O1 PROPERTIES LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS
For the year ended 31 December 2015

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For the year ended 31 December 2015

CONTENTS

01 PROPERTIES LIMITED

BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors:	Dmitriy Mints Tomasz Zamiara Michael Stanton (Resigned on 14/03/2016) Alexander Ostrovskiy Timothy Fenwick Richard Gregson John Nacos (Resigned on 14/03/2016) Norbert Kickum (Appointed on 29/01/2015) Andrey Barinskiy (Appointed on 14/03/2016) Konstantin Yanakov Alexander Erdman (Appointed on 14/03/2016)
Company Secretary:	Theonitsa Andriana Constantinou
Independent Auditors:	PricewaterhouseCoopers Limited Certified Public Accountants and Registered Auditors
Registered office:	18 Spyrou Kyprianou 2nd Floor 1075 Nicosia Cyprus
Bankers:	Nomos Bank OJSC CB Moscommerz Bank VTB Capital Plc Bank of Cyprus Plc CJSC Credit Europe Bank UBS AG Russian Commercial Bank (Cyprus) Ltd LGT Bank (Schweiz) AG
Registration number:	HE 272334

01 PROPERTIES LIMITED

REPORT OF THE BOARD OF DIRECTORS

The Board of Directors of O1 Properties Limited or hereafter "The Company" presents its report and audited financial statements of the Company for the year ended 31 December 2015.

Change of name
On 30 May 2011 the Company's name was changed from Tonebol Limited to O1 Properties Limited. On 28 March 2012 the Company was reconstituted from a private limited liability company to a public limited company under the name O1 Properties plc. On 10 July 2012 the Company was reconstituted from public limited company to a private limited liability company under the name O1 Properties Limited.

Principal activities
The principal activities of the Company, which are unchanged from last year, are the holding and financing of investments in financial assets at fair value through profit and losss comprising of investments in subsidiaries and associates, operating in the Russian real estate market.

Review of the development and current position of the Company and description of the major risks and uncertainties
The Company's development to date, financial results and position as presented in the financial statements are considered satisfactory.

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

Results
The Company's results for the year are set out on page 6. The net loss for the year is carried forward.

Dividends
During 2015 the Board of Directors approved the payment of dividends amounting to US$59,108,000 (2014: US$84,514,816).

Share capital
For changes in the share capital of the company please refer to note 23.

Board of Directors
The members of the Company's Board of Directors as at 31 December 2015 and at the date of this report are presented on page 1. All of them were members of the Board of Directors throughout the year ended 31 December 2015 with the exception of Mr. Alexander Erdman, Mr. Andrey Barinskiy and Mr. Norbert Kickum. On 29 January 2015 Mr. Norbert Kickum was appointed as an additional director of the Company. On 14 March 2016 Mr. Alexander Erdman and Mr. Andrey Barinskiy were appointed as additional directors of the Company.

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

There were no significant changes in the assignment of responsibilities and remuneration of the Board of Directors.

Significant events after the reporting period
Any significant events that occurred after the end of the reporting period are described in note 29 to the financial statements.

Existence of branches
During the year ended 31 December 2015 the Company did not operate through any branches.

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

By order of the Board of Directors,

Theonitsa Andriana Constantinou
Secretary

, 24 June 2016

Independent auditor's report
To the Members of O1 Properties Limited

Report on the financial statements

We have audited the accompanying financial statements of parent company O1 Properties Limited (the "Company") which comprise the statement of financial position as at 31 December 2015, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Board of Directors' responsibility for the financial statements

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

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the financial statements.

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

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Opinion

In our opinion, the financial statements give a true and fair view of the financial position of parent company O1 Properties Limited as at 31 December 2015, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

Report on other legal requirements

Pursuant to the additional requirements of the Auditors and Statutory Audits of Annual and Consolidated Accounts Laws of 2009 and 2013, we report the following:

- We have obtained all the information and explanations we considered necessary for the purposes of our audit.
- In our opinion, proper books of account have been kept by the Company, so far as appears from our examination of those books.
- The financial statements are in agreement with the books of account.
- In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Cyprus Companies Law, Cap. 113, in the manner so required.
- In our opinion, the information given in the report of the Board of Directors is consistent with the financial statements.

Other matter

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 34 of the Auditors and Statutory Audits of Annual and Consolidated Accounts Laws of 2009 and 2013 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.

We have reported separately on the consolidated financial statements of the Company and its subsidiaries for the year ended 31 December 2015.

George C Kazamias
Certified Public Accountant and Registered Auditor
for and on behalf of

PricewaterhouseCoopers Limited
Certified Public Accountants and Registered Auditors

Nicosia, 24 June 2016

O1 PROPERTIES LIMITED

STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2015

	Note	2015 US$	2014 US$
Interest income	5	**12,994,551**	7,712,309
Dividend income		**7,007,644**	178,774,228
Other income	6	**2,740,915**	3,625,911
Net loss from financial assets at fair value through profit and loss	7	**(292,389,620)**	(354,843,926)
Administration expenses	8	**(1,435,990)**	(15,324,813)
Other losses	9	**(40,246,334)**	(2,395,483)
Operating loss		**(311,328,834)**	(182,451,774)
Finance costs	10	**(18,412,017)**	(88,611,532)
Loss before tax		**(329,740,851)**	(271,063,306)
Tax	11	**(2,441)**	(13,843)
Net loss for the year		**(329,743,292)**	(271,077,149)
Other comprehensive income		**-**	-
Total comprehensive loss for the year		**(329,743,292)**	(271,077,149)

The notes on pages 11 to 47 form an integral part of these financial statements.

O1 PROPERTIES LIMITED

STATEMENT OF FINANCIAL POSITION
As at 31 December 2015

	Note	2015 US$	2014 US$
ASSETS			
Non-current assets			
Financial assets at fair value through profit and loss	16	**790,112,372**	866,860,654
Derivative financial instruments	18	**451,840**	1,700,274
Non-current loans receivable	19	**258,941,040**	170,030,529
		1,049,505,252	1,038,591,457
Current assets			
Receivables	20	**135,581,404**	461,033,766
Current loans receivable	19	**25,703,168**	76,827,859
Available-for-sale financial assets	17	**167,978**	658,548
Cash and cash equivalents	21	**5,429,237**	838,368
		166,881,787	539,358,541
Total assets		**1,216,387,039**	1,577,949,998
EQUITY AND LIABILITIES			
Equity			
Share capital	22	**1,136,373**	1,027,780
Share premium - ordinary shares	22	**1,183,411,606**	1,065,790,799
Shareholders contribution		**9,810,321**	9,810,321
Accumulated (losses) / retained earnings		**(245,721,172)**	143,130,120
Total equity		**948,637,128**	1,219,759,020
Non-current liabilities			
Borrowings	23	**36,641,300**	132,325,413
Derivative financial instruments	18	**3,540,628**	5,593,486
		40,181,928	137,918,899
Current liabilities			
Trade and other payables	24	**87,933,521**	59,607,741
Borrowings	23	**139,634,083**	160,663,959
Current tax liabilities	25	**379**	379
		227,567,983	220,272,079
Total liabilities		**267,749,911**	358,190,978
Total equity and liabilities		**1,216,387,039**	1,577,949,998

On 24 June 2016 the Board of Directors of O1 Properties Limited authorised these financial statements for issue.

....
Tomasz Zamiara
Director

....
Alexander Erdman
Director

The notes on pages 11 to 47 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2015

	Note	Share capital US$	Share premium - ordinary shares US$	Share-based payment reserve US$	Accumulated (losses)/ retained earnings (1) US$	Total US$
Balance - 1 January 2014		**1,025,531**	**1,065,790,799**	**5,329,321**	**498,722,085**	**1,570,867,736**
Comprehensive loss						
Net loss for the year		-	-	-	(271,077,149)	(271,077,149)
Transactions with owners						
Issue of additional ordinary shares (class B shares) 17 April 2014	22	1,227	-	-	-	1,227
Issue of additional ordinary shares (class B shares) 1 January 2014	22	1,022	-	-	-	1,022
Dividends	12	-	-	-	(84,514,816)	(84,514,816)
Share issue to top management		-	-	4,481,000	-	4,481,000
Balance at 31 December 2014/ 1 January 2015		**1,027,780**	**1,065,790,799**	**9,810,321**	**143,130,120**	**1,219,759,020**
Comprehensive income						
Net loss for the year		-	-	-	(329,743,292)	(329,743,292)
Transactions with owners						
Issue of additional ordinary shares (class B shares)	22	113,407	119,496,965	-	-	119,610,372
Issue of additional ordinary shares (class A shares)	22	12,763	23,106,273	-	-	23,119,036
Reduction of ordinary shares (class B shares)		(17,577)	(24,982,431)	-	-	(25,000,008)
Dividends	12	-	-	-	(59,108,000)	(59,108,000)
Balance at 31 December 2015		**1,136,373**	**1,183,411,606**	**9,810,321**	**(245,721,172)**	**948,637,128**

(1) Companies which do not distribute 70% of their profits after tax, as defined by the Special Contribution for the Defence of the Republic Law, by the end of the two years after the end of the year of assessment to which the profits refer, will be deemed to have distributed this amount as dividend. Special contribution for defence at 15% will be payable on such deemed dividend to the extent that the shareholders for deemed dividend distribution purposes at the end of the period of two years from the end of the year of assessment to which the profits refer, are Cyprus tax residents. Special contribution for defence rate increased to 17% in respect of profits of year of assessment 2009 and to 20% in respect of profits of years of assessment 2010 and 2011 and is reduced back to 17% in respect of profits of years of assessment 2012 onwards. The amount of this deemed dividend distribution is reduced by any actual dividend paid out of the profits of the relevant year by the end of the period of two years from the end of the year of assessment to which the profits refer. This special contribution for defence is paid by the Company for the account of the shareholders.

