“MCB LEASING” CLOSED JOINT- STOCK COMPANY

Financial Statements and
Independent Auditors’ Report
For the Year Ended 31 December 2013

"MCB LEASING" CJSC

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STATEMENT OF MANAGEMENT'S RESPONSIBILITIES FOR THE PREPARATION AND APPROVAL OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

The following statement, which should be read in conjunction with the independent auditors' responsibilities stated in the independent auditors' report set out on pages 2-3, is made with a view to distinguishing the respective responsibilities of management and those of the independent auditors in relation to the financial statements of MCB Leasing Closed Joint Stock Company (the "Company").

Management is responsible for the preparation of the financial statements that present fairly the financial position of the Company at 31 December 2013, and the results of its operations, cash flows and changes in equity for the year then ended, in accordance with International Financial Reporting Standards ("IFRS").

In preparing the financial statements, management is responsible for:

- Selecting suitable accounting principles and applying them consistently;
- Making judgments and estimates that are reasonable and prudent;
- Stating whether IFRS have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Preparing the financial statements on a going concern basis, unless it is inappropriate to presume that the Company will continue in business for the foreseeable future.

Management is also responsible for:

- Designing, implementing and maintaining an effective and sound system of internal controls, throughout the Company;
- Maintaining proper accounting records that disclose, with reasonable accuracy at any time, the financial position of the Company, and which enable them to ensure that the financial statements of the Company comply with IFRS;
- Maintaining statutory accounting records in compliance with legislation of the Republic of Azerbaijan;
- Taking such steps as are reasonably available to them to safeguard the assets of the Company; and
- Detecting and preventing fraud and other irregularities.

Grant Thornton was appointed auditor of the Company for the year ended 31 December 2013 and being eligible, have offered themselves for re-appointment for the year ending 31 December 2014.

The financial statements for the year ended 31 December 2013 were authorized for issue on 27 January 2014 by the Board of Directors.

On behalf of the Management:

MCB Lizing Qapalı Səhmdar Cəmiyyəti MCB LEASING

Mr. Ramal Jafarov	**Mr. Sibt-e-Hassan Taqi**
Chief Executive Officer	**Chief Finance Officer**
27 January 2014	27 January 2014
Baku, Azerbaijan Republic	Baku, Azerbaijan Republic

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INDEPENDENT AUDITORS' REPORT

To the Shareholders and Board of Directors of MCB Leasing Closed Joint Stock Company:

Report on the Financial Statements

We have audited the accompanying financial statements of MCB Leasing Closed Joint Stock Company, which comprise the statement of financial position as at 31 December 2013, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 31 December 2013, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The 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 and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

INDEPENDENT AUDITORS' REPORT (continued)

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of MCB Leasing Closed Joint Stock Company as at 31 December 2013, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

Grant Thornton
Baku, Azerbaijan Republic
27 January 2014

"MCB LEASING" CJSC

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2013
(In Azerbaijani manats)

	Note	31 December 2013	31 December 2012
Assets			
Current assets			
Cash and cash equivalents	5	**151,850**	320,676
Advances, prepayments and other current assets	6	**324,384**	184,702
Net investment in finance lease	7	**3,176,243**	3,041,925
		3,652,477	3,547,303
Non-current assets			
Net investment in finance lease	7	**2,802,075**	2,517,795
Property and equipment	8	**88,583**	112,766
Deferred tax asset	15	**18,378**	93,988
		2,909,036	2,724,549
Total assets		**6,561,513**	6,271,852
Liabilities			
Current liabilities			
Current portion of secured loans	9	**2,353,500**	1,570,000
Current portion of other bank loans	9	**562,091**	395,778
Other current liabilities	10	**174,583**	149,733
		3,090,174	2,115,511
Long-term loans			
Secured loans	9	**1,569,000**	2,355,000
Other bank loans	9	**314,922**	519,299
		1,883,922	2,874,299
Total liabilities		**4,974,096**	4,989,810
Represented by:			
Share capital	11	**1,668,842**	1,668,842
Accumulated loss		**(81,424)**	(386,800)
Total equity		**1,587,418**	1,282,042
Total liabilities and equity		**6,561,513**	6,271,852
Contingencies and commitments	12	**-**	622,620

On behalf of the Management:

Mr. Ramal Jafarov
Chief Executive Officer

27 January 2014
Baku, Azerbaijan Republic

MCB Lizinq
MCB LEASING
Qapalı Səhmdar Cəmiyyəti

Mr. Sibt-e-Hassan Taqi
Chief Finance Officer

27 January 2014
Baku, Azerbaijan Republic

The notes on pages 8-31 form an integral part of these financial statements. The Independent Auditors' Report is on pages 2-3.

"MCB LEASING" CJSC

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2013
(In Azerbaijani manats)

	Note	Year ended 31 December 2013	Year ended 31 December 2012
Interest income from finance leases		**1,086,538**	917,372
Interest expense		**(314,166)**	(257,567)
Net interest income		**772,372**	659,805
Fee, commission and brokerage income		**267,093**	83,728
Net gain on foreign exchange translation		**26,424**	8,221
Other income		**6,368**	3,103
Operating income		**1,072,257**	754,857
Operating expenses	13	**(437,164)**	(409,729)
Administrative expenses	14	**(254,107)**	(211,606)
Profit before income tax		**380,986**	133,522
Income tax expense	15	**(75,610)**	(24,433)
Profit after income tax		**305,376**	109,089
Other comprehensive income:		**-**	-
Total comprehensive income for the year		**305,376**	109,089

On behalf of the Management:

Mr. Ramal Jafarov
Chief Executive Officer

27 January 2014
Baku, Azerbaijan Republic

Mr. Sibt-e-Hassan Taqi
Chief Finance Officer

27 January 2014
Baku, Azerbaijan Republic

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"MCB LEASING" CJSC

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2013

(In Azerbaijani manats)

