges. These facts may create tax risks in the Republic of Armenia substantially more significant than in other countries.

As at 31 December 2014 management believes that its interpretation of the relevant legislation is appropriate and that the Company's tax, currency and customs positions will be sustained.

(iii) **Legal matters**

In the ordinary course of business, the Company is subject to legal actions and complaints. Management believes that the ultimate liability, if any, arising from claims and complaints, both presented and potential, will not have a material adverse effect on the Company's financial position or the results of its future operations and is less than probable, accordingly no corresponding accrual was provided in these financial statements.

(iv) **Lease commitments**

The Company had lease commitments in the amount of AMD 18,641 thousand as at 31 December 2014 (31 December 2013: 7,052).

(iv) **Commitment to invest in the construction of the investment property**

The Company had a commitment to invest in the construction of the investment property in amount of USD 18,589 thousand as at 31 December 2014 (31 December 2013: USD 23,496 thousand).

17. Fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

As at 31 December 2014 and 2013 the carrying value of the Company's financial instruments approximates their fair values.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

17. Fair value of financial instruments (continued)

Fair value measurement hierarchy for assets as at 31 December 2014:

		Fair value measurement using			
		Total	Quoted prices in active markets Level 1	Significant observable inputs Level 2	Significant unobservable inputs Level 3
	Date of valuation	AMD'000	AMD'000	AMD'000	AMD'000
Assets measured at fair value:					
Investment property	31 December 2014	6,698,834	–	–	6,698,834
Assets for which fair values are disclosed:					
Cash and cash equivalents	31 December 2014	329,871	329,871	–	–
Receivables and prepayments	31 December 2014	262,053	–	262,053	–

		Fair value measurement using			
	Date of valuation	Total	Quoted prices in active markets Level 1	Significant observable inputs Level 2	Significant unobservabl e inputs Level 3
		AMD'000	AMD'000	AMD'000	AMD'000
Liabilities for which fair values are disclosed:					
Provisions	31 December 2014	(64,615)	–	–	(64,615)
Payables	31 December 2014	(41,880)	–	(41,880)	–

Fair value measurement hierarchy for assets as at 31 December 2013:

		Fair value measurement using			
	Date of valuation	Total	Quoted prices in active markets Level 1	Significant observable inputs Level 2	Significant unobservable inputs Level 3
		AMD'000	AMD'000	AMD'000	AMD'000
Assets measured at fair value:					
Investment property	31 December 2013	5,494,840	–	–	5,494,840
Assets for which fair values are disclosed:					
Cash and cash equivalents	31 December 2013	882,957	882,957		
Receivables and prepayments	31 December 2013	76,348	–	76,348	–

		Fair value measurement using			
		Total	Quoted prices in active markets Level 1	Significant observable inputs Level 2	Significant unobservable inputs Level 3
	Date of valuation	AMD'000	AMD'000	AMD'000	AMD'000
Liabilities for which fair values are disclosed:					
Provisions	31 December 2013	(2,950)			(2,950)
Payables	31 December 2013	(44,818)	–	(44,818)	–

No transfers have occurred between Levels in the fair value hierarchy during the reporting period.

18. Financial instruments and risk management

The Company's principal financial instruments, other that derivatives, comprise cash in bank and short-term deposits. The Company has various other financial instruments, such as trade receivables, which arise directly from its operations.

The Company has no interest-bearing loans and borrowings. It is the Company's policy not to trade with financial instruments.

The Company is exposed to market risk, credit risk and liquidity risk.

The Company's overall risk management program focuses on the unpredictability and inefficiency of the Armenian financial markets and seeks to minimise potential adverse effects on the financial performance of the Company. The Company's senior management oversees the management of these risks and financial risk-taking activities are governed by appropriate policies and procedures so that financial risks are identified, measured and managed in accordance with company's policies.

The policies for managing each of these risks are summarised below.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: interest rate risk, currency risk and other price risk. Financial instruments affected by market risk include loans and borrowings, deposits and derivative financial instruments.

Interest rate risk

As at 31 December 2014 and 2013 the Company had no any interest-bearing loans and borrowings.

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 financing activities.

Foreign currencies, in particular the US dollar ('USD') play a significant role in the underlying economics of the Company's business transactions. The average market exchange rates for foreign currencies, in which the Company's financial assets and liabilities were denominated, against Armenian Dram ('AMD'), as declared by the Central Bank of Armenia as at the dates stated, were as follows:

	USD
01 January 2013	403.58
Average for 2013	409.63
31 December 2013	405.64
Average for 2014	415.92
31 December 2014	474.97

The following tables demonstrate the sensitivity to a reasonably possible change in the corresponding exchange rates, with all other variables held constant, of the Company's profit before tax (due to changes in the fair value of monetary assets and liabilities).

	Change in rate, (%)	*Effect on profit*
2014		
US dollar	19.1	56,679
US dollar	(19.1)	(56,679)
2013		
US dollar	5.62	48,810
US dollar	(5.62)	(48,810)

18. Financial instruments and risk management (continued)

Liquidity risk

The Company's objective is to maintain continuity and flexibility of funding through the use of credit terms provided by suppliers and bank loans and borrowings.

The Company analyses the aging of its assets and the maturity of its liabilities and plans its liquidity depending on the expected repayment of various instruments. The Company emphasises financial flexibility. An important part of this emphasis is to minimise liquidity risk through ensuring access to a diversified set of funding sources. The Company uses cash and credit facilities to manage short-term liquidity. Long-term liquidity needs are managed by raising funds in the capital markets.

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 companies are generally exposed to the credit risk from their operating activities (primarily for trade receivables) and from their financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

The Company's cash is primarily held with major reputable banks located in Armenia.

The receivables of the Company are mainly composed from tax receivables and current receivables from employees. Trade receivables of the Company are not significant due to the fact that payments are made mainly in cash. The Company has not created any allowance for receivables as the credit risk is not high.

Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern as well as to provide financing of its operating requirements, capital expenditures and sustain the Company's development strategy.

19. Subsequent events

After the reporting date the Company has received a borrowing from international financial organizations in amount of USD 6,000 thousand to finance the construction of the investment property.