“HAYAUDIT”
LIMITED LIABILITY COMPANY

FINANCIAL STATEMENTS
DECEMBER 31, 2012

YEREVAN 2013

Content

(AMD ths.)

ASSETS	Notes	31/12/12	31/12/11	01/01/11
I. Non-Current Assets				
Property, plant and equipment	4	7587	10680	12157
Intangible assets	5	464	288	15
Deferred tax assets	6	339	-	-
Total non-current assets		**8390**	**10968**	**12172**
II. Current assets				
Goods	7	213	213	213
Current prepayments given		-	180	784
Trade receivables	8	6863	9463	10142
Cash and cash equivalents	9	9070	14396	902
Short-term receivables for profit tax	10	1228	-	-
Current financial investments	11	4036	3858	7269
Other current assets	12	22	451	9384
Total current assets		**21432**	**28561**	**28694**
Balance		**29822**	**39529**	**40866**
III. Owner's equity and liabilities				
Net amount of charter (share collecting) capital	13	10100	10100	10100
Accumulated profit	14	10512	22977	22286
Reserves	15	1515	1515	1515
Total owner's equity		**22127**	**34592**	**33901**
IV. Current liabilities				
Trade payable	16	131	-	-
Current prepayments received	17	4400	-	2650
Profit tax liabilities	19	-	2367	2592
Other taxes and current liabilities	20	1469	2570	1723
Accrual liabilities as regards to leaves	18	1695	-	-
Total current liabilities		**7695**	**4937**	**6965**
Balance		**29822**	**39529**	**40866**

The attached notes 6-15 pages are the integral part of these financial statements

(AMD ths.)

	Notes	2012	2011
Revenue from sales of products, goods, works and services	21	55983	64773
Cost of products, goods sold, works, services provided		(26672)	(26048)
Gross profit (loss)		**29311**	**28725**
Other operating income		1122	3593
Administrative expenses		(15036)	(13906)
Other expenses	22	(3146)	(350)
Profit (loss) from the operating activities		**12251**	**28062**
Finance income	23	232	186
Profit (loss) from Property, plant and equity disposal		404	-
Profit (loss) from exchange rate difference		178	224
Profit before taxation		**13065**	**28472**
Profit tax expenses	24	(2554)	(5494)
Profit of the year		10511	22978
Retained profit as of the beginning of the year		22978	22286
Dividents		(22978)	(22286)
Retained profit as of the end of the year		10511	22978

The attached notes 6-15 pages are the integral part of these financial statements

(AMD ths.)

	Notes	2012	2011
Cash Flows from operating activity			
Provision of services		73532	79157
Other inflows		745	10130
Payments to the suppliers		(3709)	(2724)
Payments to employees and on their behalf		(30002)	(25135)
Payments to other taxes, including social fees	20, 24	(22406)	(25377)
Business trip fees		(1089)	(1696)
Other Outflows		(968)	(2013)
Total Net Cash Flows from Operating Activity		**16103**	**32342**
Cash Flows from investing activity			
Inflows from sales of property, plant and equipment and non-current assets		2880	100
Interest received	23	232	195
Inflows from deposit investment		-	10398
Outflows from acquisition of property, plant and equipmen and non-current assets		(1563)	(285)
Outlows from deposit investment		-	(6872)
Total Net Flows from investing activity		**1549**	**3536**
Flows from Financial activity			
Payments of dividends		(22978)	(22494)
Total Net Flows from financial activity		**(22978)**	**(22494)**
Total Net Flow		**(5326)**	**13384**
Foreign exchange rate difference		**-**	**111**
Cash balance at 01 January, 2012		**14396**	**901**
Cash balance at 31 December, 2012		**9070**	**14396**

1. General Information

1.1 The Company and its main activity

"Hayaudit" Limited Liability Company (hereinafter Company) was established in 1997.
The Company is located at the address 15/1, street Gr. Lusavorich, Yerevan, Republic of Armenia

The Company's main activity is providing audit and accounting services.

The Company provides audit services based on the audit activity license given by the Ministry of Finance of the Republic of Armenia.

The number of the Company employees at the end of 2012 was 15 people (in 2011 was 15).

1.2 The Company participants

The members of the Company at the reporting date:

1. Hayk Vardapetyan, quality supervisor - 50%
2. Martin Stepanyan, auditor - 50%

1.3 Corporative structure

The Supreme managing body of the Company is the General assembly of the Company's shareholders, which has the right of final solution to any issue regarding to the management and operation of the Company. The Director implements the management of the current activity.