	Share capital	Accumulated loss	Total equity
Balance as at 31 December 2011	842,105	(495,889)	346,216
Shares issued	826,737	-	826,737
Total comprehensive income for the year	-	109,089	109,089
Balance as at 31 December 2012	1,668,842	(386,800)	1,282,042
Total comprehensive income for the year	-	**305,376**	**305,376**
Balance as at 31 December 2013	**1,668,842**	**(81,424)**	**1,587,418**

On behalf of the Management:

Mr. Ramal Jafarov
Chief Executive Officer

27 January 2014
Baku, Azerbaijan Republic

Mr. Sibt-e-Hassan Taqi
Chief Finance Officer

27 January 2014
Baku, Azerbaijan Republic

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"MCB LEASING" CJSC

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2013
(In Azerbaijani Manats)

	Note	Year ended 31 December 2013	Year ended 31 December 2012
Cash flows from operating activities			
Profit before income tax		**380,986**	133,522
Adjustments for non-cash income and expenses:			
Depreciation expense	14	**26,117**	27,491
Net gain on foreign exchange operations		**(26,424)**	(8,221)
		380,679	152,792
Changes in working capital:			
Net investment in finance lease		**(418,598)**	(1,691,889)
Advances, prepayments and other current assets		**(115,757)**	(133,411)
Other current liabilities		**24,850**	9,310
		(128,826)	(1,663,198)
Income tax paid		**-**	-
Net cash used in operating activities		**(128,826)**	(1,663,198)
Cash flows from investing activities			
Purchase of property and equipment	8	**(1,935)**	(903)
Net cash used in investing activities		**(1,935)**	(903)
Cash flows from financing activities			
Proceeds from shares issue		**-**	826,737
Proceeds from/repayment of secured loans		**(38,065)**	915,798
Net cash used in financing activities		**(38,065)**	1,742,535
Net increase/(decrease) in cash and cash equivalents		**(168,826)**	78,434
Cash and cash equivalents at beginning of year	5	**320,676**	242,242
Cash and cash equivalents at end of year	5	**151,850**	320,676

On behalf of the Management:

Mr. Ramal Jafarov
Chief Executive Officer

27 January 2014
Baku, Azerbaijan Republic

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Qapalı Səhmdar Cəmiyyəti

Mr. Sibt-e-Hassan Taqi
Chief Finance Officer

27 January 2014
Baku, Azerbaijan Republic

The notes on pages 8-31 form an integral part of these financial statements. The Independent Auditors' Report is on pages 2-3.

1. INTRODUCTION

"MCB Leasing" CJSC ("Company") was incorporated and domiciled 16 October 2009 in the Republic of Azerbaijan. The Company is a closed joint stock company limited by shares and was set up in accordance with Azerbaijani regulations. The Company was initially registered under the registration number 1701045991 dated 15 October 2009 at the Ministry of Taxes of the Republic of Azerbaijan. Due to the change in the share capital the Company was re-registered on 11 October 2012 with the Ministry of Taxation of the Republic of Azerbaijan.

The Company's principal business activity is providing finance lease within the Republic of Azerbaijan. The Company leases out various types of industrial equipment, equipment used in medicine, public transport, infrastructure projects and for other business needs. In addition, the Company leases out cars, trucks and rail cars. The Company purchases assets for lease from suppliers in the Republic of Azerbaijan and abroad.

The Company's registered address is: 49 B Tbilisi Ave. Baku AZ1065, Republic of Azerbaijan.

MCB Bank Limited, a public limited company listed on stock exchanges in Pakistan, owns 95% of the issued share capital and is the Company's parent company and ultimate controlling company. As at 31 December 2013 and 2012 the following shareholders owned the share capital of the Company:

	31 December 2013 Ownership interest, %	31 December 2012 Ownership interest, %
MCB Bank Limited (Pakistan)	95	95
Mr. Namig Safarov Rahib (Individual person)	5	5
Total	**100**	100

2. BASIS OF PREPARATION

2.1 Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") using the measurement bases specified by IFRS for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies below.

The Company maintains its accounting records in accordance with Azerbaijan law, which in majority complies with IFRS. These financial statements have been prepared from the Azerbaijan statutory accounting records and have been adjusted to conform to IFRS.

2.2 The functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the 'functional currency'). The financial statements are presented in Azerbaijani Manats ("AZN"), which is the Company's both functional and presentation currency.

2. BASIS OF PREPARATION (CONTINUED)

2.3. Critical accounting estimates and judgments

The preparation of financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the Company's financial statements or where judgment was exercised in the application of accounting policies are as follows:

a) **Taxation.** In making the estimates for income taxes currently payable by the Company, the management considers the current income tax laws.

b) **Depreciation of operating fixed assets.** In making estimates of the depreciation or amortization method, the management uses the method which reflects the pattern in which economic benefits are expected to be consumed by the Company.

3. STANDARDS, INTERPRETATIONS AND AMENDMENTS

a) Standards, interpretations and amendments to existing standards that are effective in 2013

Following relevant revisions and amendments to existing standards were issued by the IASB, which are effective for the accounting period on or after 1 January 2013 and have been adopted by the Company:

Standard number	Title	Effective date
IAS 1	Presentation of Financial Statements – Amendment	1 July 2012
IAS 19	Employee Benefits – Revised 2011	1 January 2013
IFRS 7	Financial Instruments: Disclosures – Amendment	1 January 2013
IFRS 13	Fair Value Measurement – New	1 January 2013
	Annual Improvements 2009 – 2011	
IFRS 1	First-time Adoption of IFRS – Amendment	1 January 2013
IAS 1	Presentation of Financial Statements - Amendment	1 January 2013
IAS 16	Property, Plant and Equipment – Amendment	1 January 2013
IAS 32	Financial Instruments: Presentation - Amendment	1 January 2013

3. STANDARDS, INTERPRETATIONS AND AMENDMENTS (CONTINUED)

b) Standards, interpretations and amendments to existing standards that are not yet effective and have not been adopted early by the Company

At the date of authorisation of these financial statements, the following new standards, interpretations and amendments to existing standards have been published but are not yet effective, and have not been adopted early by the Company.