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STATEMENT OF CASH FLOWS
For the year ended 31 December 2015

	Note	2015 US$	2014 US$
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		**(329,740,851)**	(271,063,306)
Adjustments for:			
Foreign exchange loss/(gain)		**(8,721,343)**	263,255
Net loss/(gain) from the disposal of financial assets at fair value through profit and loss	7	**(103,056,616)**	87,615,619
Loss from the sale of other investments	7	**490,570**	-
Fair value losses on financial assets at fair value through profit and loss	7	**395,759,280**	265,650,774
Fair value (gain)/loss on derivative financial instruments	7	**(803,614)**	1,577,533
Share-based payment compensation	8	**-**	4,481,000
Dividend income		**(7,007,644)**	(178,774,228)
Interest income	5	**(12,994,551)**	(7,712,309)
Borrowings finance costs		**24,715,912**	104,602,932
Other losses		**40,246,334**	-
Cash flows (used in) / from operations before working capital changes		**(1,112,523)**	6,641,270
Increase in receivables		**(13,713,109)**	(23,601,491)
Decrease in derivative financial instruments		**(804,424)**	-
Increase in trade and other payables		**20,108,826**	10,904,495
Cash flows from / (used in) operations		**4,478,770**	(6,055,726)
Tax paid		**(2,441)**	(6,736)
Net cash flows from / (used in) operating activities		**4,476,329**	(6,062,462)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for purchase of financial assets at fair value through profit and loss		**(1,925,219)**	(16,030,187)
Loans granted		**(316,749,336)**	(251,688,295)
Loans repayments received		**216,884,115**	72,754,742
Proceeds from sale of investments in financial assets at fair value through profit and loss		**-**	14,700,000
Interest received		**5,209,447**	1,032,127
Dividends received		**5,346,194**	45,389,912
Net cash flows used in investing activities		**(91,234,799)**	(133,841,701)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of share capital		**142,657,650**	200,000,000
Repayments of borrowings		**(93,949,297)**	(104,104,027)
Proceeds from borrowings		**89,012,446**	190,454,576
Currency exchange derivative termination payment		**-**	(82,647,909)
Interest paid		**(14,229,090)**	(8,738,350)
Dividends paid	12	**(32,142,370)**	(55,899,875)
Net cash flows from financing activities		**91,349,339**	139,064,415
Net increase / (decrease) in cash and cash equivalents		**4,590,869**	(839,748)
Cash and cash equivalents:			
At beginning of the year		**838,368**	1,678,116
At end of the year	21	**5,429,237**	838,368

The notes on pages 11 to 47 form an integral part of these financial statements.

STATEMENT OF CASH FLOWS
For the year ended 31 December 2015

Non cash transactions:

1. On 6 March 2015, the Company subscribed to 1,000 shares in O1 Advisory Limited for a total consideration of EUR 170,000. On the same date, the Company issued a set-off agreement discharging fully consideration for the increase in share capital of O1 Advisory Limited against part of the loan receivable from O1 Advisory Limited of EUR 510,884 .

2. On 4 June 2015, the Company issued a set-off agreement discharging fully the following loans receivable against portion of dividends payable to Centimilla Services Limited:
a) the amount of US$ 1,974,570 (including the principal amount of US$ 1,950,000 plus interest of US$ 24,570) for a loan with shareholder Centimilla Services Limited.
b) the amount of US$ 5,326,500 (including the principal amount of US$ 5,300,000 plus interest of US$ 26,500) for a loan with shareholder Centimilla Services Limited.

3. On 29 July 2015, the Company subscribed to an additional 1,000 shares in Minesign Limited increased its share premium by US$ 249,024,395 to O1 Properties Limited. The consideration for these shares was settled on the same date against the amount receivable from Minesign Limited.

4. On 3 August 2015, the Company subscribed to 1,000 shares in Ratado Holding Limited for a total consideration of US$ 122,256,000 and EUR 1,000. On the same date, the Company issued a set-off agreement discharging fully consideration for the increase in share capital of Ratado Holding Limited together with the loan payable to Ratado Holding Limited US$ 4,744,381 (including the principal amount of US$ 42,753,500 plus interest of US$ 1,990,881) against the following:
a) the amount of US$ 67,000,000 receivable from Ratado Holding Limited under Assignment Agreement dated 31 March 2015.
b) the amount of US$ 72,000,000 receivable from Ratado Holding Limited under Assignment Deed dated 3 August 2015.
c) the amount of US$ 28,000,000 receivable from Ratado Holding Limited under Assignment Deed dated 31 March 2015.

5. On 18 August 2015, the Company subscribed to 1,000 shares in Mooncrown Limited for a total consideration of US$ 232,300,000 and EUR 1,000. On the same date, the Company issued a set-off agreement discharging fully consideration for the increase in share capital of Mooncrown Limited against the amount of US$ 232,300,000 receivable from Mooncrown Limited under Assignment Deed dated 30 June 2015.

6. On 30 June 2015, the Company issued a set-off agreement discharging fully the loan receivable dated 25 March 2015 from Nori Holding Ltd of US$ 11,605,926 against portion of dividends payable based on resolutions dated 29 January 2015 and 4 June 2015.

7. On 27 July 2015, the Company issued a set-off agreement discharging fully the share premium reduction of US$ 25,000,007 against promissory notes due from Centimila Services Ltd.

The above non-cash transactions are not reflected in the statement of cash flows.

1. Incorporation and principal activities

Country of incorporation

The Company O1 Properties Limited (the "Company") was incorporated in Cyprus on 24 August 2010 as a private limited liability Company under the Cyprus Companies Law, Cap. 113. Its registered office is at 18 Spyrou Kyprianou, 2nd Floor, 1075 Nicosia, Cyprus.

Change of Company name

On 30 May 2011 the Company's name was changed from Tonebol Limited to O1 Properties Limited. On 28 March 2012 the Company was reconstituted from a private limited liability company to a public limited company under the name O1 Properties plc. On 10 July 2012 the Company was reconstituted from public limited company to a private limited liability company under the name O1 Properties Limited.

Principal activities

The principal activities of the Company, which are unchanged from last year, are the holding and financing of investments in financial assets at fair value through profit and losss comprising of investments in subsidiaries and associates, operating in the Russian real estate market.

2. Accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all periods presented in these financial statements unless otherwise stated.

Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) and the requirements of the Cyprus Companies Law, Cap.113. The financial statements have been prepared under the historical cost convention as modified by the revaluation of available-for-sale financial assets, and financial assets and financial liabilities at fair value through profit or loss.

The Company has prepared these parent's separate financial statements for compliance with the requirements of the Cyprus Income Tax Law.

The Company has also prepared consolidated financial statements in accordance with IFRSs for the Company and its subsidiaries (the "Group"). The consolidated financial statements can be obtained from 18 Spyrou Kyprianou, 2nd Floor, 1075 Nicosia, Cyprus.

Users of these parent's separate financial statements should read them together with the Group's consolidated financial statements as at and for the year ended 31 December 2015 in order to obtain a proper understanding of the financial position, the financial performance and the cash flows of the Company and the Group.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires Management to exercise its judgement in the process of applying the Company's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on Management's best knowledge of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

2. Accounting policies (continued)

Adoption of New or Revised Standards and Interpretations

At the date of the authorisation of the Company's consolidated financial statements, all International Financial Reporting Standards issued by the International Accounting Standards Board (IASB) that were effective at 1 January 2015 have been adopted by the EU through the endorsement procedure established by the European Commission, with the exception of certain provisions of IAS 39 "Financial Instruments: Recognition and Measurement" relating to portfolio hedge accounting.

During the year ended 31 December 2015 the Company adopted all the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning on 1 January 2015. This adoption did not have a material effect on the accounting policies of the Company.

At the date of approval of these financial statements the following accounting standards were issued by the International Accounting Standards Board but were not yet effective:

(i) Adopted by the European Union

Amendments

- *Amendments to IFRS 11 "Accounting for Acquisitions of Interests in Joint Operations" (effective for annual periods beginning on or after 1 January 2016).*
- *Amendments to IAS 16 and IAS 38 "Clarification of Acceptable Methods of Depreciation and Amortisation" (effective for annual periods beginning on or after 1 January 2016).*
- *Amendments to IAS 16 and IAS 41 "Agriculture: Bearer plants" (effective for annual periods beginning 1 January 2016).*
- *Amendments to IAS 27 "Equity Method in Separate Financial Statements (effective for annual periods beginning 1 January 2016).*
- *Disclosure Initiative Amendments to IAS 1 (effective for annual periods on or after 1 January 2016).*
- *Annual Improvements to IFRSs 2014 (effective for annual periods beginning on or after 1 January 2016).*
- *Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture" (effective for annual periods beginning on or after 1 January 2016).*

(ii) Not adopted by the European Union

New standards

- *IFRS 9 "Financial Instruments" (and subsequent amendments to IFRS 9 and IFRS 7) (effective for annual periods beginning on or after 1 January 2018).*
- *IFRS 14 "Regulatory Deferral Accounts" (effective for annual periods beginning on or after 1 January 2016)*
- *IFRS 15 "Revenue from Contracts with Customers" (effective for annual periods beginning on or after 1 January 2018).*
- *IFRS 16 "Leases" (issued in January 2016 and effective for annual periods beginning on or after 1 January 2019).*

Amendments

- *Amendment to IFRS 10, IFRS 12 and IAS 28 "Investment Entities: Applying the Consolidation Exception" (effective for annual periods on or after 1 January 2016).*
- *Amendment to IAS 12 "Recognition of Deferred Tax Assets for Unrealised Losses" (effective for annual periods beginning on or after 1 January 2017).*
- *Amendment to IAS 7 "Disclosure Initiative" (effective for annual periods beginning on or after 1 January 2017).*

2. Accounting policies (continued)

The Board of Directors expects that the adoption of these financial reporting standards in future periods will not have a material effect on the financial statements of the Company with the exception of the following:

IFRS 9 "Financial Instruments: Classification and Measurement" Key features of the standard (issued in July 2014 effective for annual periods beginning on or after 1 January 2018).
Key features of the new standard are:

- Financial assets are required to be classified into three measurement categories: those to be measured subsequently at amortised cost, those to be measured subsequently at fair value through other comprehensive income (FVOCI) and those to be measured subsequently at fair value through profit or loss (FVPL).

- Classification for debt instruments is driven by the entity's business model for managing the financial assets and whether the contractual cash flows represent solely payments of principal and interest (SPPI). If a debt instrument is held to collect, it may be carried at amortised cost if it also meets the SPPI requirement. Debt instruments that meet the SPPI requirement that are held in a portfolio where an entity both holds to collect assets' cash flows and sells assets may be classified as FVOCI. Financial assets that do not contain cash flows that are SPPI must be measured at FVPL (for example, derivatives). Embedded derivatives are no longer separated from financial assets but will be considered in assessing the SPPI condition.

- Investments in equity instruments are always measured at fair value. However, management can make an irrevocable election to present changes in fair value in other comprehensive income, provided the instrument is not held for trading. If the equity instrument is held for trading, changes in fair value are presented in profit or loss.

- Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The key change is that an entity will be required to present the effects of changes in own credit risk of financial liabilities designated at fair value through profit or loss in other comprehensive income.

- IFRS 9 introduces a new model for the recognition of impairment losses – the expected credit losses (ECL) model. There is a 'three stage' approach which is based on the change in credit quality of financial assets since initial recognition. In practice, the new rules mean that entities will have to record an immediate loss equal to the 12 month ECL on initial recognition of financial assets that are not credit impaired (or lifetime ECL for trade receivables). Where there is a significant increase in credit risk, impairment is measured using lifetime ECL rather than 12 month ECL. The model includes operational simplifications for lease and trade receivables.

