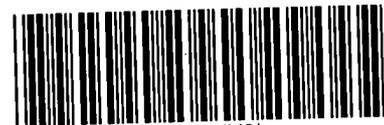


Company Registration No. 04614811 (England and Wales)

Norilsk Nickel Europe Limited

**Annual report and financial statements
for the year ended 31 December 2015**

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Norilsk Nickel Europe Limited

Company information

Directors	Jelle Jonkers Andrey Kolchin Adam Esah
Secretary	Clyde Secretaries Limited
Company number	04614811
Registered office	The St Botolph Building 138 Houndsditch London EC3A 7AR
Independent auditors	Saffery Champness 71 Queen Victoria Street London United Kingdom EC4V 4BE
Solicitors	Clyde & Co The St Botolph Building 138 Houndsditch London EC3A 7AR

Norilsk Nickel Europe Limited

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Norilsk Nickel Europe Limited

Directors' report

For the year ended 31 December 2015

The directors present their report and financial statements for the year ended 31 December 2015.

Principal activities

The principal activity is the provision of sales and market related services to other group companies.

Directors

There are no directors' interests requiring disclosure under the Companies Act 1985.

Anton Berlin	(Resigned 1 April 2015)
David Gaddes	(Resigned 17 March 2016)
David Griffiths	(Resigned 1 April 2015)
Jelle Jonkers	(Appointed 1 April 2015)
Andrey Kolchin	(Appointed 1 April 2015)
Adam Esah	(Appointed 24 September 2015)

Results and dividends

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Auditors

Saffery Champness have expressed their willingness to continue in office as auditors of the company.

Directors' responsibilities statement

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Norilsk Nickel Europe Limited

Directors' report (continued)

For the year ended 31 December 2015

Statement of disclosure to auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board

A handwritten signature in black ink, appearing to read 'A Esah', with a long horizontal stroke extending to the right.

Adam Esah

Director

6 April 2016

Norilsk Nickel Europe Limited

Independent auditor's report

To the members of Norilsk Nickel Europe Limited

We have audited the financial statements of Norilsk Nickel Europe Limited for the year ended 31 December 2015 set out on pages 5 to 15. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its profit for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements and the Directors' Report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have identified no material misstatements in the Directors' Report.

Norilsk Nickel Europe Limited

Independent auditor's report (continued)

To the members of Norilsk Nickel Europe Limited

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and from preparing a strategic report.



Michael Di Leto (Senior Statutory Auditor)
for and on behalf of Saffery Champness

6 April 2016

Chartered Accountants
Statutory Auditors

71 Queen Victoria Street
London
United Kingdom
EC4V 4BE

Norilsk Nickel Europe Limited

Income statement

For the year ended 31 December 2015

		2015	2014
	Notes	£	£
Revenue	2	6,807,927	5,386,379
Cost of sales		(713,165)	(416,235)
Gross profit		6,094,762	4,970,144
Administrative expenses		(4,665,985)	(4,095,213)
Exceptional item	3	(985,313)	-
Operating profit	4	443,464	874,931
Investment income	6	39,876	40,679
Finance costs		(69)	(282)
Profit before taxation		483,271	915,328
Taxation	7	(117,654)	(240,811)
Profit for the financial year	12	365,617	674,517
Total comprehensive income for the year		365,617	674,517

Norilsk Nickel Europe Limited

Statement of financial position
As at 31 December 2015

	Notes	£	2015 £	£	2014 £
Fixed assets					
Property, plant and equipment	8		74,107		62,585
Current assets					
Trade and other receivables	9	5,181,913		3,947,710	
Cash at bank and in hand		3,585,725		4,138,254	
		<u>8,767,638</u>		<u>8,085,964</u>	
Current liabilities	10	(1,445,142)		(1,117,563)	
Net current assets			<u>7,322,496</u>		<u>6,968,401</u>
Total assets less current liabilities			<u>7,396,603</u>		<u>7,030,986</u>
Equity					
Called up share capital	11		1		1
Retained earnings	12		7,396,602		7,030,985
Total equity			<u>7,396,603</u>		<u>7,030,986</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 6 April 2016 and are signed on its behalf by:



Adam Esah
Director

Company Registration No. 04614811

Norilsk Nickel Europe Limited

Notes to the financial statements For the year ended 31 December 2015

1 Accounting policies

Company information

Norilsk Nickel Europe Limited is a limited company incorporated in England and Wales. The registered office is The St Botolph Building, 138 Houndsditch, London, EC3A 7AR.

