

Statement of financial position

In thousand drams

	Note	As of 31 December 2018	As of 31 December 2017
Assets			
<i>Non-current assets</i>			
Property and equipment	4	32,670	32,305
Intangible assets		499	499
Deferred income tax assets	5	31,219	11,728
Borrowings provided to related parties	6	392,727	366,218
		<u>457,115</u>	<u>410,750</u>
<i>Current assets</i>			
Inventories	7	275,822	255,136
Trade and other receivables	8	96,634	349,027
Current income tax prepayments		-	2,679
Cash and bank balances	9	18,947	8,266
		<u>391,403</u>	<u>615,108</u>
Total assets		<u><u>848,518</u></u>	<u><u>1,025,858</u></u>
Equity and liabilities			
<i>Capital and reserves</i>	10		
Share capital		100	100
Accumulated loss		(119,605)	(691)
		<u>(119,505)</u>	<u>(591)</u>
<i>Non-current liabilities</i>			
Bank loans	11	438,263	55,963
		<u>438,263</u>	<u>55,963</u>
<i>Current liabilities</i>			
Bank loans	11	83,299	513,403
Trade and other payables	12	446,461	457,083
		<u>529,760</u>	<u>970,486</u>
Total equity and liabilities		<u><u>848,518</u></u>	<u><u>1,025,858</u></u>

The financial statements were approved on 1 July 2019 by:

Armen Baldryan
Chief Executive Officer



Karine Zakharyan
Chief Accountant

The statement of financial position is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 9 to 31.

Statement of profit or loss and other comprehensive income

In thousand drams	Note	Year ended 31 December 2018	Year ended 31 December 2017
Revenue from contracts	13	1,583,695	1,752,596
Cost of sales	14	(1,366,394)	(1,402,396)
Gross profit		217,301	350,200
Other income	15	48,867	64,567
Selling expenses	16	(58,679)	(55,325)
Administrative expenses	17	(135,309)	(111,814)
Other operating expenses	18	(78,543)	(49,324)
Results from operating activities		(6,363)	198,304
Finance costs, net	19	(56,867)	(50,971)
Foreign currency exchange loss, net	20	(1,165)	(1,077)
Profit/(loss) before income tax		(64,395)	146,256
Income tax recovery/(expense)	21	19,491	(27,130)
Profit/(loss) for the year		(44,904)	119,126
Other comprehensive income		-	-
Total comprehensive income for the year		(44,904)	119,126

The statement of profit or loss and other comprehensive income is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 9 to 31.