- Hedge accounting requirements were amended to align accounting more closely with risk management. The standard provides entities with an accounting policy choice between applying the hedge accounting requirements of IFRS 9 and continuing to apply IAS 39 to all hedges because the standard currently does not address accounting for macro hedging.

The Company is currently assessing the impact of the new standards on its financial statements.

Investment in subsidiaries

Subsidiaries are all entities (including structured entities) over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

(i) Classification:

The Company classifies its investments in subsidiaries as financial assets at fair value through profit or loss and are presented as non current because they are held for long term investment rather than for trading. Management determines the classification of financial assets at initial recognition. Financial assets designated as at fair value through profit or loss at inception are those that are managed and their performance is evaluated on a fair value basis, in accordance with the Company's documented investment strategy.

2. Accounting policies (continued)
Information about these financial assets is provided internally on a fair value basis to the Company's key management personnel. Assets in this category are classified as current if they are either held for trading or expected to be realized within twelve months of the balance sheet date.

(ii) Recognition and measurement:

Regular way purchases and sales of financial assets are recognized on the trade date which is the date on which the Company commits to purchase or sell the Investment in subsidiary. Financial assets carried at fair value through profit or loss are initially recognized at fair value and transaction costs are expenses in statement of comprehensive income. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

Financial assets at fair value through profit or loss are subsequently carried at fair value.

Gains or losses arising from changes in the fair value of the "financial assets at fair value through profit or loss" category are presented in the statement of comprehensive income in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognized in the statement of comprehensive income as part of the dividend income when the Company's right to receive payments is established. Whereby the Company the Company undertakes a group restructuring which results in a new intermediary holding company, with the transfer of previously held subsidiaries to a new intermediary holding company in exchange for the issue of shares by the new intermediary holding company, the Company determines the initial fair value of the new intermediary holding company with reference to the fair value of the subsidiaries transferred at the date of transfer.

Revenue recognition

Revenues earned by the Company are recognised on the following basis:

- **Interest income**

  Interest income is recognised on a time-proportion basis using the effective interest method.

- **Dividend income**

  Dividend income is recognised when the right to receive payment is established.

Finance costs

Interest expense and other costs on borrowings to finance construction or production of qualifying assets are capitalised, during the period of time that is required to complete and prepare the asset for its intended use. All other borrowing costs are expensed.

Foreign currency translation

(1) *Functional and presentation currency*
Items included in the Company's financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in United States Dollars (US$), which is the Company's functional and presentation currency.

(2) *Transactions and balances*
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income. Translation differences on available-for-sale financial assets are recognised in other comprehensive income.

2. Accounting policies (continued)

Current and deferred tax

The tax expense for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax is calculated in the basis of the tax laws enacted or substantively enacted at the reporting date in the country in which the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. If applicable tax regulation is subject to interpretation, it establishes provision where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates and laws that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on the Company where there is an intention to settle the balances on a net basis.

Dividends

Dividend distribution to the Company's shareholders is recognised as a liability in the financial statements in the year in which the dividends are appropriately authorised and are no longer at the discretion of the Company. More specifically, interim dividends are recognised as a liability in the period in which these are authorised by the Board of Directors and in the case of final dividends, these are recognised in the period in which these are approved by the Company's shareholders.

Financial instruments

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

Trade receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

2. Accounting policies (continued)

Financial instruments (continued)

Loans granted

Loans originated by the Company by providing money directly to the borrower are initially recorded at fair value plus transaction costs. This is defined as the fair value of cash consideration given to originate those loans as is determined by reference to market prices at origination date. All loans are recognised when cash is advanced to the borrower. After initial recognition loans and receivables are measured at amortised cost using the effective interest method.

An allowance for loan impairment is established if there is objective evidence that the Company will not be able to collect all amounts due according to the original contractual terms of loans. The amount of the provision is the difference between the carrying amount and the recoverable amount, being the present value of expected cash flows including amounts recoverable from guarantees and collateral, discounted at the original effective interest rate of loans.

Investments

The Company classifies its investments in equity and debt securities in the following categories: financial assets at fair value through profit or loss and available for sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of investments at initial recognition and re evaluates this designation at every reporting date.

- Financial assets at fair value through profit or loss

  This category has two sub-categories: financial assets held at fair value through profit and loss and those designated at fair value through profit or loss at inception. A financial asset is classified in the held at fair value through profit and loss category if acquired principally for the purpose of generating a profit from short-term fluctuations in price. Assets in this category are classified as current assets if they are either held at fair value through profit and loss or are expected to be realised within twelve months from the reporting date.

- Loans and receivables

  Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and for which there is no intention of trading the receivable. They are included in current assets, except for maturities greater than twelve months after the balance sheet date. These are classified as non-current assets. The Company's loans and receivables comprise "receivables" and "cash and cash equivalents" and "loans receivable" in the statement of financial position.

- Available-for-sale financial assets

  Available for sale financial assets are non derivatives that are either designated in this category or not classified in any of the other categories. They are included in non current assets, unless the investment matures or management intends to dispose of the investment within twelve months of the balance sheet date.

2. Accounting policies (continued)

Financial instruments (continued)

Investments (continued)

Regular way purchases and sales of investments are recognised on trade date which is the date on which the Company commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Investments are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Loans and receivables are carried at amortised cost using the effective interest method.

Available for sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are carried at amortised cost using the effective interest method.

Realised and unrealised gains and losses arising from changes in the fair value of financial assets at fair value through profit or loss are included in the statement of comprehensive income in the period in which they arise.

Changes in the fair value of monetary securities denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. The translation differences on monetary securities are recognised in profit or loss, while translation differences on non-monetary securities are recognised in other comprehensive income. Changes in the fair value of monetary and non-monetary securities classified as available-for-sale are recognised in other comprehensive income.

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in other comprehensive income are included in profit or loss.

Interest on available-for-sale securities calculated using the effective interest method is recognised in the profit or loss as part of interest income. Dividends on available-for-sale equity instruments are recognised in profit or loss as part of dividend income when the Company's right to receive payments is established.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Company establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same and discounted cash flow analysis, making maximum use of market inputs and relying as little as possible on entity specific inputs.

The Company assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available for sale financial assets the cumulative loss which is measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss, is removed from equity and recognised in the statement of comprehensive income. Impairment losses recognised in the statement of comprehensive income on equity instruments are not reversed through profit or loss.

Cash and cash equivalents

Cash and cash equivalents include balances with banks with original maturities of three months or less. Cash and cash equivalents are carried at amortised cost using the effective interest method.

2. Accounting policies (continued)

Financial instruments (continued)

Borrowings

Borrowings are recorded initially at the proceeds received, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost using effective interest method. Any differences between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities, unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the balance sheet date.

Trade payables

Trade and other payables are accrued when the counterparty performs its obligations under the contract and are carried at amortised cost, using the effective interest method.

Derivatives

Derivative financial instruments, including foreign exchange contracts and interest rate swaps, are carried at their fair value. All derivative instruments are carried as assets when fair value is positive and as liabilities when fair value is negative. Changes in the fair value of derivative instruments are included in profit or loss for the year. The Company does not apply hedge accounting.

Certain derivative instruments embedded in other financial instruments are treated as separate derivative instruments when their risks and characteristics are not closely related to those of the contract.

The changes in fair value of derivatives are recognised immediately in profit and loss.

Derecognition of financial assets and liabilities

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 assets are redeemed or the rights to receive cash flows from the asset otherwise expire;
- the Company has transferred substiantially all the risks and rewards of ownership of the assets; or
- the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has not retained control.

Financial liabilities

A financial liability, or a part of a financial liability, is derecognised when the obligation specified in the contract is discharged or cancelled or expires.

Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

2. Accounting policies (continued)
Offsetting 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 asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the statement of financial position.

Transactions with equity owners/subsidiaries

The Company enters into transactions with shareholders and subsidiaries. When consistent with the nature of the transaction, the Company's accounting policy is to recognise (a) any gains or losses with equity holders and other entities which are under the control of the ultimate shareholder, directly through equity and consider these transactions as the receipt of additional capital contributions or the payment of dividends; and (b) any losses with subsidiaries as cost of investment in subsidiaries. Similar transactions with non equity holders or subsidiaries, are recognised through the profit or loss in accordance with IAS 39, 'Financial Instruments Recognition and Measurement'.

The Company accounts for all the transactions with equity owners/subsidiaries, involving the disposals of subsidiaries at transaction price. If a gain or loss arises, this is accounted for as per above.

Share capital

Ordinary shares are classified as equity.

Share premium is the difference between the fair value of the consideration receivable for the issue of shares and the nominal value of the shares. Share premium account can only be resorted to for limited purposes, which do not include the distribution of dividends, and is otherwise subject to the provisions of the Cyprus Companies Law on reduction of share capital.

Shares issued are classified as equity if, and only if, both conditions (a) and (b) below are met: (a) the shares include no contractual obligation (i) to deliver cash or another financial asset to another entity, or (ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the issuer, and (b) the shares will or may be settled in the issuer's own equity instruments and the shares are (i) non derivatives that include no contractual obligation for the issuer to deliver a variable number of its own equity instruments, or (ii) derivatives that will be settled only by the issuer exchanging a fixed amount of cash or another financial asset for a fixed number of its own equity instruments.

For equity settled share-based payment transactions whereby shares are issued as consideration for the acquisition of investments, the entity recognises investments at fair value with a corresponding increase in equity.

Cash-settld share based payments plan

Certain directors and key management of the Company are entitled to a share based payments plan. The Company has a liability to settle the plan in cash and therefore the plan is accounted for as a cash settled share based payment transaction. The calculation of the plan related liabilities and expense are based on (1) vesting period, (2) estimated fair value of the unit options, (3) the number of unit options expected to satisfy vesting conditions, and (4) estimated timing of exercise of the unit options. At each end of the reporting period the plan related liability is re-measured to its fair value through profit or loss to the extent the award is vested. The liability shall be measured, initially and at the end of each reporting period until settled, at the fair value of the share appreciation rights, by applying an option pricing model, taking into account the terms and conditions on which the share appreciation rights were granted, and the extent to which the employees have rendered service to date.

2. Accounting policies (continued)

Equity-settled share-based payment transactions

As from 2013 certain directors and key management of the Company are entitled to an equity settled, share based compensation plan, under which the entity receives services from employees as consideration for equity instruments issued by the Company. For such plans, the entity measures the services received, and the corresponding increase in equity, directly, at the fair value of the services received, unless that fair value cannot be estimated reliably. When the entity cannot estimate reliably the fair value of the services received, the entity measures their value, and the corresponding increase in equity, indirectly, by reference to the fair value of the equity instruments granted. The fair value of the equity instruments is measured at the grant date.

3. Financial risk management

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

3.1 Interest rate risk
The Company takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. Interest margins may increase as a result of such changes but may reduce or create losses in the event that unexpected movements arise.

