

**NORM Limited Liability Company
GIZILDASH CEMENT PLANT**

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

31 December 2013



NORM Limited Liability Company
Statement of Financial Position

<i>In thousands of Azerbaijani Manats</i>	Note	31 December 2013	31 December 2012
ASSETS			
Non-current assets			
Property, plant and equipment	8	203,482	55,060
Intangible assets		403	59
Prepayment for property, plant and equipment	10	6,597	51,671
Deferred income tax asset	24	4,223	2,444
Restricted cash	12	4,567	18,280
Total non-current assets		219,272	127,514
Current assets			
Inventory	9	3,183	-
Trade and other receivables	13	1,389	7
Prepayments for services	10	667	1,278
Other taxes receivable	14	11,499	4,479
Cash and cash equivalents	11	197	1,427
Total current assets		16,935	7,191
TOTAL ASSETS		236,207	134,705
EQUITY			
Charter capital	15	124,394	124,394
Accumulated deficit		(20,356)	(12,194)
Total equity		104,038	112,200
LIABILITIES			
Non-current liabilities			
Borrowings	16	84,807	4,911
Trade and other payables	17	21,393	11,600
Total non-current liabilities		106,200	16,511
Current liabilities			
Borrowings		14,389	2,560
Trade and other payables	17	11,369	3,292
Provisions for liabilities and charges	18	211	142
Total current liabilities		25,969	5,994
TOTAL LIABILITIES		132,169	22,505
TOTAL LIABILITIES AND EQUITY		236,207	134,705

Approved for issue and signed on behalf of the Board of Directors on 31 July 2014.

Hasan Yalchinkaya
 Chief Executive Officer



Fuad Behbud
 Chief Financial Officer

The accompanying notes on pages 5 to 31 are an integral part of these financial statements.

NORM Limited Liability Company
Statement of Profit or Loss and Other Comprehensive Income

<i>In thousands of Azerbaijani Manats</i>	Note	2013	2012
Revenue		2,618	-
Cost of sales	19	(3,878)	-
Gross Loss		(1,260)	-
Staff costs		(3,144)	(2,648)
Professional services	20	(1,487)	(1,328)
Administrative expenses	23	(2,202)	(1,081)
Marketing expenses		(478)	-
Rent expenses		(348)	(247)
Depreciation of property and equipment	8	(123)	(123)
Foreign exchange loss		(123)	(122)
Amortisation expense		(36)	(7)
Operating loss		(9,201)	(5,556)
Finance income	21	572	1,342
Finance costs	22	(1,312)	(246)
Loss before income tax		(9,941)	(4,460)
Income tax benefit	24	1,779	702
LOSS FOR THE YEAR		(8,162)	(3,758)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		(8,162)	(3,758)

NORM Limited Liability Company
Statement of Changes in Equity

<i>In thousands of Azerbaijani Manats</i>	Note	Charter	Accumulated deficit	Total equity
At 1 January 2012		113,608	(8,436)	105,172
Total comprehensive loss for the year		-	(3,758)	(3,758)
Contribution to charter capital	15	10,786	-	10,786
Balance at 31 December 2012		124,394	(12,194)	112,200
Total comprehensive loss for the year		-	(8,162)	(8,162)
Balance at 31 December 2013		124,394	(20,356)	104,038

NORM Limited Liability Company
Statement of Cash Flows

<i>In thousands of Azerbaijani Manats</i>	Note	2013	2012
Cash flows from operating activities			
Loss before income tax		(9,941)	(4,460)
Adjustments for:			
Depreciation of property, plant and equipment	8	942	123
Amortisation of intangible assets		36	7
Finance costs	22	1,312	246
Finance income	21	(572)	-
Foreign exchange translation differences		(31)	122
Operating cash flows before working capital changes		(8,254)	(3,962)
Increase in trade and other receivables		(1,382)	(7)
Decrease/(increase) in prepayments for services		611	(166)
Increase in inventories		(3,183)	-
Increase in other taxes receivable		(7,020)	(3,848)
(Decrease)/increase in trade and other payables		(1,358)	48
Provision for liabilities and charges		69	-
Changes in working capital		(20,517)	(7,935)
Interest income received		572	-
Interest paid		(3,466)	(466)
Net cash used in operating activities		(23,411)	(8,401)
Cash flows from investing activities			
Purchase of property, plant and equipment		(81,159)	(30,805)
Acquisition of intangible assets		(344)	(51)
Changes in restricted cash related to property, plant and equipment		13,713	14,829
Net cash used in investing activities		(67,790)	(16,027)
Cash flows from financing activities			
Proceeds from borrowings		127,419	23,007
Repayment of borrowings		(37,448)	(15,559)
Contribution to charter capital		-	10,786
Net cash from financing activities		89,971	18,234
Net decrease in cash and cash equivalents		(1,230)	(6,194)
Effect of exchange rate changes on cash and cash		-	-
Cash and cash equivalents at the beginning of the year	11	1,427	7,621
Cash and cash equivalents at the end of the year	11	197	1,427