2. Financial statements preparation

2.1 A Declaration of conformity

The present Financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) for small and medium sized organizations (SMO).

2.2 Transition to IFRS for SMO

The SMO first financial statements with requirements of IFRS are the first financial statements of the organization, where the organization adopts IFRS, making in these statements explicit and unconditional declarations regarding compliance with requirements of IFRS. These financial statements are the Company's first financial statements with requirements of IFRS. Its latest financial statements the Company presented in accordance with requirements of ASRA. The date of transition to IFRS, i.e. the origin of maintaining the Company's accounting in accordance with the requirements of IFRS is 1 January, 2011.

The Company has used the same accounting policy about its financial condition in the first statement in conformity with IFRS and the first financial statements presented in all periods in conformity with IFRS. Basic information about accounting policy that corresponds to IFRS for SMO 31.12.2012 is presented in Note 3.

These financial statements include three statements for financial position, two statements for comprehensive financial results and retained earnings, two statements for cash flow, notes related to them, including comparable information. Transition from ASRA to IFRS has not affected financial position, financial results and cash flow.

2.3 Measurement basics

The financial statements were prepared on the basis of initial value.

2.4 Functional and presentation currency

Armenian dram is the currency of the Republic of Armenia, which is the functional and presentation currency of the Company.

Financial information is shown in thousands drams without any decimal characters after comma.

2.5 Applying of judgements, estimates and assumptions

The preparation of financial statements in conformity with IFRS requires the management makes important accounting judgements, estimates and assumptions affecting the amounts recognized in the financial statements. The actual results may differ from the estimates made.

In its judgements the management may take into account the IFRS complete requirements and approaches related to similar and coupled issues.

3. Significant parts of accounting policy

3.1 Accounting policy

Accounting policy is the principles, bases, methods, rules and procedures used by the Company in preparing and presenting financial statements.

The Company has used the same accounting policy about its financial condition in its first statement with requirements of IFRS and its first (this) financial statements with requirements of IFRS presented in all periods.

3.2 The financial statements structure

The financial statements include

a/ statement of financial positions at the reporting date. Current and non-current assets and liabilities are presented in separate classification

b/ statement of comprehensive financial results and retained profit for the reporting period. The Company presents recognized cost separation (analyzing) in profit or in loss using classification based on their function.

c/ cash flow statement for the reporting period. Emerged from operational activity, information about cash flow is presented using direct method. Dividends paid are classified as cash flow emerged from financional activity, interests received classified as cash flow emerged from investment activity. Taxes paid are classified as cash flow emerged from operational activity.

d/ notes which consist of the summary about significant parts of accounting and other explanatory information.

In the financial statements is disclosed the comparative information of amounts in the reporting period (reporting year) financial statements with the previous period (previous year).

3.3 Property, Plant and Equipment

Once recognized as an asset, an item of property, plant and equipment of the Company is recognized by its historical cost (cost) excluded accumulated depreciation and accumulated impairment losses. The elements of the historical cost comprise its purchase price, import duty, taxes and other payments that will not be refunded to the enterprise, and any directly attributable costs of bringing the asset to the right place and to working condition for its intended use. The historical cost of the property, plant and equipment doesn't include operational and similar preindustrial expenditures. Trade discounts and privileges are excluded from the initial value.

Depreciation is calculated by straight-line method, the historical cost of the property, plant and equipment excluded residual value allocating on a systematic basis over its estimated useful life. The following annual rates are used to calculate depreciation

Buildings	20 years
Machinery-equipment	1-5 years
Means of transport	5 years
Industrial property	5 years
Other property, plant and equipments	5 years

If there are significant changes in calculation rate of depreciation, useful life and residual value of an asset so as to reflect new expectations the depreciation of this asset reviews progress in.

The carrying amount of the property, plant and equipment should be eliminated from balance sheet on disposal and no future economic benefits are expected from its use or disposal.

3.4 Intangible assets

Computer software and patents are intangible assets which are recognized by their initial value excluded accumulated amortization and accumulated impairment losses. They are amortized using the straight-line method over their estimated useful life. Residual value is estimated zro. Computer software is estimated 10 years, patents- the period of validity.

If there are significant changes in calculation rate of amortization, useful lives and residual value of an asset so as to reflect new expectations the amortization of this asset reviews progress in.