The table below presents the aggregated amounts of the Company's financial assets and liabilities at carrying amounts, categorised by the earlier of contractual interest repricing or maturity dates:

	Less than 1 year US$	Between 1-5 years US$	More than 5 years US$	Total US$
31 December 2015				
Financial assets	25,703,168	258,941,040	-	284,644,208
Financial liabilities	(139,634,083)	(36,641,300)	-	(176,275,383)
	(113,930,915)	**222,299,740**	**-**	**108,368,825**
31 December 2014				
Financial assets	77,185,317	127,525,599	42,147,472	246,858,388
Financial liabilities	(161,453,875)	(131,535,497)	-	(292,989,372)
	(84,268,558)	**(4,009,898)**	**42,147,472**	**(46,130,984)**

3.2 Credit risk
Credit risk arises when a failure by counter parties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the reporting date. Cash balances are generally held with high credit quality financial institutions and the Company has policies to limit the amount of credit exposure to any financial institution. Information on the credit ratings of counterparty banks and the credit quality of financial assets is disclosed in Note 14.

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

3. Financial risk management (continued)

3.3 Liquidity risk (continued)

The following are the contractual maturities of financial liabilities, including estimated interest payments:

31 December 2015	Carrying amounts US$	Contractual cash flows US$	3 months or less US$	Between 3-12 months US$	Between 1-5 years US$	More than 5 years US$
Trade and other payables	3,420,958	3,420,958	3,420,958	-	-	-
Payables to related companies	85,663,564	85,663,564	85,663,564	-	-	-
Loans from related companies	176,275,383	202,457,458	-	11,036,017	191,421,441	-
	265,359,905	291,541,980	89,084,522	11,036,017	191,421,441	-

31 December 2014	Carrying amounts US$	Contractual cash flows US$	3 months or less US$	Between 3-12 months US$	Between 1-5 years US$	More than 5 years US$
Bank loans	42,060,736	51,657,550	29,923	51,627,627	-	-
Trade and other payables	1,325,777	1,325,777	1,325,777	-	-	-
Payables to related companies	58,281,964	58,281,964	58,281,964	-	-	-
Borrowings from related companies	250,928,636	289,960,900	793,735	126,614,438	162,552,727	-
	352,597,113	401,226,191	60,431,399	178,242,065	162,552,727	-

3.4 Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Company's measurement currency. The Company is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the Euro, the United Kingdom Pound and the Russian Rouble. The Company's Management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

The Company's does not have a policy of hedging foreign exchange risk exposure arising from transactions from future commercial transactions and recognised assets. As at 31 December 2015 the Company had no significant balances in foreign currencies. The foreign exchange difference debited to the statement of comprehensive income amounts to US$6,303,895 (2014: US$ 13,595,922).

3. Financial risk management (continued)

The Company's exposure to foreign currency risk was as follows:

31 December 2015

	Euro US$	Russian Rouble US$	United Kingdom Pound US$
Assets			
Cash at bank	300,436	18,609	6,502
Loans receivable	1,415,612	10,604,559	-
Receivables	740,814	84,339	-
	2,456,862	10,707,507	6,502
Liabilities			
Trade and other payables	(155,534)	(3,451,001)	(106,858)
Loans payable	(8,748,000)	(24,609,780)	-
	(8,903,534)	(28,060,781)	(106,858)
Net exposure	(6,446,672)	(17,353,274)	(100,356)

31 December 2014

	Euro US$	Russian Rouble US$	United Kingdom Pound US$
Assets			
Cash at bank	5,508	5,007	-
Loans receivable	374,744	4,509,443	-
Receivables	-	16,822,091	-
	380,252	21,336,541	-
Liabilities			
Trade and other payables	(3,796,632)	(13,013)	(112,073)
Loans payable	-	(66,948,667)	-
Bank overdraft	(39)	-	-
	(3,796,671)	(66,961,680)	(112,073)
Net exposure	(3,416,419)	(45,625,139)	(112,073)

Sensitivity analysis

A 10% strengthening of the United States Dollars against the following currencies at 31 December 2015 (2014: 10%) would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. For a 10% weakening of the United States Dollars against the relevant currency, there would be an equal and opposite impact on the profit and equity.

	Profit or loss	
	2015 US$	2014 US$
Euro	**(644,667)**	(341,642)
United Kingdom Pounds	**650**	(11,207)
Russian Rouble	**(1,735,654)**	(4,562,514)
	(2,379,671)	(4,915,363)

3. Financial risk management (continued)

3.5 Capital risk management

The Company's objectives in managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash at bank. Total capital is calculated as "equity" as shown in the statement of financial position plus net debt.

The the Company's gearing ratio is calculated as follows:

	2015	2014
	US$	US$
Total borrowings (Note 23)	176,275,383	292,989,372
Less: Cash and cash equivalents (Note 21)	(5,429,237)	(838,368)
Net debt	170,846,146	292,151,004
Total equity	948,637,128	1,219,759,020
Total capital	1,119,483,274	1,511,910,024
Gearing ratio	15.26%	19.32%

Fair value estimation

The fair values of the Company's financial assets and liabilities approximate their carrying amounts at the reporting date.The fair value of financial instruments traded in active markets, such as publicly traded trading and available for sale financial assets is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Company is the current bid price. The appropriate quoted market price for financial liabilities is the current ask price.

4. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

- **Impairment assessment for receivables**

  The Company reviews its trade and other receivables for evidence of their recoverability. Such evidence includes the customer's payment record and the customer's overall financial position. If indications of irrecoverability exist, the recoverable amount is estimated and a respective provision for bad and doubtful debts is made. The amount of the provision is charged through the statement of comprehensive income. The review of credit risk is continuous and the methodology and assumptions used for estimating the provision are reviewed regularly and adjusted accordingly.

4. Critical accounting estimates and judgements (continued)

- **Income taxes**

  Significant judgement is required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises 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.

- **Valuation of non-listed investments**

  The Company uses various valuation methods to value non-listed investments. These methods are based on assumptions made by the Board of Directors which are based on market information at the reporting date.

- **Functional currency**

  The functional currency of the Company was determined based on the underlying economic conditions of its operations which are financing activities and sale and purchase of investments/holding of investments. This determination of what the specific underlying economic conditions are requires judgment. In making this judgment, the Company evaluates among other factors, the location of activities, the sources of revenue and expense and risks associated with activities.

  The functional currency was determined to be US Dollars on the basis that the Company raised its capital in US Dollars and most investments were purchased using US Dollars.

5. Interest income

	2015	2014
	US$	US$
Interest income on bank balances	**-**	4,724
Interest income from third parties	**1,991,806**	36,293
Interest income from related parties (Note 26.2)	**11,002,745**	7,671,292
	12,994,551	7,712,309

6. Other income

	2015	2014
	US$	US$
Income from recharge of expenses	**2,740,915**	3,625,911
Other income	**2,740,915**	3,625,911

7. Net gain/(loss)from financial assets at fair value through profit or loss

	2015	2014
	US$	US$
Fair value losses on other investments at fair value through profit and loss (Note 18)	**(490,570)**	-
Net gain/(loss) from disposal of assets at fair value through profit and loss	**103,056,616**	(87,615,619)
Fair value losses on financial assets at fair value through profit and loss (Note 16)	**(395,759,280)**	(265,650,774)
Fair value gains/(losses) on derivative financial instruments	**803,614**	(1,577,533)
	(292,389,620)	(354,843,926)

(a) Net loss from disposal of assets at fair value through profit and loss

2015 transactions:

On 12 March 2015, the Company sold 100% of shares in Sabaton Holding Limited to Nisovata Holding Limited for a total consideration of USD 72,000 thousand. The sale resulted in a gain of USD 20,891 thousand.

On 25 March 2015, the Company sold 100% of shares in Blandid Limited to Valborg Limited for a total consideration of USD 28,000 thousand. The sale resulted in a gain of USD 10,477 thousand.

On 25 March 2015, the Company sold 100% of shares in Mokati Limited to Berlana Investments Limited for a total consideration of USD 67,000 thousand. The sale resulted in a gain of USD 40,713 thousand.

On 22 June 2015, the Company sold 100% of shares in Sharezone Capital Limited to Lagyforb Limited for a total consideration of USD 232,300 thousand. The sale resulted in a gain of USD 62,020 thousand.

On 31 August 2015, the Company sold 100% of shares in Discovery Russian Realty Paveletskaya Project Limited to Bellrun Limited for a total consideration of USD 100. The sale resulted in a loss of USD 1,230.

On 21 September 2015, the Company sold 100% of shares in Moonpeak Limited to Ratado Holding Limited for a total consideration of € 1,000. The sale resulted in a gain of USD 1,141.

On 12 October 2015, the Company sold 100% of shares in Aldino Holding Limited to Ratado Holding Limited for a total consideration of € 1,000. The sale resulted in a gain of USD 85.

On 30 November 2015, the Company sold 100% of shares in Wakovia Limited to Ratado Holding Limited for a total consideration of € 1,200. The sale resulted in a gain of USD 123 946.

On 31 December 2015, the Company sold 100% of shares in Stabilac Limited to Dilomana Limited for a total consideration of USD 1,000. The sale resulted in a loss of USD 1,000.

On 30 December 2015, the Company sold 100% of shares in Valnaz Investments Limited to Stabilac Limited for a total consideration of USD 1,000. The sale resulted in a loss of USD 30 922 thousand.

2014 transactions:

On 5 May 2014, the Company sold 10% of the shares in Invery Management Limited to Ratado Holding Limited for a consideration of USD 10 738 thousand.

On 27 May 2014, the Company sold 100% of the shares in Hines DPIII Development Limited to Bellrun Trading Limited for a consideration of USD 3 420 thousand. The sale resulted in a loss of USD 76 191 thousand.

On 27 May 2014, the Company sold 100% of the shares in Hines DPIII Realty Limited to Bellrun Trading Limited for a consideration of USD 3 420 thousand. The sale resulted in a loss of USD 65 475 thousand.

On 14 September 2014, the Company sold 100% of the shares in Bitlena Holdings Limited to Ratado Holding Limited. The sale resulted in a gain of USD 18 711 thousand.

On 16 December 2014, the Company sold 100% of the shares in White Estate Investments Limited to Polostera Holding Limited for a consideration of USD 249 million. The sale resulted in a gain of USD 34 934 thousand.

8. Expenses by nature

	2015 US$	2014 US$
Share based compensation - equity settled plan	**-**	4,481,000
Professional fees	**165,127**	5,138,953
Professional fees - prior years	**-**	104,800
Legal fees	**91,080**	552,861
Directors' remuneration (Note 26.1)	**733,700**	3,782,203
Auditors' remuneration	**122,726**	40,733
Travelling	**200,918**	350,557
Administration fees	**50,785**	342,274
Marketing and promotion	**2,734**	256,318
Stamp duty	**-**	92,993
Sundry expenses	**815**	64,154
Insurance	**66,435**	59,959
Fines	**-**	23,840
Catering expenses	**1,670**	4,697
Inland travelling and accommodation	**-**	28,439
Telephone and postage	**-**	1,032
	1,435,990	15,324,813

The operating expenses stated above include fees of US$ 57,643 (2014: US$ 44,695) for tax consultancy services and US$ 40,050 (2014: US$ NIL) other assurance services, charged by the Company's statutory audit firm.