Standard number	Title	Effective date
IAS 32	Financial Instruments: Presentation – Amendment	1 January 2014
IAS 36	Impairment of Assets – Amendment	1 January 2014
IAS 39	Financial Instruments: Recognition and Measurement – Amendment	1 January 2014
IAS 19	Employee Benefits – Amendments	1 July 2014
IFRS 9	Financial Instruments – New and Amendments	Undecided
	Annual Improvements 2010 – 2012	
IFRS 13	Fair Value Measurement – Amendment	1 July 2014
IAS 16	Property, Plant and Equipment – Amendment	1 July 2014
IAS 24	Related Party Disclosures – Amendment	1 July 2014
	Annual Improvements 2011 – 2013	
IFRS 13	Fair Value Measurement – Amendment	1 July 2014

Management anticipates that all of the relevant pronouncements will be adopted in the Company's accounting policies for the first period beginning after the effective date of the pronouncement. Information on the relevant new standards, amendments and interpretations that are not yet effective have been provided below. The Company's management has yet to assess the impact of these new and revised standards on the Company's financial statements.

IAS 32 Financial Instruments: Presentation – Amendment (effective for accounting period on or after 1 January 2014)
The amendments add application guidance to address inconsistencies in applying IAS 32's criteria for offsetting financial assets and financial liabilities in the following two areas:
- the meaning of 'currently has a legally enforceable right of set-off'; and
- the application of simultaneous realisation and settlement.

The amendments are required to be applied retrospectively.

IAS 36 Impairment of Assets – Amendment (effective for accounting period on or after 1 January 2014)
The amendments reduce the circumstances in which the recoverable amount of assets or cash-generating units is required to be disclosed, clarify the disclosures required, and to introduce an explicit requirement to disclose the discount rate used in determining impairment (or reversals) where recoverable amount (based on fair value less costs of disposal) is determined using a present value technique.

3. STANDARDS, INTERPRETATIONS AND AMENDMENTS (CONTINUED)

b) Standards, interpretations and amendments to existing standards that are not yet effective and have not been adopted early by the Company (continued)

IAS 39 Financial Instruments: Recognition and Measurement – Amendment (effective for accounting period on or after 1 January 2014)
The amendments provide relief from discontinuing hedge accounting when novation of a derivative designated as a hedging instrument meets certain criteria. A novation indicates an event where the original parties to a derivative agree that one or more clearing counterparties replace their original counterparty to become the new counterparty to each of the parties. In order to apply the amendments and continue hedge accounting, novation to a central counterparty (CCP) must happen as a consequence of laws or regulations or the introduction of laws or regulations.

IAS 19 Employee Benefits – Amendments (effective for accounting period on or after 1 July 2014)
The amendments clarify the requirements that relate to how contributions from employees or third parties that are linked to service should be attributed to periods of service. In addition, it permits a practical expedient if the amount of the contributions is independent of the number of years of service, in that the contributions, can, but are not required, to be recognised as a reduction in the service cost in the period in which the related service is rendered.

IFRS 9 Financial Instruments – New and Amendments (effective period undecided)
The IASB aims to replace IAS 39 'Financial Instruments: Recognition and Measurement' in its entirety with IFRS 9. To date, the chapters dealing with recognition, classification, measurement and derecognition of financial assets and liabilities have been issued. Further, IFRS 9 introduces new requirements for hedge accounting that align hedge accounting more closely with risk management. The requirements also establish a more principles-based approach to hedge accounting and address inconsistencies and weaknesses in the hedge accounting model in IAS 39.

As part of the Limited Amendments to IFRS 9 project, the IASB decided at the November 2013 board meeting to defer the mandatory effective date of IFRS 9. The IASB agreed that the mandatory effective date should no longer be accounting period beginning on or after 1 January 2015 but rather be left open pending the finalization of the impairment and classification and measurement requirements. As a result of these decisions and the changes being proposed to IFRS 9, the transitional guidance will change. IFRS 9 is currently still available for early application. Management does not expect to implement IFRS 9 until it has been completed and its overall impact can be assessed.

3. STANDARDS, INTERPRETATIONS AND AMENDMENTS (CONTINUED)

b) Standards, interpretations and amendments to existing standards that are not yet effective and have not been adopted early by the Company (continued)

Annual Improvements 2010 – 2012

IFRS 13 Fair Value Measurement – Amendments (effective for accounting period on or after 1 July 2014)

The amendments clarify that the issuance of IFRS 13 and consequential amendments to IAS 39 'Financial Instruments: Recognition and Measurement' and IFRS 9 'Financial Instruments' did not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amounts without discounting, if the effect of not discounting is immaterial.

IAS 16 Property, Plant and Equipment – Amendments (effective for accounting period on or after 1 July 2014)

The amendments remove perceived inconsistencies in the accounting for accumulated depreciation when an item of property, plant and equipment is revalued. The amended requirements clarify that the gross carrying amount is adjusted in a manner consistent with the revaluation of the carrying amount of the asset and that accumulated depreciation is the difference between the gross carrying amount and the carrying amount after taking into account accumulated impairment losses. An entity is required to apply to amendments to all revaluations recognised in the annual period in which the amendments are first applied and in the immediately preceding annual period. An entity is permitted, but not required, to restate any earlier periods presented.

IAS 24 Related Party Disclosures – Amendments (effective for accounting period on or after 1 July 2014)

The amendments clarify that a management entity providing key management personnel services to a reporting entity is a related party of the reporting entity. Consequently, the reporting entity must disclose as related party transactions the amounts incurred for the service paid or payable to the management entity for the provision of key management personnel services. However, disclosure of the components of such compensation is not required.