3.5 Inventories

Inventory is measured at the lower of cost and sale price excluded recruitment and sale costs. The cost is calculated using the weighted average cost method.

The cost of inventory comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. The costs of purchase of inventories comprise the purchase cost, import duties and other taxes (except those that tax authorities have to refund to the Company), as well as transport, loading-handling and other costs directly attributable to the acquisition of finished goods, materials and services. Trade discounts, rebates and other similar adjustments are deducted in determining the cost of purchase. The costs of conversion of inventories include costs directly related to the unit of production. They also include a systematic allocation of fixed and variable production overheads that had incurred in converting materials into finished goods.

3.6 Impairment

At the each reporting date an item of property, plant and equipment, intangible assets are analyzed to determine whether these assets had impairment loss. If there is any sign of impairment, the compensated amount of the asset (or appropriate assets group) subjected to the influence is estimated and compared with its carrying amount. If estimated compensated amount of the asset is smaller, the carrying amount is reduced to its estimated compensated amount and the impairment loss is immediately recognized in the gain or loss.

Similarly at the each reporting date is estimated inventory being impairment by comparing carrying amount of each article (or similar articles group) of the inventory with its sell price excluded recruitment and sell costs. If the inventory (or appropriate assets group) is impaired, the carrying amount is reduced to sell price excluded recruitment and sell costs, while impairment loss is immediately recognized in the gain or loss.

If impairment loss subsequently countered, the carrying amount of the asset (or coupled asset’s group) increased to its compensated amount’s revised estimate (sell value excluded recruitment and sell costs for inventories), but not more the amount that could be determined if there is not any recognized impairment loss concerning to the asset (or coupled asset’s group) in the previous years.

3.7 Trade and other receivables

Main sales are occurred on the basis of the usual conditions and no interest is added to the accounts receivable. If the payment is delayed, payments received are measured in amortized value using effective interest rate method. At the end of each reporting period the carrying amount of payments receivable are analyzed to determine whether there is impartial witness that the amount is not compensated. If the amount is not compensated, the impairment loss is immediately recognized in the gain or loss.

Accounts receivable expressed in foreign currency recalculated into AMD using the exchange rate at the transaction date. Foreign currency rate’s gains and losses are immediately included in the other income or other expense.

3.8 Trade and other payables

Accounts payable are liabilities on the basic of the usual payment condition and no interest added to it.

3.9 Financial instruments at amortized cost

The Company’s financial instrument in amortized cost is

- Term deposit

Amortized cost is calculated using the effective interest method.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the net carrying amount of the financial asset or liability. The effective interest rate is determined on the bases of the carrying amount at the initial recognition moment of financial assets and liabilities. According to the method of the effective interest rate:

a/ amortized value of the financial asset(liability) is the present value of the future cash flow discounted in effective interest rate;

b/ interest expense (income) for the period is equal to the product of the financial expense's (liability's) carrying amount at the beginning of the period and effective interest rate within the period.

During the calculation of the effective interest rate the Company estimates cash flow taking into account all contract terms of the financial instrument (for example early payment, purchase or other similar options) and the known debt losses that the Company have incurred, except non-incurred debt losses that will probably appear in the future.

3.10 Revenue

Revenue should be measured at the fair value of the consideration received or receivable.

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction should be recognized by reference to the stage of completion of the transaction at the balance sheet date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

a/ the amount of revenue can be measured reliably;

b/ it is probable that the economic benefits associated with the transaction will flow to the enterprise;

c/ the completion stage of the transaction at the balance sheet date can be measured reliably;

d/ the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

The completion stage of a contract is determined by surveying the performed work.

When the outcome of a contract cannot be estimated reliably, the Company recognizes revenue only to the extent of contract costs incurred that it is probable will be recoverable and contract costs will be recognized as an expense in the period in which they are incurred.

Revenue from the sale of goods (products) is recognized when the goods are delivered and the ownership right is transferred.

3.11 Operating leases

Assets subject to operating lease is recognized in a lessor's balance sheet.

As a lessee the Company recognizes lease income as an expense on a straight line basic over the lease term, unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished.