1.1 Accounting convention

The financial statements have been prepared on the historical cost basis except for any modification to a fair value basis for financial instruments specified in the accounting policies below.

These financial statements have been prepared in accordance with Section 1A of FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

These financial statements for the year ended 31 December 2015 are the first financial statements of Norilsk Nickel Europe Limited prepared in accordance with Section 1A of FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 January 2014. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

As a qualifying entity, the Company has adopted the following disclosure exemptions:

- the requirements of section 7 Statement of Cash Flows and Section 3 Financial Statement Presentation paragraph 3.17 (d) to present a statement of cash flows and related notes.
- the requirements of Section 11 paragraphs 11.39 to 11.48a and Section 12 paragraphs 12.26 to 12.29A for disclosures of financial instruments, including: categories of financial instruments, items of income, expenses, gains or losses relating to financial instruments and exposure to and management of risks.
- the requirement of Section 33 Related Party Disclosures paragraph 33.7 to disclose the total remuneration of key management personnel.

The parent company whose consolidated financial statements include Norilsk Nickel Europe Limited is PJSC Mining and Metallurgical Company Norilsk Nickel, a company incorporated in Russia. The consolidated financial statements can be obtained from PJSC Mining and Metallurgical Company Norilsk Nickel, 1-iy Krasnogvardeyskiy proezd, 15, Moscow, 123100, Russia.

1.2 Going concern

The directors have at the time of approving the financial statements, a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements

1.3 Revenue

Revenue is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Notes to the financial statements (continued)
For the year ended 31 December 2015

1 Accounting policies (continued)

1.4 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures, fittings & equipment	10% - 33% Straight line
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the income statement.

1.5 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.6 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

1 Accounting policies (continued)

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

1.7 Financial liabilities

Basic financial liabilities, including trade and other creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method. Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as 'creditors: amounts falling due within one year' if payment is due within one year or less. If not, they are presented as 'creditors: amounts falling due after more than one year'. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Other financial liabilities, including debt instruments that do not meet the definition of a basic financial instrument, are measured at fair value through profit or loss.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless they are included in a hedging arrangement.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the company's obligations are discharged, cancelled, or they expire.

1.8 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

1 Accounting policies (continued)

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between taxable profits and results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured on a non-discounted basis at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

1.9 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or non-current assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.10 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.11 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

Norilsk Nickel Europe Limited

Notes to the financial statements (continued)
For the year ended 31 December 2015

1 Accounting policies (continued)

1.12 Foreign exchange

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the start of the month for the transaction date. All differences are taken to profit and loss account.

2 Revenue

An analysis of the company's revenue is as follows:

	2015	2014
	£	£
Sales Commission	6,807,927	5,386,379

3 Exceptional items

	2015	2014
	£	£
Settlement of legal dispute	985,313	-

This expenditure relates to damages awarded against the company due to a contract dispute.