9. Other losses

	2015 US$	2014 US$
Net foreign exchange losses from operations	**-**	2,395,483
Other losses	**40,246,334**	-
	40,246,334	2,395,483

10. Finance income / cost

	2015 US$	2014 US$
Finance income		
Net foreign exchange gain from financing activities	**8,721,343**	15,991,400
	8,721,343	15,991,400
Interest expense		
Interest expense from related parties (Note 26.3)	**(15,287,824)**	(14,079,448)
Other interest expense	**(9,406,736)**	(90,489,146)
Other finance expenses		
Bank charges	**(21,352)**	(34,338)
Net foreign exchange transaction losses		
Realised exchange loss	**(2,417,448)**	-
	(27,133,360)	(104,602,932)
	(18,412,017)	(88,611,532)

11. Tax

11.1 Tax recognised in profit or loss

	2015 US$	2014 US$
Defence contribution - current year	**2,441**	13,843
Charge for the year	**2,441**	13,843

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

	2015 US$	2014 US$
Loss before tax	**(329,740,851)**	(271,063,306)
Tax calculated at the applicable tax rates of 12.5% (2012: 10%)	**(41,217,606)**	(33,882,913)
Tax effect of expenses and losses not deductible for tax purposes	**55,070,574**	57,806,286
Tax effect of allowances, income and gains not subject to tax	**(15,087,321)**	(25,521,158)
Tax effect of tax losses carried forward	**1,234,353**	1,597,785
Defence contribution	**2,441**	13,843
Tax charge	**2,441**	13,843

The Company was subject to income tax on taxable profits at the rate 12.5% as from 1 January 2013.

Under current tax legislation, tax losses may be carried forward and be set off against taxable income of the following five years.

From 1 January 2009 onwards, under certain conditions, interest may be exempt from income tax and be subject only to special contribution for defence at the rate of 10%; increased to 15% as from 31 August 2011 and increased to 30% as from 29 April 2013.

In certain cases dividends received from abroad may be subject to special contribution for defence at the rate of 15%; increased to 17% as from 31 August 2011; increased to 20% from 1 January 2012 to 31 December 2013, reduced to 17% as from 1 January 2014. In certain cases dividends received from 1 January 2012 onwards from other Cyprus tax resident companies may also be subject to special contribution for defence.

Gains on disposal of quallifying titles (including shares, bonds, debentures, rights thereon etc) are exempt from Cyprus income tax.

12. Dividends

	2015 US$	2014 US$
Dividends	**59,108,000**	84,514,816
	59,108,000	84,514,816

During 2015 the Board of Directors approved the payment of dividends amounting to US$59,108,000 (2014: US$84,514,816).

13. Credit quality of financial assets

The credit quality of financials assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if applicable) or to historical information about counterparty default rates:

	2015	2014
Fully performing receivables	**US$**	US$
Counterparties without external credit rating		
Other receivables	**1,235,931**	7,780,532
Promissory notes due from shareholders	**7,295**	24,805,349
Shareholders' current accounts - debit balances	**4,399**	1,349
Receivable from own subsidiary	**134,326,279**	428,439,036
	135,573,904	461,026,266
	135,573,904	461,026,266
Fully performing loans receivable		
Loans granted to related parties	**196,243,110**	246,319,903
Other loans granted	**88,401,098**	538,485
	284,644,208	246,858,388

	2015	2014
Cash at bank and short term bank deposits	**US$**	US$
A (Fitch)	**5,336,686**	691,316
Ba2 (Moody's)	**3,221**	-
BB- (Fitch)	**11,614**	-
B3 (Moody's)	**27,303**	-
Caa3 (Moody's)	**50,413**	139,305
Caa1 (Moody's)	**-**	926
Other	**-**	6,821
	5,429,237	838,368

None of the financial assets that are fully performing has been renegotiated.

14. Presentation of Classes of Financial Instruments with Measurement Categories

The Company's accounting policy for financial assets and financial liabilities were applied in accordance with the following measurement categories:

As at 31 December 2015	Loans and receivables	Financial assets at fair value through profi or loss	Available-for-sale financial assets	**Total**
Financial assets	US$	US$	US$	**US$**
Financial assets at fair value through profit or loss	-	790,112,372	-	**790,112,372**
Loans receivable	284,644,208	-	-	**284,644,208**
Available-for-sale assets	-	-	167,978	**167,978**
Derivative financial instruments	-	451,840	-	**451,840**
Receivables (excluding prepayments)	135,573,904	-	-	**135,573,904**
Cash and cash equivalents	5,429,237	-	-	**5,429,237**
Total	425,647,349	790,564,212	167,978	**1,216,379,539**

As at 31 December 2015	Financial liabilities at fair value through profi or loss	Other financial liabilities at amortised cost	**Total**
Financial liabilities	US$	US$	**US$**
Borrowings	-	176,275,383	**176,275,383**
Trade and other payables	-	87,933,521	**87,933,521**
Derivative financial instruments	-	-	**-**
Total	-	264,208,904	**264,208,904**

As at 31 December 2014	Loans and receivables	Financial assets at fair value through profi or loss	Available-for-sale financial assets	**Total**
Financial assets	US$	US$	US$	**US$**
Financial assets at fair value through profit or loss	-	866,860,654	-	**866,860,654**
Loans receivable	246,858,388	-	-	**246,858,388**
Available-for-sale assets	-	-	658,548	**658,548**
Derivative financial instruments	-	1,700,274	-	**1,700,274**
Receivables (excluding prepayments)	461,026,266	-	-	**461,026,266**
Cash and cash equivalents	838,368	-	-	**838,368**
Total	708,723,022	868,560,928	658,548	**1,577,942,498**

As at 31 December 2014	Financial liabilities at fair value through profi or loss	Other financial liabilities at amortised cost	**Total**
Financial liabilities	US$	US$	**US$**
Borrowings	-	292,989,372	**292,989,372**
Trade and other payables	-	59,607,741	**59,607,741**
Derivative financial instruments	-	-	**-**
Total	-	352,597,113	**352,597,113**

15. 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 estimated fair values have been determined by the Company using available market information, when such information exists and is considered a reliable indicator, and appropriate valuation methodologies. However, judgment is necessarily required to interpret market data to determine the estimated fair value. The Russian Federation continues to display some characteristics of an emerging market. Market quotations may be outdated or reflect distressed sale transactions and therefore not represent fair values of financial instruments. Management has used all available market information in estimating the fair value of financial instruments.

Fair value measurements are analysed by level in the fair value hierarchy as follows: (i) Level 1 are measurements at quoted prices (unadjusted) in active markets for identical assets or liabilities, (ii) Level 2 measurements are valuation techniques with all material inputs observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices), and (iii) Level 3 measurements are valuations not based on observable market data (that is, unobservable inputs). Management applies judgement in categorising financial instruments using the fair value hierarchy. If a fair value measurement uses observable inputs that require significant adjustment, that measurement is a Level 3 measurement. The significance of a valuation input is assessed against the fair value measurement in its entirety.

Derivative financial instruments. The derivative financial instruments (Note 19) that are measured at fair value at 31 December 2015 and 31 December 2014 are valued using Level 2 valuation method.

Financial assets at fair value through profit or loss. The fair values of the financial assets at fair value through profit or loss (Note 17) are based on Level 3 valuations. These valuations are determined based on the net asset values of the underlying investment property subsidiary companies. For such subsidiaries which hold investment properties in Russia, net assets are determined to be a proxy for their fair value, as they reflect the fair value of the investment properties on their balance sheet. In determining the fair value of the investment properties, management uses valuation reports of independent property valuers who hold a recognised and relevant professional qualification and who have recent experience in valuation of property of similar location and category. The fair value of investment properties was determined mainly using discounted cash flow valuation techniques. The Group used assumptions that were based on market conditions existing at each reporting date. Changes in assumptions used in the valuation techniques could affect reported fair values.

The valuation technique, inputs used in the fair value measurement of the investment property and related sensitivity to reasonably possible changes in those inputs were as follows at 31 December 2015:

In thousands of US Dollars	**Valuation technique**	**Inputs used in vluation of investments properties**	**Range of inputs (weighted average)**	**Reasonable change (% of input)**	**Sensitivity of fair value measurement**
Subsidiaries holding yielding invetsment property	Discounted Cash Flow Technique	Discount rates	10.0 - 13.0 %	+10%	(154,600)
				-10%	164,300
		Estimated rental value	200-2000 USD/sq.m.	+10%	219,500
				-10%	(218,900)
		Exit capitalization rates	9.0 - 10.5%	+10%	(217,000)
				-10%	265,700
Subsidiaries holding invetsment property under development	Discounted Cash Flow Technique	Discount rates	20.0%	+10%	(10,100)
				-10%	11,600
		Estimated rental value	200-750 USD/sq.m.	+10%	18,800
				-10%	(12,600)
		Exit capitalization rates	10.0%	+10%	(11,000)
				-10%	13,500

The sensitivity of fair value measurement to change of inputs is estimated by adjusting the variable and assuming that other variables remain the same.

During the year 2015 there were no re-classifications from or into Level 3 measurements.

Cash and cash equivalents. Cash and cash equivalents are carried at nominal amount.

Financial assets and liabilities carried at amortized cost. Financial assets carried and liabilities are carried at amortized cost which approximates their current fair value.