3.12 Short term employee benefits

When an employee has rendered service to the Company during an accounting period, the Company recognizes the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

a/ as a liability after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the Company recognizes that excess as an asset to the extent that the prepayment will lead to, for example, a reduction in future payments of a cash refund; and

b/ as an expense, except in cases when IFRS requires or permits the inclusion of the benefits in the cost of another asset (for example, in the case of Inventory, Property, Plant and Equipment)

The Company recognizes the expected cost of employee benefits in the form of compensated absences:

a/ in the case of accumulating compensated absences (for example, annual leave), when the employees render service that increase their entitlement to future compensated absences; and

b/ in the case of non-accumulating absences, (temporary disability), when the absences occur.

The Company measures the expected cost of accumulating compensated absences as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the balance sheet date.

3.13 Provisions, Contingent Liabilities and Contingent Assets

Provision is recognized:

a/ the Company has a present obligation (legal or constructive) as a result of the past event;

b/ for fading an obligation, payment is probable; and

c/ the amount can be estimated reliably.

Contingent liability and contingent asset is not recognized

The amount recognized as a provision is the best estimate of the expenditure required to settle the present obligation at the balance sheet date. If the influence of the currency value within the time is material, the provision amount is the present value of the expenditures that is expected will be required for the settlement of the obligation. A discount rate (or rates) should be the rate (or rates), without taking into account tax influence, that reflects current market estimates of the specific risks of the currency value and the obligation within the period. The discount rate shouldn’t reflect the risks for which future cash flow estimates are already adjusted.

Provisions should only be used for the purpose for which they were originally recognized.

3.14 Borrowing Costs

Borrowing costs is recognized as an gain or loss in the period in which they are incurred.

3.15 Functional currency

In determining the functional currency the Company takes into account the following factors:

a/ currency

- that basically affects the sale price of the products and services (often the currency by which sell costs of products and services are defined and the calculations are performed); and

- currency of the country whose competitive factors and rules are basically define sell prices for its products and services.

b/ currency, that basically affects necessary labor force, material and other costs for goods supply and service rendering (often the currency by which the costs are defined and performed).

The functional currency of the Company is Armenian dram of the Republic of Armenia.

3.16 The consequences of exchange differences

On initial recognition a foreign currency transaction is recorded in the functional currency, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

The spot rate is deemed equal to an average rate of the foreign currency formed in the foreign exchange market.

	31.12.2012 AMD	31.12.2011 AMD
$1 USA	403,58	385,77
€1 EUR	532,24	498,72

At the end of each reporting period:

a/ a foreign currency monetary items are translated using a closing rate;

b/ a foreign currency non-monetary items measured in initial value are translated (reported) using the exchange rate at the date of transaction;

c/ a foreign currency non-monetary items measured in fair value are translated (reported) using the exchange rate that existed when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on reporting a monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statement, are recognized in the profit or loss in the period in which they arise, except:

- Exchange differences arising on a monetary item that form part of the reported organization's net investment in a foreign entity, depending on the particular situation, are recognized as the profit or loss in the Company’s separate financial statements or in foreign entity’s personal financial statements. In consolidated Financial Statements, when a foreign operation is a subsidiary, the exchange difference is first recognized at comprehensive income statement and is reclassified from equity as profit or loss from net investment disposal.

3.17 Profit tax

Profit tax expense is the sum of a current tax and a deferred tax payable.

Current tax payable is based on taxable income of the year.

A deferred tax is recognized in the financial statements of the assets and liabilities for recognized differences between carrying amount and their respective tax base (temporary differences). Deferred tax liabilities are recognized for all temporary differences, that are expected to increase taxable profit. Deferred tax liabilities are recognized for all temporary differences and for unused tax losses and unused tax credits, that are expected to reduce taxable profit. Deferred tax assets are measured in the highest amount and based on current or estimated future tax profit which is more likely to be recovered than not.

Net carrying amount of deferred tax assets is revised at each balance sheet date and adjusted for reflecting current assessment of future taxable profit. Any adjustment is recognized in profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply for the taxable profit (tax loss) during which deferred tax asset is expected to be realized or deferred tax liabilities are expected to be settled using the tax rates that have been enacted or substantively enacted by the balance sheet date.

3.18 Errors

Fundamental errors that relates to prior period the Company corrects retrospectively after discovering in the approved first financial statement's package, except when for the decision of errors consequences or its accumulated consequences is impracticable for the specific period:

a/ restating reported comparable amounts related to prior period (periods) where the errors were founded; or

b/ initial balances of assets, liabilities and equity restating for the earliest period presented if an error has aroused before the earliest period presented.

