

# Central Depository of Armenia OJSC

## Summary financial statements

*For the year ended 31 December 2017*

*Together with independent auditor's report*

## Contents

Independent auditor's report on the summary financial statements

Summary statement of financial position .....	1
Summary statement of comprehensive income.....	2
Summary statement of changes in equity.....	3
Summary statement of cash flows .....	4
Note 1 .....	5

## Independent auditor's report on the summary financial statements

To the Shareholder and Supervisory Board of  
Central Depository of Armenia open joint-stock company

### *Opinion*

The summary financial statements, which comprise the summary statement of financial position as of 31 December 2017, and the summary statement of comprehensive income, summary statement of changes in equity and summary statement of cash flows for the year ended 31 December 2017, and a related note, are derived from the complete audited financial statements of Central Depository of Armenia open joint-stock company (hereinafter "the Company") for the year ended 31 December 2017.

In our opinion, the accompanying summary financial statements are consistent, in all material respects, with the audited financial statements, on the basis described in Note 1.

### *Summary financial statements*

The summary financial statements do not contain all the disclosures required by International Financial Reporting Standards. Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements and the auditor's report thereon.

### *The audited financial statements and our report thereon*

We expressed an unmodified audit opinion on the audited financial statements in our report dated 27 April 2018. The audited financial statements and the summary financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited financial statements.

### *Management's responsibility for the summary financial statements*

Management is responsible for the preparation of a summary of the complete audited financial statements in accordance with the basis described in Note 1.

### *Auditor's responsibility*

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the audited financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), Engagements to Report on Summary Financial Statements.

CJSC Ernst & Young  
Yerevan, Armenia

On behalf of General Director A. Sarkisyan  
(by power of attorney dated 1 August 2016)  
Partner (Assurance)

27 April 2018



Eric Hayrapetyan



Summary statement of financial position  
as at 31 December 2017

	2017 AMD '000	2016 AMD '000
Assets		
Non-current assets		
Property and equipment	9,772	10,672
Intangible assets	16,908	18,905
Deferred tax assets	13,099	12,811
Loans provided	82,998	75,083
Other non-current assets	1,452	1,452
	<u>124,229</u>	<u>118,923</u>
Current assets		
Trade and other receivables	54,370	54,743
Prepayments	19,328	4,427
Operating taxes prepayments	1,447	1,220
Term deposits in banks	-	137,525
Cash and cash equivalents	280,625	52,012
	<u>355,770</u>	<u>249,927</u>
Total assets	<u>479,999</u>	<u>368,850</u>
Equity and liabilities		
Equity		
Issued capital	120,000	120,000
Statutory reserves	18,000	18,000
Retained earnings	358,666	248,415
Equity distribution to the shareholder	(37,916)	(37,916)
Total equity	<u>458,750</u>	<u>348,499</u>
Current liabilities		
Trade and other payables	5,330	11,943
Current income tax liabilities	6,621	1,777
Advances received	1,953	2,704
Provisions	7,345	3,927
Total liabilities	<u>21,249</u>	<u>20,351</u>
Total equity and liabilities	<u>479,999</u>	<u>368,850</u>

Signed and authorized for release on behalf of the Management of the Company

Chief Executive Officer

Vahan Stepanyan

Chief Accountant

Ruzanna Naghashyan

27 April 2018

Summary statement of comprehensive income  
for the year ended 31 December 2017

	<i>2017</i>	<i>2016</i>
	<i>AMD '000</i>	<i>AMD '000</i>
Revenue	405,751	354,194
Payroll expenses	(148,678)	(132,259)
Utility and postal expenses	(17,227)	(15,701)
Business trip and representative expenses	(12,774)	(8,361)
Depreciation	(6,358)	(5,163)
Amortisation	(3,318)	(3,287)
Reversal of bad debt provision	3,831	5,433
Other operating income	6,458	6,766
Other operating expenses	(106,206)	(85,480)
Operating profit	121,479	116,142
Finance income	19,037	26,650
Foreign exchange gain/(loss)	151	(112)
Profit before tax	140,667	142,680
Income tax expense	(30,416)	(29,551)
Profit for the year	110,251	113,129
Total comprehensive income for the year	110,251	113,129

Summary statement of changes in equity  
for the year ended 31 December 2017

	<i>Issued capital</i>	<i>Statutory reserves</i>	<i>Retained earnings</i>	<i>Equity distribution to the shareholder</i>	<i>Total equity</i>
	<i>AMD '000</i>	<i>AMD '000</i>	<i>AMD '000</i>	<i>AMD '000</i>	<i>AMD '000</i>
At 1 January 2016	120,000	18,000	225,286	(42,771)	320,515
Redemption of additional paid-in capital, excluding deferred tax in the amount of AMD 2,078 thousand	-	-	-	8,311	8,311
Initial recognition of difference between the fair value and granted amount of loan, excluding deferred tax in the amount of AMD 864 thousand	-	-	-	(3,456)	(3,456)
Dividends paid	-	-	(90,000)	-	(90,000)
Total comprehensive income for the year	-	-	113,129	-	113,129
At 31 December 2016	120,000	18,000	248,415	(37,916)	348,499
Total comprehensive income for the year	-	-	110,251	-	110,251
At 31 December 2017	120,000	18,000	358,666	(37,916)	458,750

Summary statement of cash flows  
for the year ended 31 December 2017

	2017 AMD '000	2016 AMD '000
Operating activities		
Profit before tax	140,667	142,680
<i>Non-cash adjustments to reconcile profit before tax to net cash flows</i>		
Depreciation and amortisation	9,676	8,450
Gain on sale of property and equipment	(31)	-
Reversal of bad debt provision	(3,831)	(5,433)
Unused vacation	6,330	3,734
Net foreign exchange (gain)/loss	(151)	112
Interest income	(7,881)	(20,653)
<i>Working capital adjustments</i>		
Decrease in trade and other receivables	6,377	1,105
(Increase)/decrease in prepayments granted	(15,357)	1,067
(Decrease)/increase in advances received	(3,151)	723
Decrease in trade payables and employee benefit obligations	(9,007)	(978)
	123,641	130,807
Income tax paid	(25,860)	(41,020)
Net cash flows from operating activities	97,781	89,787
Investing activities		
Term deposits placed at banks	-	(160,000)
Term deposits redeemed	137,525	154,052
Loans provided	-	(60,000)
Loans redeemed	-	90,000
Disposal of property and equipment	100	-
Acquisition of intangible assets	(1,321)	(920)
Purchase of property and equipment	(5,526)	(8,561)
Net cash flows from investing activities	130,778	14,571
Financing activities		
Dividends paid	-	(90,000)
Net cash flows used in financing activities	-	(90,000)
Effect of exchange rate changes on cash and cash equivalents	54	(132)
Net increase in cash and cash equivalents	228,613	14,226
Cash and cash equivalents at 1 January	52,012	37,786
Cash and cash equivalents at 31 December	280,625	52,012



## Note 1

In accordance with the Law on Accounting of the Republic of Armenia Central Depository of Armenia OJSC should publish its financial statements.

The accompanying summary financial statements, which comprise the summary statement of financial position as of 31 December 2017, and the summary statement of comprehensive income, summary statement of changes in equity and summary statement of cash flows for the year ended 31 December 2017, and related note, are derived from the audited financial statements of the Company for the year ended 31 December 2017 prepared in accordance with International Financial Reporting Standards.

The accompanying summary financial statements do not include all required information, which is presented in complete set of financial statements, particularly summary of significant accounting policies and other clarifying information which is required to disclose according to the International Financial Reporting Standards. A complete set of financial statements can be obtained from the Company's management upon request.