16. Financial assets at fair value through profit and loss

	2015	2014
	US$	US$
On 1 January	**866,860,654**	1,461,239,672
Additions	**615,260,211**	169,039,100
Disposals	**(296,249,213)**	(497,767,344)
Revaluation (Note 7)	**(395,759,280)**	(265,650,774)
Balance at 31 December	**790,112,372**	866,860,654

16. Financial assets at fair value through profit or loss (continued)

The details of the subsidiaries at fair values are as follows:

Name	Country of incorporation	Principal activities	2015 Holding %	2014 Holding %	2015 US$	2014 US$
Subidiaries						
Wallasey Ltd	Cyprus	Financing	100**	100**	**88,492,828**	79,262,403
Ratado Holding Ltd(1)	Cyprus	Holding and financing investments	100	100*	**381,644,000**	398,524,000
Discovery Russian Realty Paveletskaya Project Ltd	Cayman Islands	Holding	100	100	-	1,330
01 Properties Management Ltd	Russia	Services	100	100	**5,384,830**	925,000
Sharezone Capital Ltd	Cyprus	Holding and financing investments	0	100**	-	170,280,000
Stabilac Ltd	Cyprus	Financing	100	100	-	-
Vielle Limited	Cyprus	Holding and financing investments	100	100	**11,751,160**	16,527,713
Valnaz Investments Ltd	Cyprus	Holding and financing investments	0	100	-	21,364,851
LLC City-Developer	Russia	Services	100	100	**1**	-
CJSC Nash Standart	Russia	Services	100	100	**612,186**	1,028,292
Letvion Investments Ltd	Cyprus	Inactive	85	85	**1,524,811**	531,031
Collins Crest Limited	Cyprus	Holding	100	100	**1**	-
Blandid Limited	Cyprus	Inactive	0	100	-	17,522,648
Taavo Enterprises Ltd	Cyprus	Holding and financing investments	85**	85**	**240,309**	228,315
Barkmere Limited	Cyprus		100	0	**1**	-
Hannory Holdings Ltd	BVI		100	100	**1**	-
Mooncrown Ltd	Cyprus		100	100	**102,896,815**	1
Wakovia Limited	Cyprus		0	100	-	1
Mokati Ltd	Cyprus		0	100	-	26,287,000
Kolston Group Ltd	BVI		100	100	**1**	33,557
Simeona Ltd	Cyprus		100	100	**564,277**	1
Fundin Investments Ltd	Cyprus		100	100	**99,150,430**	73,088,989
Thabit Holdings Ltd	Cyprus		100	100	**1**	-
Eagleman Ltd	Cyprus		100	100	**1**	-
Minesign Ltd	Cyprus		100	100	**87,517,179**	-
Sabaton Holdings Ltd	Cyprus		0	100	-	51,108,771
Cemvertia Holdings Ltd	Cyprus		100	100	**10,138,513**	10,146,749
Moonpeak Ltd	Cyprus		0	100	-	1
01 Advisory Ltd	Cyprus		100	100	**135,027**	1
					790,052,372	866,860,654

The ownership stakes marked (*) were pledged in relation to borrowings of the Company (Note 24) at respective dates.

The ownership stakes marked (**) were pledged in relation to borrowings of other group companies at respective dates.

The following are transactions affecting the investments in subsidiaries during the years ended 31 December 2014 and 2015:

2015 transactions:

On 6 March 2015, the Company subscribed to additional 1,000 shares in 01 Advisory Limited at a premium totalling USD 191 thousand.

16. Financial assets at fair value through profit or loss (continued)

On 12 March 2015, the Company sold 100% of shares in Sabaton Holding Limited to Nisovata Holding Limited for a total consideration of USD 72,000 thousand. The sale resulted in a gain of USD 20,891 thousand.

On 25 March 2015, the Company sold 100% of shares in Blandid Limited to Valborg Limited for a total consideration of USD 28,000 thousand. The sale resulted in a gain of USD 10,477 thousand.

On 25 March 2015, the Company sold 100% of shares in Mokati Limited to Berlana Investments Limited for a total consideration of USD 67,000 thousand. The sale resulted in a gain of USD 40,713 thousand.

On 22 June 2015, the Company sold 100% of shares in Sharezone Capital Limited to Lagyforb Limited for a total consideration of USD 232,300 thousand. The sale resulted in a gain of USD 62,020 thousand.

On 19 June 2015, the Company subscribed to additional 1,000 shares in Minesign Limited at a premium totalling USD 249,025 thousand.

On 3 August 2015, the Company subscribed to additional 100 shares in Wakovia Limited at a premium totalling USD 100 thousand. On 18 August 2015, the Company subscribed to additional 100 shares in Wakovia Limited at a premium totalling USD 25 thousand. On 30 November 2015, the Company sold 100% of shares in Wakovia Limited to Afelmor Overseas Limited for a total consideration of EUR 1,200. The sale resulted in a loss of USD 124 thousand.

On 3 August 2015, the Company subscribed to additional 1,000 shares in Ratado Holding Limited at a premium totalling USD 122,257 thousand.

On 18 August 2015, the Company subscribed to additional 1,000 shares in Mooncrown Limited at a premium totalling USD 232,301 thousand.

On 31 August 2015, the Company sold 100% of shares in Discovery Russian Realty Paveletskaya Project Limited to Bellrun Limited for a total consideration of USD 100. The sale resulted in a loss of USD 1,230.

On 21 September 2015, the Company sold 100% of shares in Moonpeak Limited to Ratado Holding Limited for a total consideration of € 1,000. The sale resulted in a gain of USD 1,141.

On 12 October 2015, the Company sold 100% of shares in Aldino Holding Limited to Ratado Holding Limited for a total consideration of € 1,000. The sale resulted in a gain of USD 85.

On 30 October 2015, the Company acquired 100% share capital of Barkmere Limited for a total consideration of EUR 1,000.

On 30 November 2015, the Company sold 100% of shares in Wakovia Limited to Ratado Holding Limited for a total consideration of € 1,200. The sale resulted in a gain of USD 123 946.

On 30 December 2015, the Company's loan receivable from Valnaz Investments Limited totalling USD 9,558 thousand was converted to equity and on 31 December 2015, the Company sold 100% of shares in Valnaz Investments Limited to Bellrun Limited for a total consideration of € 1,000. The sale resulted in a loss of USD 30,922 thousand.

On 31 December 2015, the Company sold 100% of shares in Stabilac Limited to Dilomana Limited for a total consideration of USD 1,000. The sale resulted in a gain of USD 1,000.

On 30 December 2015, the Company sold 100% of shares in Valnaz Investments Limited to Stabilac Limited for a total consideration of USD 1,000. The sale resulted in a loss of USD 30 922 thousand.

16. Financial assets at fair value through profit or loss (continued)

2014 transactions:

On 29 January 2014, the Company contributed to the incorporation of a new company Wakovia Limited for 1,000 shares of €1 each.

On 20 February 2014, the Company contributed to the incorporation of a new company Mooncrown Limited for 1,000 shares of €1 each.

On 4 March 2014, the Company contributed to the incorporation of a new company Vielle Limited for 1,000 shares of €1 each. On 7 April 2014, the Company subscribed to 1,000 additional shares at a premium of USD 10 million.

On 5 May 2014, the Company sold 10% of the shares in Invery Management Limited to Ratado Holding Limited for a consideration of USD 10 738 thousand.

On 27 May 2014, the Company sold 100% of the shares in Hines DPIII Realty Limited to Bellrun Trading Limited for a consideration of USD 3 420 thousand. The sale resulted in a loss of USD 65 475 thousand.

On 27 May 2014, the Company sold 100% of the shares in Hines DPIII Development Limited to Bellrun Trading Limited for a consideration of USD 3 420 thousand. The sale resulted in a loss of USD 76 191 thousand.

On 14 September 2014, the Company subscribed to an additional 100 shares in Ratado Holding Limited at a premium of USD 150 million. The consideration for these shares was settled on the same date by the contribution of 100% of the share capital of Bitlena Holdings Limited to Ratado Holding Limited.

On 28 September 2014, the Company contributed to the incorporation of a new company Simeona Limited for 1,000 shares of €1 each.

On 3 October 2014, the Company contributed to the incorporation of a new company O1 Advisory Limited for 1,000 shares of €1 each.

On 16 December 2014, the Company sold 100% of the shares in White Estate Investments Limited to Polostera Holding Limited for a consideration of USD 249 million. The sale resulted in a gain of USD 34 934 thousand.

On 18 December 2014, the Company acquired 100% share capital of Moonpeak Limited for a consideration of EUR 1,000.

Dividend income from investments in subsidiaries

	2015 **US$**	2014 US$
The Company received dividends from its subsidiaries as follows:		
Minesign Limited	**2,000,000**	-
Sabaton Holdings Limited	-	14,380,000
Sharezone Capital Limited	**4,070,000**	22,450,000
CJSC Nash Standart	**937,644**	781,913
Bitlena Holdings Ltd	-	4,178,000
Valnaz Investments Ltd	-	1,500,000
Hines DPIII Development Ltd	-	135,484,315
	7,007,644	178,774,228

17. Available-for-sale financial assets

	2015	2014
	US$	US$
On 1 January	**658,548**	658,548
Revaluation	**(490,570)**	-
Balance at 31 December	**167,978**	658,548

At the end of March 2013 cash balances of the Company with the Bank of Cyprus amounted to EUR 2 256 thousand. An amount of EUR 1 024 thousand representing 47.5% of the uninsured deposits has been converted to shares of Bank of Cyprus with nominal value of EUR 1 each following the bail in of unisured depositors (amounts in excess of EUR 100 thousand) for the recapitalisatin of Bank of Cyprus.

The shares received from the conversion of bank deposits into shares as described above was recognised at US$658,548.

18. Derivative financial instruments

Interest rate swaps

	2015	2014
	US$	US$
Assets - positive fair value		
Current/non-current portion	**451,840**	1,700,274
	451,840	1,700,274

	2015	2014
	US$	US$
Liabilities - negative fair value		
Current/non-current portion	**3,540,628**	5,593,486
	3,540,628	5,593,486

At 31 December 2015, the Company had interest rate swap contracts with a total notional amount of US$ 325,304,000 (2014: US$ 215,700,000) expiring on 20 July 2017 whereby the Company was paying a fixed interest rate in exchange of floating interest rate.

At 31 December 2015 the net negative fair value of these contracts was US$ 3,088,788 (2014: net negative fair value of US$ 3,893,212).

19. Loans receivable

	2015	2014
	US$	US$
Loans to own subsidiaries (Note 26.5)	**109,697,233**	84,845,938
Loans to related companies (Note 26.5)	**78,745,327**	161,473,965
Loans to parent (Note 26.5)	**7,800,550**	-
Loans to third parties	**88,401,098**	538,485
	284,644,208	246,858,388
Less current portion	**(25,703,168)**	(76,827,859)
Non-current portion	**258,941,040**	170,030,529

The loans are repayable as follows:		
Within one year	25,703,168	76,827,859
Between one and five years	258,941,040	127,883,057
After five years	-	42,147,472
	284,644,208	246,858,388

The fair values of non-current receivables approximate to their carrying amounts as presented above.