3.19 Changes in accounting estimates

The effect of a change in accounting estimates is recognized prospectively including in profit and loss, exept:

a/ the period of the change, if the change affects the period only; or

b/ the period of the change and future period, if the change affects both.

As far as a change in an accounting estimate generates assets and liabilities changes or dealing with any equity item, it is recognized in the carrying amount of the appropriate asset, liability or equity item through the adjustment in the changing period.

If it is difficult to distinguish between a change in accounting policy and a change in an accounting estimate, the change is treated as a change in an accounting estimate, with appropriate disclosure.

3.20 Changes in accounting policies

The Company has to change an accounting policy only, if the change is

a/ requested by any of IFRS for SMO; or

b/ leads to in a more reliable and appropriate presentation of events and transactions of financial condition, financial results and cash flow in the financial statements of the Company.

If the Company applies the new accounting policy retrospectively, so as the new accounting policy is applied to comparative information for the prior periods, going back the periods that retrospectively application of the policy is practicable. Retrospective application is not applied to the prior periods, unless determining the accumulated results of the initial and final balances in the statement of financial position for the period is not possible. The amount of the adjustment of the preceding period of the periods presented in financial statements is ascribed to the opening balance of the component, suffered by each effect, of the equity presented in the earliest period. Usually the adjustment is ascribed to the retained earnings.

If the retrospective application of the new accounting policy is impracticable for the Company because of inability of determining the accumulated result of the new policy for all the prior periods, the Company applies the new policy prospectively beginning from the possible earliest period. In this case the Company does not take into account the accumulated adjustment section of the assets, liabilities and equity which have been arisen before the date. A change of the accounting policy is allowed even if the policy is not possible to apply prospectively to any period.

3.21 Events after the balance sheet date

The Company adjusts the amount recognized it its financial statements to reflect adjusting events after the balance sheet date.

The Company doesn't adjust the amount recognized in its financial statements to reflect non-adjusting events after the balance sheet date.

If dividends are proposed or declared after the balance sheet date, the Company doesn't recognized those dividends as liability at the balance sheet date

4. Property, plant and equipment

(in thousands)

Initial cost	Buildings	Machinery and equipment	Transportation means	Production, household equipment	Total
As at december 31, 2011	29401	5978	580	7712	43671
Added	-	405	630	-	1035
Disposal	(5042)	(1835)	-	(5820)	(12697)
As at december 31, 2012	24359	4548	1210	1892	32009
Accumulated depreciation					
As at december 31, 2011	19432	5633	580	7346	32991
Annual depreciation	1302	698	-	132	2132
Accumulated depreciation on disposal assets	(3046)	(1865)	-	(5820)	(10701)
December 31, 2012	17688	4496	580	1658	24422
Carrying amount December 31, 2011	9969	345	-	366	10680
December 31, 2012	6671	52	630	234	7587

There is not restrictions of ownership and contractual obligations of purchase of the property, plant and equipment.

5. Intangible assets

(in thousands)

Initial cost	Computer softwares	Patents	Total
As at december 31, 2011	890	250	1140
Added	231	250	481
Disposal	-	(250)	(250)
As at december 31, 2012	1121	250	1371
Accumulated depreciation			
As at december 31, 2011	686	167	856
Annual depreciation	55	250	305
Accumulated depreciation on disposal assets	-	(250)	(250)
December 31, 2012	741	167	908
Carrying amount December 31, 2011	204	83	287
December 31, 2012	380	83	463

In 1997 the Ministry of Finance and Economy of the Republic of Armenia has given auditing license. The license is termless. For each year the duty is paid.

The amortization of intangible assets is included in the «Sell cost» item of the statement of comprehensive financial results and retained earnings.

There are no restrictions of ownership and contractual obligations of purchase of intangible assets.

6. Deferred tax asset

Deferred tax asset is recognized from accrual of unused leave reserve of employees.

7. Inventories

(in thousands)

	Balance 31.12.2011	Increase	Decrease	Balance 31.12.2012
Books	213.0			213.0

8. Trade and other receivables

(in thousandts)

	Balance 31.12.2012	Balance 31.12.2011
From rendering services	6863.0	9463.0

At December 31, 2012, 5413.0 thousands receivables are rendered to companies which have been declared bankrupt. If they don't compensate their debts after the court decision of liquidation the debts will be disclosed from balance sheet.

9. Cash

(in thousands)

	Balance 31.12.2012	Balance 31.12.2011
Cash desk	4558.0	7871.0
Account	4513.0	6221.0

10. Shot-term payables debt for budget

Prepayment for profit tax is presented in this item.