Annual Improvements 2011 – 2013

IFRS 13 Fair Value Measurement – Amendment (effective for accounting period on or after 1 July 2014)

The amendment clarifies that the scope of the portfolio exception for measuring the fair value of a group of financial assets and financial liabilities on a net basis was amended to clarify that it includes all contracts that are within the scope of, an accounted for in accordance with, IAS 39 'Financial Instruments: Recognition and Measurement' or IFRS 9 'Financial Instruments', even if those contracts do not meet the definitions of financial assets or financial liabilities within IAS 32 'Financial Instruments: Presentation'.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Recognition and measurement of financial instruments

The Company recognizes financial assets and liabilities on its statement of financial position when it becomes a party to the contractual obligation of the instrument. Regular way purchase and sale of the financial assets and liabilities are recognized using settlement date accounting. Regular way purchases of financial instruments that will be subsequently measured at fair value between trade date and settlement date are accounted for in the same way as for acquired instruments.

Financial assets and liabilities are initially recognized at fair value plus, in the case of a financial asset or financial liability not at fair value through profit or loss transaction costs that are directly attributable to acquisition or issue of the financial asset or financial liability.

For the purpose of subsequent measurement, financial assets are classified as loans and receivables upon initial recognition and measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial.

(a) Recognition and measurement of lease.
Leases are accounted for in accordance with IAS 17 and IFRIC 4. When assets are leased out under finance lease, the present value of the minimum lease payments is recognised as a receivable.

(b) Inception of the lease.
The inception of the lease is considered to be the date of the lease agreement, or the date of commitment, if earlier. For purposes of this definition, a commitment shall be in writing, signed by the parties involved in the transaction, and shall specifically set forth the principal terms of the transaction.

(c) Commencement of the lease term.
The commencement of the lease term is the date from which the lessee is entitled to exercise its right to use the leased asset. It is the date of initial recognition of the lease.

(d) Impairment of lease receivables.
An allowance for impairment is established if there is objective evidence that the Company will not be able to collect the amount due according to the original contractual terms of the lease. The amount of the provision is the difference between the carrying amount at the time the lease is considered doubtful and the recoverable amount, being the present value of expected proceeds arising from sale of the leased assets discounted at the original effective interest rate of the lease.

The provision amount also covers losses when there is objective evidence that probable losses are present in components of the lease portfolio at the reporting date. They have been estimated based on the future specific losses inherent in the leases and upon historical patterns of losses in each component and the economic climate in which the clients operate.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.2 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost which is equivalent to its fair value. For the purposes of the cash flow statement, cash and cash equivalents comprise cash in hand, demand deposits, other short term highly liquid investments that are readily convertible to known amounts of cash.

4.3 Property and equipment

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses (if any). Depreciation on all operating fixed assets is charged using the diminishing balance method except for vehicles and computers, which are depreciated using the straight line method in accordance with the rates below and after taking into account residual value, if any. The residual values, useful lives and depreciation methods are reviewed and adjusted, if appropriate, at each reporting date.

Depreciation of property and equipment is calculated at the following rates:

Furniture and fixtures	10%
Computer and office equipment	20%
Vehicles	20%
Other fixed assets	20%

The carrying amounts of property and equipment are reviewed at each reporting date to assess whether they are recorded in excess of their recoverable amounts, and where carrying values exceed this estimated recoverable amount, assets are written down to their recoverable amount. Impairment is recognized in the respective period and is included in other administrative and operating expenses. After the recognition of an impairment loss the depreciation charge for property and equipment is adjusted in future periods to allocate the assets' revised carrying value, less its residual value (if any), on a systematic basis over its remaining useful life.

Depreciation on additions is charged from the month the assets are available for use while no depreciation is charged in the month in which the assets are disposed off. Gains or losses on sale of property and equipment are credited to the profit and loss account currently, except that the related surplus on revaluation which is transferred directly to retained earnings. Subsequent costs are included in the asset's carrying amount or are recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the profit and loss account.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.4 Foreign currencies

Transactions in foreign currencies are translated to AZN at the foreign exchange rates ruling on the transaction date. Monetary assets and liabilities in foreign currencies are expressed in AZN terms at the rates of exchange prevailing at the reporting date. Translation gains and losses are included in the profit and loss account.

The exchange rates at the year-end used by the Company in the preparation of the financial statements are as follows:

31 December 2013	31 December 2012
USD 1 = AZN 0.7845	USD 1 = AZN 0.7850
EUR 1 = AZN 1.0780	EUR 1 = AZN 1.0377
GBP 1 = AZN 1.2927	GBP 1 = AZN 1.2694
RUR 1 = AZN 0.0241	RUR 1 = AZN 0.0258

4.5 Revenue recognition

Financing method is used in accounting for income from lease financing. Under this method, the unearned lease income (excess of the sum of total lease rentals and estimated residual value over the cost of leased assets) is deferred and taken to income over the term of the lease period so as to produce a constant periodic rate of return on the outstanding net investment in lease. Gains / losses on termination of lease contracts are recognized as income when these are realized.

4.6 Prepayments

Prepayments and other receivables are stated at their nominal value.

4.7 Secured loans

Secured loans are recognized initially at fair value, net of transaction cost incurred. In subsequent periods, secured loans are stated at amortized cost using the effective interest method; any difference between the fair value of the proceeds (net of transaction cost) and the redemption amount is recognized as interest expense over the period of the secured loans.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period.

4.8 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.9 Share capital

Contributions to share capital are recognized at cost. Dividends on ordinary shares are recognized in equity as a reduction in the period in which they are declared. Dividends that are declared after the reporting date are treated as a subsequent event under the International Accounting Standard 10 "Events after the Reporting Period" ("IAS 10") and disclosed accordingly.