20. Receivables

	2015	2014
	US$	US$
Receivables from own subsidiaries and other related companies (Note 26.4)	**134,326,279**	428,439,036
Receivables from shareholders (Note 26.8)	**11,694**	24,806,698
Deposits and prepayments	**7,500**	7,500
Other receivables	**1,235,931**	7,780,532
	135,581,404	461,033,766

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

21. Cash and cash equivalents

Cash balances are analysed as follows:

	2015	2014
	US$	US$
Cash at bank	**5,429,237**	838,368
	5,429,237	838,368

Analysis by currency:	**2015**	2014
	US$	US$
United States Dollars	**5,103,690**	827,892
Euro	**300,436**	5,469
United Kingdom Pounds	**6,502**	-
Russian Ruble	**18,609**	5,007
	5,429,237	838,368

22. Share capital and share premium

Issued and fully paid	Number of ordinary shares	Number of preference shares	Share capital US$	Share premium - ordinary shares US$	Total US$
Balance - 1 January 2014	82,314,212	-	1,025,531	1,065,790,799	1,066,816,330
Issue of additional ordinary shares	88,751	-	1,227	-	1,227
Issue of additional ordinary shares	74,120	-	1,022	-	1,022
Balance at 31 December 2014/ 1 January 2015	**82,477,077**	**-**	**1,027,780**	**1,065,790,799**	**1,066,818,579**
Issue of additional ordinary shares (class B shares)	8,305,785	-	113,407	119,496,965	119,610,372
Issue of additional ordinary shares (class A shares)	1,276,224	-	12,763	23,106,273	23,119,036
Share capital reduction	(1,278,119)	-	(17,577)	(24,982,431)	(25,000,008)
Balance at 31 December 2015	**90,780,967**	**-**	**1,136,373**	**1,183,411,606**	**1,184,547,979**

In accordance with the Articles of Association of the Company class "A" shares (1) do not have voting rights, (2) are entitled to non-cumulative quarterly dividends at the absolute discretion of directors of the Company not exceeding USD 2.17 per share p.a. and in priority to other shares, (3) receive maximum USD 18.11 per share upon liquidation and (4) give the holder the right to convert its class "A" shares into the same number of class "B" shares subject to payment of an exchange amount calculated by the Company. Class "B" shares (1) have voting rights, (2) may receive dividends only if at least minimum amount of dividends has been distributed to the holders of class "A" shares within the same period, and (3) are entitled to distributions upon liquidation.

2015 events:

On 1 January 2015 the Company issued 125 000 class "B" shares to Top Management with a nominal value EUR 0.01.

On 30 June 2015 the Company issued 3 953 794 class "B" shares to ICT Holding Ltd with a nominal value of EUR 0.01 and a share premium of USD 14.59 per share.

On 27 July 2015 the shareholders of the Company resolved to extinguish through the cancellation 1 278 119 Class B shares issued to Centimila Services Limited at a total price of USD 19.56 per share. Following the reduction of capital, the amount of USD 25 000 007.64 constituting the total value of share capital extinguished, was payable to Centimila Services Limited, which liability was settled by the Company returning to Centimila Services Limited the promissory notes issued by Centimila Services Limited to the Company.

On 28 December 2015 the Company issued 1 276 224 class "A" shares and 4 064 126 class "B" shares to new shareholders Mr. Barinskiy and Mr. Zubrilin with a nominal value of USD 0.01 and EUR 0.01 respectively and a share premium of USD 18.10 for class "A" and USD 15.21 per class "B" share.

During the year 2015 the shareholders of the Company approved dividends in the amount of USD 44 308 thousand on Class "A" shares and USD 14 800 thousand on Class "B" shares.

Dividends for the year 2015 were declared in the amount of USD 2.17 per class "A" shares and USD 0.23 per class "B" shares.

During the year 2015 dividends in amount of USD 11 606 thousand on Class "A" shares and in amount of USD 7 301 thousand on Class "B" shares were netted-off with loans issued.

22. Share capital and share premium (continued)

2014 events:
In January and April 2014 the shareholders of the Company approved dividends in the amount of USD 29 598 thousand on Class "A" shares and USD 33 915 thousand on Class "B" shares. In September 2014 the shareholders of the Company approved dividends in the amount of USD 2 500 thousand on Class "A" shares. In October 2014 the directors of the Company approved dividends in the amount of USD 12 210 thousand on Class "A" shares. In November 2014 the directors of the Company approved dividends in the amount of USD 6 292 thousand on Class "B" shares.

Dividends for the year 2014 were declared in the amount of USD 2.17 per class "A" shares and USD 0.65 per class "B" shares.

In April 2014 certain members of top management of the Group or their subsidiaries subscribed for 266 250 class "B" shares of the Company at their nominal value of which 162,865 were issued as at 31 December 2014. The shares are to be registered in the name of the respective shareholders in instalments during the period from 17 April 2014 until 1 January 2016. The unregistered instalments may not be registered only in case of dismissal of the relevant member of management of the Group due to gross negligence in performing his duties. This subscription was recorded in equity at the fair value of the shares subscribed at the date of subscription and partially represented performance based remuneration of the top management accrued at 31 December 2013 in the amount of USD 4 400 thousand.

23. Borrowings

	2015 US$	2014 US$
Current borrowings		
Bank borrowings	-	42,060,736
Borrowings from related companies (Note 26.7)	**139,634,083**	118,603,223
	139,634,083	160,663,959
Non current borrowings		
Borrowings from related companies (Note 26.7)	**36,641,300**	132,325,413
	36,641,300	132,325,413
Total	**176,275,383**	292,989,372
Maturity of non-current borrowings:		
Between two and five years	**36,641,300**	132,325,413

The Company was in compliance with financial covenants at 31 December 2015 and 2014.

The fair values of borrowings approximate to their carrying amount as presented above.

24. Trade and other payables

	2015 US$	2014 US$
Shareholders' current accounts - credit balances (Note 26.9)	**13,083,261**	4,818,183
Trade payables and accruals	**278,222**	871,050
Other creditors	**3,142,735**	454,727
Payables to own subsidiaries and other related companies (Note 26.6)	**71,429,303**	53,463,781
	87,933,521	59,607,741

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

25. Current tax liabilities

	2015 US$	2014 US$
Corporation tax	**379**	379
	379	379

26. Related party transactions

At 31 December 2015 the Company's principal immediate shareholders were Nori Holding Limited (Cyprus) which owned 94% of Class "A" shares (31 December 2014: 100%) and Centimila Services Ltd (Cyprus) which owned 54.774% of class "B" shares (31 December 2014: 56.629%). At 31 December 2015 other owners of Class "B" shares included ICT Holding Ltd (Cyprus), Goldman Sachs International (UK) and some members of the key management personnel. The Group is ultimately controlled by Mr. Boris Mints, citizen of the Russian Federation (the "Ultimate Controlling Shareholder").

For the purposes of these financial statements, parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operating decisions as defined by IAS24 "Related Party Disclosures". In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form.

During the years 2015 and 2014, a number of transactions were entered into with related parties in the normal course of business. Certain of these transactions, particularly where a broad market does not exist, were consummated at terms agreed to between the parties.

The following transactions were carried out with related parties:

26.1 Key management compensation (Note 8)

The remuneration of Directors who are members of key management was as follows:

	2015 US$	2014 US$
Directors' remuneration in their executive capacity	**733,700**	3,782,203
Share based payment - equity settled plan	**-**	4,481,000
	733,700	8,263,203

Refer to Note 22 for details of the Company's share based payment plan.

26. Related party transactions (continued)

26.2 Interest income (Note 5)

	2015 US$	2014 US$
Group entities:		
Dawson Int'l Inc.	**1,350,270**	1,350,270
Xeroma Management Ltd	**-**	5,726
Eagleman Ltd	**4,683,110**	1,631,270
Firma Morava llc	**740,098**	1,131,887
Belegar Ltd	**445,611**	411,432
Discovery Russian Realty Paveletskaya Project Ltd	**-**	1,953,085
O1 Advisory Ltd	**58,502**	2,539
O1 Property Management CJSC	**220,567**	15,585
VKS Invest	**2,543,376**	1,157,397
Mistalda Holdings Ltd	**12,584**	12,101
Bayroad Group Limited	**1,400**	-
Valnaz Investments Limited	**643,578**	-
Nori Holding Limited	**146,926**	-
Centimila Services Limited	**130,108**	-
Minesign Limited	**26,615**	-
	11,002,745	7,671,292

26.3 Interest expense

	2015 US$	2014 US$
Group entities:		
Hines DPIII Development Ltd	**-**	30,075
Hines DPIII Realty Ltd	**-**	43,496
Ratado Holding Ltd	**1,758,222**	408,109
Krugozor Business Center (Cyprus) Ltd	**232,289**	-
Le Fortaco Ltd	**324,539**	-
Business Center Stanislavsky (Cyprus) Ltd	**284,137**	-
Avion Corporate Business Center (Cyprus) Ltd	**-**	1,595
Levisoma Trading Ltd	**786,660**	660,707
Silver City Limited	**298,617**	312,037
Gasheka Realty LLC	**1,540,836**	772,992
Fundin Investments Ltd	**7,711,332**	8,090,889
White Estate Investments Ltd	**1,353,872**	1,758,008
Quotex Ltd	**-**	1,167,224
Eagleman Limited	**11,350**	81,751
Centimila Services Ltd	**26,435**	97,753
O1 Group Ltd	**959,536**	568,193
Nori Holding Ltd	**-**	86,619
	15,287,825	14,079,448

26. Related party transactions (continued)

26.4 Receivables from own subsidiaries and other related companies (Note 20)

Name	2015 US$	2014 US$
Celera Corporation	**15,552**	15,552
Vielle Ltd	**4,594,616**	-
Sabaton Holdings Ltd	**111,557**	-
Freyamoon Ltd	**1,917,610**	-
Hannory Holdings Ltd	**1,046,789**	-
Eagleman Ltd	**-**	29,130,365
Sharezone Capital Ltd	**-**	15,830,069
Le Fortaco Limited	**2,315,855**	-
Vivaldi Holdings Ltd	**-**	732,191
Levisoma Trading Ltd	**380,048**	43,490
CJSC 01 Properties Management	**4,015,291**	1,704,172
LLC Silver City	**597,501**	586,785
OJSC Bolshevik	**374,629**	374,629
Gasheka Realty Ltd	**757,411**	283,173
Meteolook Investments Ltd	**98,725**	85,221
Quotex Ltd	**116,125,042**	116,125,042
Minesign Ltd	**-**	249,024,395
Receivables from other group entities	**1,975,653**	14,503,952
	134,326,279	428,439,036

The receivables from subsidiaries and other related companies are interest free and repayable on demand.

26. Related party transactions (continued)

26.5 Loans to related parties (Note 19)

		2015 US$	2014 US$
Group entities:			
Assignment with Belegar Ltd	Principal	**6,405,000**	6,125,000
	Interest	**1,102,087**	656,475
Loan with Dawson Int'l Inc.	Principal	**15,003,000**	15,003,000
	Interest	**6,829,034**	5,478,764
Loan with Minesign Ltd	Principal	**46,260,000**	-
	Interest	**26,615**	-
Loan with Nicolore Holdings Ltd	Interest	**3,639,260**	3,639,260
Loan with Firma Morava	Principal	**7,532,198**	3,671,033
	Interest	**641,436**	24,724
Loan with Eagleman Ltd	Principal	**58,102,460**	46,520,000
	Interest	**1,461,620**	1,771,511
Loan with Discovery Russian Realty Paveletskaya Project Ltd	Principal	**-**	32,732,923
	Interest	**-**	2,633,074
Loan with Avion Corporate Business Center (Cyprus) Ltd	Principal	**-**	345,357
Grand Invest	Interest	**181,082**	181,082
Loan with Mistalda Holdings Ltd	Principal	**179,771**	179,771
	Interest	**24,685**	12,101
01 Advisory Ltd	Principal	**1,355,427**	372,252
	Interest	**60,185**	2,492
VKS Investments	Principal	**33,707,000**	125,000,000
	Interest	**3,500,774**	1,157,397
01 Properties Management CJSC	Principal	**2,254,638**	799,881
	Interest	**176,287**	13,806
Centimila Services Ltd	Principal	**7,721,512**	-
	Interest	**79,039**	-
		196,243,110	246,319,903

The loan to Belegar Ltd was provided at an interest 7%, and is repayable by 30 June 2021.