4 Operating profit

	2015	2014
	£	£
Operating profit for the year is stated after charging/(crediting):		
Exchange losses/(gains)	(55,791)	(73,003)
Fees payable to the company's auditors for		
the audit of the company's financial statements	22,500	22,500
taxation and payroll services	14,350	13,490
Depreciation of property, plant and equipment	19,075	14,155
Operating lease rentals	2,343	2,343
Loss on disposal of property, plant and equipment	836	-

Norilsk Nickel Europe Limited

Notes to the financial statements (continued)
For the year ended 31 December 2015

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2015	2014
	Number	Number
Directors	1	1
Direct sales	2	2
Administration	7	7
	<u>10</u>	<u>10</u>
	<u><u>10</u></u>	<u><u>10</u></u>

6 Investment income

	2015	2014
	£	£
Interest receivable from group undertakings	30,228	30,175
Bank interest	9,648	10,504
	<u>39,876</u>	<u>40,679</u>
	<u><u>39,876</u></u>	<u><u>40,679</u></u>

7 Taxation

	2015	2014
	£	£
Current tax		
UK corporation tax on profits for the current period	117,654	220,881
	<u>117,654</u>	<u>220,881</u>
Total UK current tax	117,654	220,881
	<u>117,654</u>	<u>220,881</u>
Foreign current tax on profits for the current period	-	19,930
	<u>-</u>	<u>19,930</u>
Total current tax	117,654	240,811
	<u>117,654</u>	<u>240,811</u>
Total tax charge	117,654	240,811
	<u><u>117,654</u></u>	<u><u>240,811</u></u>

Notes to the financial statements (continued)
For the year ended 31 December 2015

7 Taxation (continued)

The charge for the year can be reconciled to the profit per the income statement as follows:

	2015 £	2014 £
Profit before taxation	483,271	915,328
Expected tax charge based on a corporation tax rate of 20.25% (2014 - 21.50%)	97,862	196,796
Tax effect of expenses that are not deductible in determining taxable profit	24,061	27,920
Capital allowances	(6,700)	(5,186)
Depreciation add back	3,863	3,043
Effect of overseas tax rates	-	19,930
Other tax adjustments	(1,432)	(1,692)
Tax expense for the year	117,654	240,811

8 Property, plant and equipment

	Plant and machinery £
Cost	
At 1 January 2015	157,047
Additions	31,434
Disposals	(32,680)
At 31 December 2015	155,801
Depreciation and impairment	
At 1 January 2015	94,462
Depreciation charged in the year	19,075
Eliminated in respect of disposals	(31,843)
At 31 December 2015	81,694
Carrying amount	
At 31 December 2015	74,107
At 31 December 2014	62,585

Norilsk Nickel Europe Limited

Notes to the financial statements (continued)
For the year ended 31 December 2015

10 Current liabilities

	2015	2014
	£	£
Corporation tax payable	-	124,480
Other taxation and social security	75,425	132,071
Other payables	1,369,717	861,012
	<u>1,445,142</u>	<u>1,117,563</u>

11 Share capital

	2015	2014
	£	£
Ordinary share capital		
Issued and fully paid		
1 Ordinary Shares of £1 each	1	1
	<u>1</u>	<u>1</u>

12 Reserves

	2015	2014
	£	£
At beginning of year	7,030,985	6,356,468
Profit for the year	365,617	674,517
At end of year	<u>7,396,602</u>	<u>7,030,985</u>

13 Operating lease commitments

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2015	2014
	£	£
Within one year	74,724	80,951
Between two and five years	186,810	261,534
	<u>261,534</u>	<u>342,485</u>

Norilsk Nickel Europe Limited

Notes to the financial statements (continued)
For the year ended 31 December 2015

14 Related party transactions

Under FRS102, Norilsk Nickel Europe Limited have taken the exemption for subsidiary undertakings to disclose related party transactions with each other where they are wholly owned. The only related party transactions during the reporting period were of this nature.

15 Directors' transactions

D Gaddes, a former director, had an interest free loan during the year. The amount outstanding at year end was £186,013 (2014: £190,990) with the maximum balance during the year being £205,297 (2014: £190,990).

16 Controlling party

The company's immediate parent company is N.N. Metal Holding SA, a company incorporated in Luxembourg. The ultimate parent company and ultimate controlling party is PJSC Mining and Metallurgical Company Norilsk Nickel, a company incorporated in Russia.