

**AGROLEASING LEASING CREDIT**

**COMPANY LLC**

**INDEPENDENT AUDITOR'S REPORT**

**For the year ended 31<sup>st</sup> December 2016**



**AUDIT SERVICE LLC**

Auditing and Consulting Company/ Audit License № 006

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**INDEPENDENT AUDITOR'S REPORT**

**Presented to the AGROLEASING LEASING CREDIT COMPANY LLC**

**26/05/2017**

**SCOPE OF THE AUDIT OF FINANCIAL STATEMENTS:**

We have audited the accompanying financial statements of "AGROLEASING LCC" LLC, which comprise of Statement of Financial Position as at 31<sup>st</sup> December 2016, Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory notes.

**MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS:**

The management of the Foundation is responsible for preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRS), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error.

**AUDITOR'S RESPONSIBILITY:**

Our responsibility is to express an opinion on these Financial Statements based on audit conducted in accordance with International Standards on Auditing, which 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 risk assessment of material misstatements of the Financial Statements whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation and fair presentation of the Financial Statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of effectiveness of the Foundation's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management as well as evaluating the overall presentation of the Financial Statements.

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

### **OPINION**

In our opinion, the financial statements present fairly, in all material respects, the financial position of the "AGROLEASING LCC" LLC as at 31<sup>st</sup> December 2016 and its financial performance, changes in equity and its cash flows for the year then ended in accordance with the International Financial Reporting Standards.

**Audit Service LLC**

**Director Qualified Auditor**



**GorDavtyan**

"AGROLEASING LCC" LLC

Statement on Comprehensive income

As at 31/12/2016

ARTICLE	Note	2016	2015
Interest and similar income	3	46,231	45,721
Interest and similar expenses	4	-	
Net Interest and similar income		46,231	45,721
Income from dividend			
Commission and other payment income		2,694	2,535
Commission and other payment expenses		(33)	(41)
Profit / loss on financial assets at fair value through profit /	5		
Net income (loss) of investments available for sale	6		
Net profit (loss) from the investments kept till maturity			
Net profit (loss) received from Foreign currency transactions	7	413	5,349
Other operational income	8	13,877	10,652
operational income		63,182	64,216
Losses arising from loans and other borrowings	9	(26,107)	(18,085)
Overall administrative expenses	10	(24,736)	(29,477)
Other operational expenses	11	(562)	(564)
Profit / (loss) before taxation		11,777	16,090
Profit tax expense (benefit)	12	(2,358)	(2,563)
Profit of reporting period		9,419	13,527
Other comprehensive financial result			
Exchange rate differences on translation of foreign operations			
Revaluation of available-for-sale financial assets			





"AGROLEASING LCC" LLC

Statement on financial position

As at 31/12/2016

ARTICLE	Note	Thousand AMD	
		2016 Thousand AMD	2015 Thousand AMD
Assets			
Cash and bank accounts	13	6,015	30,424
Financial investments held for trading	14		
Funds allocated in banks	15		
Other allocations in the monetary market	16		
Loans and other borrowings given to the clients	17	273,614	245,062
Available for sale investments	18		
Other transactions receivable	19		
Lease receivable	20	1,412	4,531
Kept till maturity investments	21		
Investments in the charter capital other persons			
Capital investments in fixed assets and intangible assets			
Fixed assets and intangible assets	22	865	1,236
Deferred tax assets		857	819
Interest receivable	23	2,048	2,958
Other assets	24	2,944	3,937
Total assets		287,755	288,967
Liabilities			
Loans and borrowings from banks	25		
Other borrowings from monetary market	26		
Involved from clients loans	27	76,069	28,106
Liabilities with respect to the Government			

Lease payables			
Securities issued by the credit organization	28		
Reserves			
Payable amounts	29		43,966
Deferred tax liabilities			
Interest payable			
Other Liabilities	30	11,045	13,173
Total Liabilities		87,114	85,245
Capital			
Charter Capital	31	177,559	177,559
Reserves		11,410	10,734
General reserve		11,410	10,734
revaluated reserves	32		
Accumulated profit (loss)		11,672	15,429
Total Capital		200,641	203,722
Total Liabilities and Capital		287,755	203,722