The Novation deed with Dawson International Inc. was assigned from Thaletta S.A. on the 31 December 2010. The original loan agreement, dated 10 Decemeber 2010, has an interest rate of 9%, and was assigned to Ratado Holdimg Ltd on 3 Februaty 2016.

The loan to Minesign Ltd was provided at an interest 7%, and is repayable by 31 December 2021.

The loan to Firma Morava was provided at an interest of 13.10%, and is repayable by 31 December 2020.

The loan to Eagleman Ltd was provided at an interest of 5.65%, and is repayable by 31 December 2019.

The loan to Discovery Russian Realty Paveletskaya Project Ltd was written-off during the year.

The loan to Mistalda Holdings Ltd was provided at an interest 7%, and is repayable by 01 September 2018.

The loan to 01 Advisory Ltd was provided at an interest 7%, and is repayable by 31 December 2018.

The loan to VKS Investments was provided at an interest 3.5%, and is repayable by 30 June 2019.

26. Related party transactions (continued)
The loan to 01 Properties Management CJSC was provided at an interest 10%, and is repayable by 30 October 2018.

The loan to Centimila Services Ltd was provided at an interest 3.65%, and is repayable by 31 December 2018.

26.6 Payables to subsidiaries and other related companies (Note 24)

Name	2015 US$	2014 US$
Ratado Holding Ltd	**16,788,190**	16,799,176
Eagleman Ltd	**4,494,473**	14,004,365
Silver City Ltd	**2,626,744**	4,945,472
Xeroma Management Ltd	-	1,350
Gunilla Ltd	-	1,151,000
Minesign Ltd	**45,854,661**	-
White Estate Investments Ltd	**1,326,036**	1,326,036
Kolston Group Ltd	**40,015**	38,151
Invery Management Ltd	-	26,239
Discovery Russian Realty Paveletskaya Project Ltd	-	10,437,295
Avion Corporate Business Center (Cyprus) Ltd	-	2,552,468
Sharezone Capital Limited	**1,350**	1,350
01 Trust Ltd	-	26,501
Meteolook Investments Ltd	-	65,928
Vielle Limited	-	1,061,384
Paremos Ltd	-	1,350
01 Advisory Ltd	**24,620**	1,263
Simeona Ltd	-	1,318
Quintiliano Ltd	**1,248**	1,248
Payables to other related parties	**271,966**	1,021,887
	71,429,303	53,463,781

The payables to subsidiaries and other related companies are interest free and repayable on demand.

26. Related party transactions (continued)

26.7 Loans from related undertakings (Note 23)

		2015 US$	2014 US$
Group entities:			
Loan with O1 Trust Services Ltd	Principal	-	3,820
Loan with Krugozor Business Center (Cyprus) Ltd	Principal	**76,054**	2,508,889
	Interest	**19,898**	34,746
Loan with Le Fortaco Ltd	Principal	-	5,444,991
	Interest	**2,050**	207,343
Loan with Business Center Stanislavsky (Cyprus) Ltd	Principal	**493,564**	3,599,222
	Interest	**35,765**	165,076
Loan with Avion Corporate Business Center (Cyprus) Ltd	Principal	**96,889**	-
	Interest	**31,764**	655,487
Loan with Levisoma Trading Ltd	Principal	**11,238,003**	11,238,003
	Interest	**1,907,509**	1,120,848
Loan with Eagleman Limited	Principal	**100,000**	100,000
	Interest	**93,101**	81,751
Loan with Gasheka Realty LLC	Principal	**18,535,818**	21,139,110
	Interest	**3,187,505**	2,433,880
Loan with Fundin Investments Ltd	Principal	**109,724,740**	114,500,500
	Interest	**7,430,035**	4,098,903
Loan with White Estate Investments Ltd	Principal	-	36,975,000
	Interest	-	1,775,513
Loan with Ratado Holding Ltd	Principal	**8,702,583**	24,725,000
	Interest	**185,327**	408,108
Loan with Centimila Services Ltd	Principal	**1,057,420**	1,057,420
	Interest	**124,189**	97,753
Nori Holding Ltd	Interest	**38,495**	86,619
O1 Group Ltd	Principal	**8,748,000**	13,461,822
	Interest	-	22,498
Silver City Limited	Principal	**3,629,606**	4,274,523
	Interest	**817,068**	711,811
		176,275,383	250,928,636

The loans from Krugozor Business Center (Cyprus) Ltd, Le Fortaco Ltd, Business Center Stanislavsky (Cyprus) Ltd and Avion Corporate Business Center (Cyprus) Ltd were provided at an interest of 10%, and are repayable by 16 December 2016.

The loan from Levisoma Trading Ltd was provided at an interest of 7%, and is repayable by 31 December 2019.

The loan from Eagleman Ltd was provided at an interest of 11.35%, and is repayable by 30 April 2018.

The loans from Gasheka Realty LLC were provided at an interest of 7.5%, and is repayable by 4 May 2017.

The loan from Fundin Investments Ltd was provided at an interest of 7%, and is repayable by 31 December 2017.

The loans from White Estate Investments Ltd was assigned to Minesign Ltd as per assignment agreement dated 30 June 2015.

26. Related party transactions (continued)
The loan from Ratado Holding Ltd was provided at an interest of 8.15%, and is repayable by 30 June 2019.

The loan from Centimila Services Ltd was provided at an interest of 2.5%, and is repayable by 31 May 2018.

The loan from Nori Holding Ltd was repaid during the year.

The loan from O1 Group Ltd was provided at an interest of 8%, and is repayable by 31 December 2018.

The loan from Silver City Ltd was provided at an interest of 7%, and is repayable by 31 December 2020.

26.8 Shareholders' current accounts - debit balances (Note 20)

	2015	2014
	US$	US$
Promissory notes	**7,295**	24,805,349
Shareholders' current accounts - debit balances	**4,399**	1,349
	11,694	24,806,698

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

26.9 Shareholders' current accounts - credit balances (Note 24)

	2015	2014
	US$	US$
Amounts owed to shareholders	**13,083,261**	4,818,183
	13,083,261	4,818,183

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

26.10 Other income

	2015	2014
	US$	US$
Income from recharge of expenses to subsidiary companies	**2,740,915**	3,625,911
	2,740,915	3,625,911

26.11 Acquisition and disposal of investments from/to related parties

Details regarding the acquisition and disposal of investments from/to related parties are disclosed in Notes 17 and 7.

27. Contingent liabilities

The Company had no contingent liabilities as at 31 December 2015.

28. Commitments and operating environment

The Russian Federation displays certain characteristics of an emerging market. Its economy is particularly sensitive to oil and gas prices. The legal, tax and regulatory frameworks continue to develop and are subject to frequent changes and varying interpretations. During 2015 the Russian economy was negatively impacted by low oil prices, ongoing political tension in the region and continuing international sanctions against certain Russian companies and individuals, all of which contributed to the country's economic recession characterised by a decline in gross domestic product. The financial markets continue to be volatile and are characterised by frequent significant price movements and increased trading spreads. Russia's credit rating was downgraded to below investment grade. This operating environment has a significant impact on the Company's operations and financial position. Management is taking necessary measures to ensure sustainability of the Company's operations. However, the future effects of the current economic situation are difficult to predict and management's current expectations and estimates could differ from actual results.

Contingencies

Russian tax legislation which was enacted or substantively enacted at the end of the reporting period, is subject to varying interpretations when being applied to the transactions and activities of the Company. Consequently, tax positions taken by management and the formal documentation supporting the tax positions may be challenged by the tax authorities. Russian tax administration is gradually strengthening, including the fact that there is a higher risk of review of tax transactions without a clear business purpose or with tax incompliant counterparties. Fiscal periods remain open to review by the authoritiesin respect of taxes for three calendar years preceding the year when decisions about the review was made. Under certain circumstances reviews may cover longer periods.

The Russian transfer pricing legislation is to a large extent aligned with the international transfer pricing principles developed by the Organisation for Economic Cooperation and Development (OECD). This legislation provides the possibility for tax authorities to make transfer pricing adjustments and impose additional tax liabilities in respect of controlled transactions (transactions with related parties and some types of transactions with unrelated parties), provided that the transaction price is not arm's length.

Tax liabilities arising from transactions between companies are determined using actual transaction prices. It is possible, with the evolution of the interpretation of the transfer pricing rules, that such transfer prices could be challenged. The impact of any such challenge cannot be reliably estimated, however, it may be significant to the financial position and/or the overall operations of the Company.

As Russian tax legislation does not provide definitive guidance in certain areas, the Company adopts, from time to time, interpretations of such uncertain areas that reduce the overall tax rate of the Company. While management currently estimates that the tax positions and interpretations that it has taken can probably be sustained, there is a possible risk that an outflow of resources will be required should such tax positions and interpretations be challenged by the tax authorities. The impact of any such challenge cannot be reliably estimated, however, it may be significant to the financial position and/or the overall operations of the Company.

At 31 December 2015 the Company guaranteed liabilities of its joint venture in the amount of USD 141 018 thousand (31 December 2014: USD 131 929 thousand).

Cyprus economy

Following three years of economic recession, the Cyprus economy has recorded positive growth in the first half of 2015. As from April 2015, the restrictive measures and capital controls which were in place since March 2013 have been lifted. In recognition of the progress achieved on the fiscal front and the economic recovery, as well as the enactment of the foreclosure and insolvency framework, the international credit rating agencies have upgraded the credit ratings for the Cypriot sovereign, however the rating continues to be "non-investment grade". At the same time there are some major downside risks emanating from the high level of non-performing loans in the banking sector and the limited availability of credit.

The Company's management has assessed that the performance and position of the Company is not affected by the developments of Cyprus economy.

29. Significant events after the reporting period

On 1 February 2016, the Company subscribed to additional 1,000 shares in Ratado Holding Limited at a premium totalling USD 116,126 thousand.

On 31 March 2016, the Company subscribed to additional 1,000 shares in Minesign Limited at a premium totalling EUR 41,989 thousand.