4.10 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognized in the income statement, except that a change attributable to an item of income or expense recognized as other comprehensive income is also recognized directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted in Azerbaijan Republic.

Deferred income tax is recognized on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits of the Company. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realized. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise:

	31 December 2013	31 December 2012
Current accounts with banks in local currency	**125,880**	294,568
Current accounts with banks in foreign currency	**25,511**	25,648
Cash at hand	**459**	460
Total cash and cash equivalents	**151,850**	320,676

Current accounts with banks in foreign currency in the amount of AZN 25,468 (2012: AZN 25,637) is held in an escrow account and is used purely for the payment of loan principal and interest.

Amounts of cash and cash equivalents as at 31 December 2013 and 2012 as disclosed above are included into the statement of cash flows.

6. ADVANCES, PREPAYMENTS AND OTHER CURRENT ASSETS

Advances, prepayments and other current assets comprise:

	31 December 2013	31 December 2012
Receivable from customers	**285,310**	148,000
Advances to employees	**21,000**	23,280
Prepaid expenses	**12,158**	13,422
Other receivables	**5,916**	-
Total advances, prepayments and other current assets	**324,384**	184,702

7. NET INVESTMENT IN FINANCE LEASE

	31 December 2013			
	Not later than one year	**Later than one and less than five years**	**Over five years**	**Total**
Lease rental receivable	**4,023,939**	**3,236,543**	**-**	**7,260,482**
Minimum lease payments	**4,023,939**	**3,236,543**	**-**	**7,260,482**
Finance charges for future period	**(847,696)**	**(434,468)**	**-**	**(1,282,164)**
Present value of minimum lease payments	**3,176,243**	**2,802,075**	**-**	**5,978,318**

	31 December 2012			
	Not later than one year	**Later than one and less than five years**	**Over five years**	**Total**
Lease rental receivable	3,860,506	2,911,249	-	6,771,755
Minimum lease payments	3,860,506	2,911,249	-	6,771,755
Finance charges for future period	(818,581)	(393,454)	-	(1,212,035)
Present value of minimum lease payments	3,041,925	2,517,795	-	5,559,720

8. PROPERTY AND EQUIPMENT

Property and equipment comprise:

	Computer and office equipment	Vehicles	Furniture and fixtures	Other fixed assets	Total
Cost at 31 December 2011	42,872	39,814	73,316	32,881	188,883
Additions	903	-	-	-	903
Cost at 31 December 2012	43,775	39,814	73,316	32,881	189,786
Additions	**1,571**	**-**	**364**	**-**	**1,935**
Cost at 31 December 2013	**45,346**	**39,814**	**73,680**	**32,881**	**191,721**
Accumulated depreciation at 31 December 2011	13,888	14,274	11,831	9,536	49,529
Charge for the year	8,711	7,963	6,149	4,669	27,492
Accumulated depreciation at 31 December 2012	22,599	22,237	17,980	14,205	77,021
Charge for the year	**8,863**	**7,963**	**5,556**	**3,735**	**26,117**
Accumulated depreciation at 31 December 2013	**31,462**	**30,200**	**23,536**	**17,940**	**103,138**
NBV at 31 December 2013	**13,884**	**9,614**	**50,144**	**14,941**	**88,583**
NBV at 31 December 2012	21,177	17,577	55,336	18,676	112,766

In the opinion of the management there was no impairment on property and equipment as at 31 December 2013 (2012: Nil).

9. SECURED LOANS AND OTHER BANK LOANS

Secured loans comprise:

	31 December 2013		31 December 2012	
	Rate of interest per annum	**Amount**	**Rate of interest per annum**	**Amount**
MCB Bank Ltd. Bahrain	3 month's LIBOR + 4%	**1,569,000**	3 month's LIBOR + 4%	1,570,000
MCB Bank Ltd. Bahrain	3 month's LIBOR + 4.5%	**2,353,500**	3 month's LIBOR + 4.5%	2,355,000
Total for secured loans		**3,922,500**		3,925,000
Current portion		**2,353,500**		1,570,000
Non-current portion		**1,569,000**		2,355,000

Other bank loans comprise:

	31 December 2013		31 December 2012	
	Interest rate per annum	**Amount**	**Interest rate per annum**	**Amount**
Bank of Azerbaijan	**Fixed annual rate 11.5%**	**877,013**	**Fixed annual rate 11.5%**	915,077
Current portion		**562,091**		395,778
Non-current portion		**314,922**		519,299

On 8 November 2010 the Company entered into loan agreement with its parent MCB Bank Limited for a total of USD 2,000,000 at 3 month's LIBOR + 4.0% interest rate per annum which is repayable on 8 November 2016. The principal is repayable fully on maturity. Interest payments are scheduled on a quarterly basis from the inception of loan. Loan is secured against current assets and leased equipments of the Company.

On 6 April 2011 the Company entered into loan agreement with its parent MCB Bank Limited for a total of USD 3,000,000 at 3 month's LIBOR + 4.5% interest rate per annum which is repayable on 6 April 2014. The principal is repayable fully on maturity. Interest payments are scheduled on a quarterly basis from the inception of loan. Loan is secured against current assets and leased equipments of the Company.

On 3 May 2012 the Company entered into loan agreement with Bank of Azerbaijan for a total of AZN 1,000,000 at fixed 11.5 % interest rate per annum. The interest is paid on monthly basis. The loan is provided in tranches and each tranche is repaid in accordance with the repayment schedule attached to the loan agreement.

Total interest expense on above loans during the years ended 31 December 2013 and 2012 amounted to AZN 314,166 and AZN 257,567 respectively.