11. Short-term deposit

(in thousands)

	Balance 31.12.2011	Increase	Decrease	Balance 31.12.2012
Deposit (USD $)	3858,0	-	-	4036,0

USD 10 000 dollars term deposit is invested in "Ardshininvestbank" CSJS. Annual interest earnings is AMD 232,0 thousands. New deposit contract has been negotiated in 28 December, 2012 which effective annual rate is 7.1 percent.

12. Other current assets

VAT amount that is subject to set-off is presented in this item.

13. Chartered capital

The chartered capital of the Company is AMD 10 100 000 (ten million hundred thousand).
There wasn't any movement in the chartered capital in the reporting year.

14. Accumulated profit

The Company has the right once a year to share the profit between the shareholders. The General assembly of shareholders adopts the resolution about the profit allocation.

The profit, subject to allocation, allocates between shareholders according to their share's part in the chartered capital of the Company.

In 2012 was declared and paid AMD 22 978.0 thousands, and in 2011- AMD 22 286.0 thousands.

15. Reserve capital

The Company according to the charter, have established reserve capital which is AMD 1515.0 thousands.
The General assembly of shareholders decides the rules of expense of the reserve capital.

16. Trade Payables

AMD 131.0 thousands payables regards to received services.

17. Prepayments for services

AMD 4 400 thousands of received prepayment for auditing services which are not rendered yet.

18. Unused leave reserve

Unused leave reserve with amount of AMD 1695.0 thousands was formed for expected expenditures as regards to accumulated compensated absences.

19. Liability for profit tax

(thousands)

Balance 01.01.2011	Accrual	Payment	Balance 31.12.2011	Accrual	Payment	Balance 31.12.2012
2592.0	5494.0	5718.0	2368.0	2893.0	5261.0	

20. Liability for other taxes and required fees

(in thousands)

	Balance 31.12.2012	Balance 31.12.2011
Total, including	1469.0	2570.0
• Income tax	277.0	256.0
• VAT	853.0	1953.0
• Other	339.0	361.0

21. Revenue

There isn't a revenue amount determined by the completion stage for incomplete contract at the balance sheet date.

22. Other expenditures

(in thousands)

	2012	2011
Total, including	(3146)	(350)
• Didsposal of receivables	1100.0	300.0
• free-of-charge assets	351.0	-
• Accrual liability for liaves	1695.0	-

23. Financial earnings and expenditures

(in thousands)

	2012	2011
• Financial earning	232	186
• Benefit form exchange difference (expense)	178	224

Financial earning is a received interest of term deposit. Benefit from exchange difference (expense) was arisen from deposits in foreign currency.

24. Expense for profit tax

(in thousands)

	2012	2011
Total, including	(2554)	(5494)
• Expense for current tax	(2893)	(5494)
• Expense (compensation) for deferred tax	339	-

Current average rate and applied rate
Digital reconciliation

(in thousands)

	2012	2011
• Applicable rate of tax	20%	20%
• Profit before taxation	13065	28472
• Not deductible expenses/not taxable earnings	1398	(1003)

		2012	2011
•	Taxable Profit	14463	27469
•	Tax	2893	5494
•	Current average rate of tax	21.1%	19.3%

25. Related party disclosure

Related party of the Company, in regards to which have to make disclosures in conformity with IFRS is:

- Hayk Vardapetyan, (shareholder of the Company 50%) and quality supervisor; -
- Martin Stepanyan, (shareholder of the Company 50%) and auditor;
- «Gold Invest» CJSC, Hayk Vardapetyan (shareholder of the Company 100%)
- key management personnel

Transactions with the related party

(in thousands)

	2012	2011
• Real estate disposal to H.Vardapetyan	2880.0	-
• Lease of the real estate from «Gold Invest» CJSC	1728.0	720.0

Calculated salary for the key management personnel in 2012 is AMD 7568 ths. and social security fees is AMD 825 ths., in 2011 accordingly is AMD 5896 ths. and AMD 652,0 ths.

26. Events after the reporting year

There were not adjusting or fundamental non-adjusting events occurred between the reporting year (31,12,2012) and the date of ratification (15,03,2013) of the financial statements.

27. Approval of the financial statements

Financial statements were approved for publishing in March 13, 2013 by the director Koryun Sargsyan.

K.Sargsyan
Director of “Hayaudit” LLC