

Caucasus Energy & Infrastructure Group

**International Financial Reporting Standards
Consolidated Financial Statements and
Independent Auditor's Report**

31 December 2013

Caucasus Energy & Infrastructure Group
Consolidated Statement of Financial Position
(Amounts expressed in thousands of Georgian Lari)

	Note	31 December 2013	31 December 2012
ASSETS			
Non-current assets			
Property, plant and equipment	8	30,288	32,713
Advance payment for non-current assets	8	7,302	6,939
Investment property	9	8,549	8,549
Restricted cash	10	1,736	1,657
Total non-current assets		47,875	49,858
Current assets			
Receivables	12	1,756	3,711
Current income tax prepayments		223	223
Cash and cash equivalents	13	478	605
Total current assets		2,457	4,539
TOTAL ASSETS		50,332	54,397
EQUITY			
Share capital	15	6,346	11,784
Share premium	15	40,804	40,804
Treasury shares	15	-	(5,438)
Retained earnings		793	5,585
TOTAL EQUITY		47,943	52,735
LIABILITIES			
Non-current liabilities			
Deferred income tax liability	11	425	636
Total non-current liabilities		425	636
Current liabilities			
Trade and other payables	14	1,564	1,026
Borrowing		400	-
Total current liabilities		1,964	1,026
TOTAL LIABILITIES		2,389	1,662
TOTAL LIABILITIES AND EQUITY		50,332	54,397

Approved for issue and signed on behalf of the Management of the Group on 2 June 2014:

B. Bejnashvili
Bidzina Bejnashvili
Head of Supervisory Board



G. Rusitashvili
George Rusitashvili
Chief Financial Officer

Caucasus Energy & Infrastructure Group
Consolidated Statement of Profit or Loss and Other Comprehensive Income
(Amounts expressed in thousands of Georgian Lari)

	Note	2013	2012
Net gain from revaluation of investment property	9	-	606
Other income		16	74
Salaries and other benefits		(1,005)	(1,001)
General and administrative expenses	16	(1,184)	(812)
Storage cost and interest paid to supplier	8	(1,597)	-
Depreciation and amortisation charges	8	(902)	(289)
Loss on disposal of property, plant and equipment	8	(454)	(260)
Foreign exchange gain/(loss), net		71	(20)
Operating loss		(5,055)	(1,702)
Finance income	17	91	138
Finance cost		(39)	-
Loss before income tax		(5,003)	(1,564)
Income tax credit/(expense)	11	211	(1,455)
Loss for the year		(4,792)	(3,019)
Other comprehensive income		-	-
Total comprehensive loss for the year		(4,792)	(3,019)

Caucasus Energy & Infrastructure Group
Consolidated Statement of Changes in Equity
(Amounts expressed in thousands of Georgian Lari)

	Share capital	Share premium	Treasury shares	Retained earnings	Total
At 1 January 2012	11,784	40,804	(5,438)	8,604	55,754
Total comprehensive loss for the year	-	-	-	(3,019)	(3,019)
At 31 December 2012	11,784	40,804	(5,438)	5,585	52,735
Total comprehensive loss for the year	-	-	-	(4,792)	(4,792)
Cancellation of treasury shares	(5,438)	-	5,438	-	-
At 31 December 2013	6,346	40,804	-	793	47,943

Caucasus Energy & Infrastructure Group
Consolidated Statement of Cash Flows
(Amounts expressed in thousands of Georgian Lari)

	Note	2013	2012
Cash flows from operating activities			
Salaries and other benefits paid		(657)	(827)
Administrative and other operating expenses paid		(539)	(821)
Taxes paid other than on income		-	(478)
Other income		16	74
Storage cost and interest paid to supplier		(1,597)	-
VAT refund		1,500	-
Net cash used in operating activities		(1,277)	(2,052)
Cash flows from investing activities			
Purchase of property, plant and equipment	8	-	(2,783)
Proceeds from sale of property, plant and equipment	8	1,069	1,501
Advance payment for non-current assets	4	(363)	-
Interest received		91	138
Net cash from/(used in) investing activities		797	(1,144)
Cash flows from financing activities			
Proceeds from borrowing from bank		400	-
Interest paid		(39)	-
Net cash from financing activities		361	-
Effect of exchange rate on cash and cash equivalents		(8)	(14)
Net decrease in cash and cash equivalents		(127)	(3,210)
Cash and cash equivalents at beginning of the year	13	605	3,815
Cash and cash equivalents at end of the year	13	478	605