10. OTHER CURRENT LIABILITIES

Other current liabilities comprise:

	31 December 2013	31 December 2012
Advances received from lessees	**67,394**	69,809
Payable to suppliers	**42,389**	31,770
Accrued expenses	**64,800**	44,740
Other liabilities	**-**	3,414
Total other current liabilities	**174,583**	**149,733**

11. SHARE CAPITAL

As of 31 December 2013 the Company's authorized, issued and fully paid up share capital amounted to AZN 1,668,842 and comprised of 1,668,842 ordinary shares with a par value of AZN 1 (31 December 2012: AZN 1,668,842 comprised 1,668,842 ordinary shares). Each share entitles the shareholder to one vote.

12. COMMITMENTS, CONTINGENCIES AND OPERATIONAL RISK

Capital expenditure commitments

At 31 December 2013 and 2012 the Company had no significant contractual capital expenditure commitments in respect of property and equipment, or in any other areas.

Legal proceedings

From time to time and in the normal course of business, claims against the Company can be received. On the basis of its own estimates and both internal and external professional advice the Company's management is of the opinion that no material losses will be incurred in respect of claims and accordingly no provision has been made in these financial statements.

Other commitments

At 31 December 2013 the Company had no other commitments (2012: Letter of Credit of EURO 600,000 with equivalent of AZN 622,620 with maturity on 31 December 2013).

12. COMMITMENTS, CONTINGENCIES AND OPERATIONAL RISK (CONTINUED)

Business environment

The Company's main operations are conducted in the Azerbaijan Republic. As an emerging market, at the present time the Azerbaijan Republic does not possess a well-developed business and regulatory infrastructure that would generally exist in a more mature market economy.

Whilst there have been improvements in economic trends in the Azerbaijan Republic, the country continues to display certain characteristics of an emerging market. These characteristics include, but are not limited to, the existence of a currency that is not freely convertible in most countries outside of the Azerbaijan Republic. The tax, currency and customs legislations within the Azerbaijan Republic is subject to varying interpretations, and changes which can occur frequently.

The future economic direction of the Azerbaijan Republic is largely dependent upon the effectiveness of economic, financial and monetary measures undertaken by the government, together with tax, legal, regulatory and political developments. Management is unable to predict all developments in the economic environment which would have an impact on the Company's operations and consequently what effect, if any, they could have on the financials position of the Company.

The accompanying financial statements do not include any adjustments that may result from the future clarification of these uncertainties. Such adjustments, if any, will be reported in the period when they become known and estimable.

Regulatory environment

The Company's financial position will continue to be affected by Azerbaijan political developments, including the application of existing and future legislation and tax regulations. The Company does not believe that these contingencies, as related to its operation, are any more significant than those of similar enterprises in the Azerbaijan Republic.

Legislation and regulations regarding taxations, foreign currency transactions and licensing of foreign loan in the Azerbaijan Republic are constantly evolving as the central government manages the transformation to a market oriented economy. Also, the various legislation and regulations are not always clearly written and their interpretations are subject to the opinions of tax inspectors, Central Bank officials and Ministry of Finance.

The Company believes that it has paid or accrued all taxes that are applicable. Where practice concerning the provision of taxes was unclear, the Company's policy is to accrue for the contingencies in the accounting period in which a loss is deemed probable and the amount is reasonably determinable.

Because of the uncertainties associated with Azerbaijani tax and legal system, the ultimate amount of taxes, penalties and interest assessed, if any, may be in excess of the amount expensed and accrued to date.

13. OPERATING EXPENSES

	Year ended 31 December 2013	Year ended 31 December 2012
Salary and bonuses	**351,187**	324,179
Social security costs	**77,261**	71,319
Staff medical insurance	**7,691**	8,286
Other staff expenses	**1,025**	5,945
Total operating expenses	**437,164**	409,729

14. ADMINISTRATIVE EXPENSES

	Year ended 31 December 2013	Year ended 31 December 2012
Office rent	**88,044**	88,044
Depreciation	**26,117**	27,491
Security	**27,600**	27,600
State legal fees	**1,026**	2,566
Professional services fees	**11,451**	11,617
Bank charges	**57,951**	16,650
Communication	**9,180**	8,124
Marketing and advertisement	**500**	-
Utilities	**5,643**	5,149
Audit fee	**9,000**	8,000
Vehicle running costs	**5,508**	5,139
Office supplies	**8,050**	4,501
Vehicle insurance	**1,043**	1,155
Taxes other than income tax	**735**	841
Repair and maintenance	**707**	396
Other expenses	**1,552**	4,333
Total administrative expenses	**254,107**	211,606

15. INCOME TAXES

During the year ended 31 December 2013 and 2012, Azerbaijan's tax rate for companies' profits was 20%. The tax rate is expected to remain the same for the following fiscal year. Deferred taxes reflect the net tax effects of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for tax purposes. Temporary differences as at 31 December 2013 and 2012 comprise:

	31 December 2013	31 December 2012
Taxable (profit) for 2013	**(387,667)**	-
Taxable (profit) for 2012	**(129,753)**	(135,192)
Tax losses of 2011 carried forward	**141,573**	141,573
Tax losses of 2010 carried forward	**477,384**	477,384
Total unused tax losses	**101,537**	483,765
Property and equipment	**(9,644)**	(13,823)
Total taxable temporary differences	**(9,644)**	(13,823)
Deferred deductible temporary differences	**91,893**	469,942
Deferred tax asset at the statutory tax rate (20%)	**18,378**	93,988
Deferred tax asset	**18,378**	93,988

Relationships between tax expenses and accounting profit for the years ended 31 December 2013 and 2012 are explained as follows:

	Year ended 31 December 2013	Year ended 31 December 2012
Profit before income tax	**380,986**	133,522
Tax at the statutory tax rate 20%	**(76,198)**	(26,704)
Tax effect of permanent differences	**(500)**	(334)
Tax effect of the depreciation for the year		(25)
Unrecognized deferred tax assets	**1,088**	2,630
Income tax expense	**(75,610)**	(24,433)
Current income tax expense		-
Deferred income tax movement	**(75,610)**	(24,433)
Income tax expense	**(75,610)**	(24,433)

The movement of deferred income tax asset during the years ended 31 December 2013 and 2012 is as follows:

	Year ended 31 December 2013	Year ended 31 December 2012
Beginning of the period	**93,988**	118,421
Change in the deferred tax assets for the period charged to income statement	**(75,610)**	(24,433)
End of the period	**18,378**	93,988

16. FINANCIAL RISK MANAGEMENT

The risk management function within the Company is carried out in respect of financial risks (credit, market, currency, liquidity and interest rate), operational risks and legal risks. The primary objectives of the financial risk management function are to establish risk limits, and then ensure that exposure to risks stays within these limits. The operational and legal risk management functions are intended to ensure proper functioning of internal policies and procedures to minimize operational and legal risks.