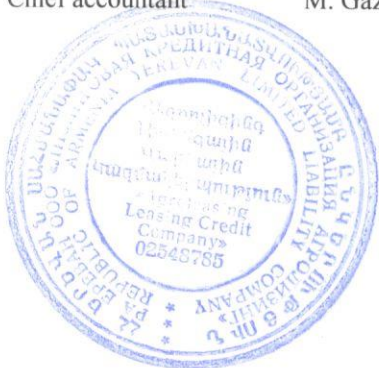
“AGROLEASING LCC” LLC

Director

A. Mkhitaryan

Chief accountant

M. Gazazyan



AUDIT SERVICE LLC

Director

G. Davtyan



"AGROLEASING LCC" LLC

Statement on Changes in Equity

As at 31/12/2016

Thousand AMD

Equity elements	Charter Capital	General reserve	Accumulated profits	Total
Articles	1	2	3	4

Previous reporting period

Balance as at 01/01/2015	177,559	8,538	45,597	231,694
Comprehensive income			13,528	13,528
Dividends			(41,500)	(41,500)
Allotment to general reserve		2,196	(2,196)	
Balance at the end of the reporting period as at 31/12/2015	177,559	10,734	15,429	203,722

Reporting period

Balance as at 01/01/2016	177,559	10,734	15,429	203,722
Comprehensive income			9,419	9,419
Dividends			(12,500)	(12,500)
Allotment to general reserve		676	(676)	
Balance at the end of the reporting period as at 31/12/2016	177,559	11,410	11,672	200,641

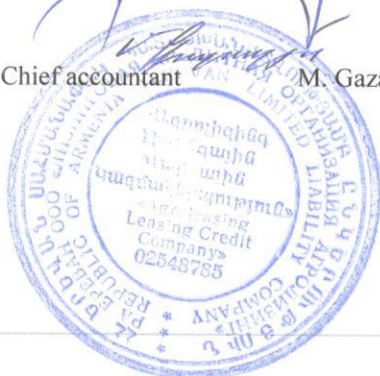
"AGROLEASING LCC" LLC

Director

A. Mkhitarian

Chief accountant

M. Gazazyan



AUDIT SERVICE LLC

Director

G. Daytanyan





"AGROLEASING LCC" LLC

Cash Flow Statement

As at 31/12/2016

Thousand AMD

ARTICLE	2016	2015
1. Net cash flows from operational activities	(8,247)	25,651
Net cash flows before changes in operating assets and liabilities	37,204	30,623
Interest received	48,697	45,838
Interest paid		
Recovery of losses	3,797	1,953
dividends received		
Net commissions	2,665	2,491
Salaries and other employee compensation	(6,511)	(12,633)
Paid taxes	(11,444)	(7,026)
Net cash flows from changes in operating assets and liabilities	(45,451)	(4,972)
Decrease (increase) of subscribed capital	(56,899)	(15,511)
Increase (decrease) of involved Loans	8,206	
Decrease (increase) of the amounts receivable on the Financial lease	3,116	10,417
Net cash flows from other operational activities	126	122
2. Net cash flows from investing activities	995	(297)
Decrease (increase) of the Securities kept till maturity		
Decrease (increase) of investments in the Other statutory capital		
Decrease (increase) of Capital investment in fixed assets and intangible assets		
Acquisition of fixed assets and intangible assets	(282)	(297)
Alienation of Fixed assets and intangible assets	1,277	
Net cash flows from investment activities		

3. Net cash flows from financing activities	(16,866)	(25,947)
Dividends paid	(16,866)	(17,910)
Other borrowings received/ repaid		(8,037)
Net Cash Flows	(24,118)	(593)
Effect of exchange rate changes on cash and cash equivalents	(517)	(352)
Cash and cash equivalents at beginning of period	30,706	31,651
Cash and cash equivalents at end of period	6,071	30,706

“AGROLEASING LCC” LLC

Director

A. Mkhitarian

Chief accountant

M. Gazazyan



AUDIT SERVICE LLC

Director

G. Davtyan