Credit risk

The Company takes on exposure to credit risk, which is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Exposure to credit risk arises as a result of the Company's finance lease transactions with counterparties giving rise to financial assets.

The Credit Policy of the Company, which was approved by the Management and Supervisory Board, sets forth principles and rules of financial leasing activity, as well as establishing main indicators of procedures with regard to the activity, mitigating the Company's risks, determining profitability and serving as guidance for all employees while they perform their duties. There are certain limits set for the lease portfolio in order to ensure its diversification and minimization of possible credit risks. These limits are, as follows:

- Limits for business portfolio;
- Limits by sectors of economy; and
- Concentration limits

The limits are developed and revised by the management on an annual basis. In case of significant change in the market environment, the limits may also be reviewed. A proposal for limits change is provided firstly to the Credit Committee and next to the Management Board for approval and then it is approved by Supervisory Board.

The Leasing Operations department controls maintenance of all limits on a regular basis and some of them (maximum exposure to a single borrower or group of related borrowers, maximum exposure to related parties) are controlled before new lease issue.

The Credit Policy of the Company regulates the authorities and responsibilities of each body of the Company involved in lending process and determine the limits for credit granting approval, the rules for monitoring of leases, and lending procedures etc.

The Company's maximum exposure to credit risk is primarily reflected in the carrying amounts of financial assets on the statement of financial position. The impact of possible netting of assets and liabilities to reduce potential credit exposure is not significant.

Credit Committee. The Credit Committee of the Company ("CC") is the collective body which operates and reports to the Management Board. The overall role of CC is to control and manage all leasing operations approved in the framework of strategic and business plan of the Company. CC controls procedures and operations of leasing arrangements in accordance with the approved Credit Policy of the Company.

As at 31 December 2013 and 31 December 2012 there were no significant overdue or impaired receivables.

16. FINANCIAL RISK MANAGEMENT (CONTINUED)

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Currency risk arises mainly with respect to loans in foreign currency.

The following table presents sensitivities to reasonably possible changes in the Azerbaijani Manat/US Dollar exchange rate. It assumes a ±5% change in this exchange rate and the sensitivity analysis is based on the Company's foreign currency financial instruments held at each reporting date, with all other variables held constant:

	31 December 2013 Impact on profit for year	31 December 2012 Impact on profit for year
US Dollars strengthening by 5%	**(196,483)**	(196,596)
US Dollars weakening by 5%	**196,483**	196,596

The tables below summarise the Company's exposure to foreign currency exchange rate risk at 31 December 2013 and 2012. Included in the table are the Company's financial instruments at carrying amounts, categorised by currency:

	31 December 2013		
	AZN	**USD**	**Total**
Financial assets:			
Cash and cash equivalents	**126,349**	**25,511**	**151,850**
Net investment in finance lease	**5,978,318**	**-**	**5,978,318**
Total financial assets	**6,104,667**	**25,511**	**6,130,168**
Financial liabilities:			
Secured loans	**-**	**3,922,500**	**3,922,500**
Other loans	**877,013**	**-**	**877,013**
Other current liabilities	**141,919**	**32,664**	**174,583**
Total financial liabilities	**1,018,932**	**3,955,164**	**4,974,096**
OPEN POSITION	**5,085,735**	**(3,929,653)**	**1,156,082**

16. FINANCIAL RISK MANAGEMENT (CONTINUED)

Currency risk (continued)

	31 December 2012		
	AZN	**USD**	**Total**
Financial assets:			
Cash and cash equivalents	295,028	25,648	320,676
Net investment in finance lease	5,559,720	-	5,559,720
Total financial assets	5,854,748	25,648	5,880,396
Financial liabilities:			
Secured loans	-	3,925,000	3,925,000
Other loans	915,077	-	915,077
Other current liabilities	117,169	32,564	149,733
Total financial liabilities	1,032,246	3,957,564	4,989,810
OPEN POSITION	4,822,502	(3,931,916)	890,586

Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. Leases are generally granted at a rate of interest fixed for the duration of the lease and the majority of borrowings are at variable interest rates. The following table illustrates the sensitivity of variable rate loans to a reasonably possible change in interest rates (±1%), with all other variables held constant.

	31 December 2013 Impact on profit for year	**31 December 2012 Impact on profit for year**
Interest rate +1%	**(39,225)**	(39,250)
Interest rate -1%	**39,225**	39,250

16. FINANCIAL RISK MANAGEMENT (CONTINUED)

Interest rate risk (continued)

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 Management Board monitors on a daily basis and sets limits on the level of mismatch of interest rate repricing that may be undertaken. In the absence of any available hedging instruments, the Company normally seeks to match its interest rate positions. At present, the Company manages its interest rate risk by matching, where possible, its maturity and/or repricing positions. In addition, the Company's monthly interest margins are continually reviewed in order to reprice its assets when deemed appropriate.

The table below summarises the Company's exposure to interest rate risks. It includes the Company's financial instruments at carrying amounts, categorised by the earlier of contractual re-pricing or maturity dates:

	31 December 2013						
	Up to 1 month	**1 month to 3 months**	**3 months to 1 year**	**1 year to 5 years**	**Over 5 years**	**Non-interest bearing**	**Total**
Financial assets:							
Cash and cash equivalents	-	-	-	-	-	**151,850**	**151,850**
Net investment in finance lease	**328,862**	**632,082**	**2,215,300**	**2,802,075**	-	-	**5,978,319**
Total financial assets	**328,862**	**632,082**	**2,215,300**	**2,802,075**	-	**151,850**	**6,130,169**
Financial liabilities:							
Secured loans	-	-	**2,353,500**	**1,569,000**	-	-	**3,922,500**
Other loans	**122,808**	**43,489**	**395,794**	**314,922**	-	-	**877,013**
Other current liabilities	-	-	-	-	-	**174,583**	**174,583**
Total financial liabilities	**122,808**	**43,489**	**2,749,294**	**1,883,922**	-	**174,583**	**4,974,096**
Total interest repricing gap	**206,054**	**588,593**	**(533,994)**	**918,153**	-	**(22,733)**	**1,156,073**

16. FINANCIAL RISK MANAGEMENT (CONTINUED)

Interest rate risk (continued)

	31 December 2012						
	Up to 1 month	**1 month to 3 months**	**3 months to 1 year**	**1 year to 5 years**	**Over 5 years**	**Non-interest bearing**	**Total**
Financial assets:							
Cash and cash equivalents	-	-	-	-	-	320,676	320,676
Net investment in finance lease	259,038	517,172	2,265,715	2,517,795	-	-	5,559,720
Total financial assets	259,038	517,172	2,265,715	2,517,795	-	320,676	5,880,396
Financial liabilities:							
Secured loans	-	-	1,570,000	2,355,000	-	-	3,925,000
Other loans		98,944	296,834	519,299			915,077
Other current liabilities					-	149,733	149,733
Total financial liabilities	-	98,944	1,866,834	2,874,299	-	149,733	4,989,810
Total interest repricing gap	259,038	418,228	398,881	(356,504)	-	170,943	890,586

Liquidity risk

Liquidity risk reflects an enterprise's inability in raising funds to meet commitments. The Company follows an effective cash management and planning policy to ensure availability of funds and to take appropriate measures for new requirements.

The table below presents the cash flows payable by the Company under non-derivative financial liabilities by remaining contractual maturities at the date of the statement of financial position. The amounts disclosed in the table are the contractual undiscounted cash flows. Therefore, they do not reconcile to the discounted cash flows in the statement of financial position. IFRS 7 does not require such reconciliation.

	31 December 2013					
	Up to 1 month	**1-3 months**	**3-12 months**	**1-5 years**	**Over 5 years**	**Total**
Financial liabilities:						
Secured loans	**16,986**	**32,835**	**2,503,678**	**1,693,557**		**4,247,056**
Other loans	**122,808**	**66,998**	**436,468**	**346,232**	-	**972,506**
Other current liabilities	**9,825**	**64,800**	**32,564**	-	-	**107,189**
Total undiscounted financial liabilities	**149,619**	**164,633**	**2,972,710**	**2,039,789**	-	**5,326,751**

16. FINANCIAL RISK MANAGEMENT (CONTINUED)

Liquidity risk (continued)

	31 December 2012					
	Up to 1 month	**1-3 months**	**3-12 months**	**1-5 years**	**Over 5 years**	**Total**
Financial liabilities:						
Secured loans	15,356	29,225	1,696,209	2,383,826	-	4,124,616
Other loans	9,062	116,191	364,947	574,784	-	1,064,984
Other current liabilities	33,251	46,673	-	-		79,924
Total undiscounted financial liabilities	57,669	192,089	2,061,156	2,958,610	-	5,269,524

Fair value measurement

Assets and liabilities measured at fair value in the statement of financial position are grouped into three levels of fair value hierarchy. This grouping is determined based on the lowest level of significant inputs used in fair value measurement, as follows:

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

All financial assets and liabilities held at fair value are regarded as falling into level 2 of this hierarchy. No non-financial instruments are held at fair value.

17. RELATED PARTY TRANSACTIONS AND BALANCES

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form. The Company had the following balances outstanding as at 31 December 2013 and 2012 with related parties:

	31 December 2013		31 December 2012	
	Related party balances	**Total category as per financial statements**	**Related party balances**	**Total category as per financial statements**
Cash and cash equivalents	**25,468**	**151,850**	**25,637**	**320,676**
Parent Company	***25,468***		*25,637*	
Advances, prepayments and other current assets	**21,000**	**324,384**	**16,000**	**184,702**
Key management personnel	***21,000***		*16,000*	
Net investment in finance lease	**83,137**	**5,978,319**	***100,544***	***5,559,720***
Key management personnel	***83,137***		*100,544*	
Secured loans	**3,922,500**	**3,922,500**	***3,925,000***	***4,840,077***
Shareholders	***3,922,500***		*3,925,000*	
Other current liabilities	**66,298**	**174,583**	**35,259**	***149,733***
Shareholders	***66.298***		*35,259*	

The Company had the following transactions for the year ended 31 December 2013 and 2012 with related parties:

	Year ended 31 December 2013		Year ended 31 December 2012	
	Related party transactions	**Total category as per financial statements**	**Related party transactions**	**Total category as per financial statements**
Interest income from finance leases	**9,271**	**1,086,538**	10,921	917,372
Key management personnel	***9,271***		*10,921*	
Interest expense	**(202,171)**	**(314,166)**	(210,797)	(257,567)
Shareholders	***(202,171)***		*(210,797)*	
Operating expenses	**(227,432)**	**(437,164)**	(174,849)	(409,729)
Key management personnel	***(227,432)***		*(174,849)*	

18. POST-REPORTING DATE EVENTS

No adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorisation of these financial statements.