KAZPHOSPHATE LIMITED

Consolidated Financial Statements and Independent Auditor's Report

For the year ended 31 December 2021

Company registration number: 06007551

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KAZPHOSPHATE LIMITED
GROUP STRATEGIC REPORT OF THE DIRECTORS

The directors present their strategic report with the audited financial statements of the Group for the year ended 31 December 2021.

STRATEGY AND BUSINESS MODEL
During the year the Group divested of its interests in subsidiaries held in Kazakhstan.

PRINCIPAL ACTIVITY
The principal activity of the company in the year under review was that of holding company.

BUSINESS REVIEW
Operating results in 2021 only represent period of trading prior to disposal of the main trading subsidiary in May 2021. Therefore the results are not comparable to the previous years.

Turnover is shown at $170m compared to full year 2020 of $375m. Gross profit increased by 2% (2020: increase 12%) from $139m in 2020 to $67m in 2021.

Net assets are $2m (2020: $60m). During the year, the group disposed of its investments in Kazakh companies. Therefore, results are not comparable, as they only reflect period until the disposal of the subsidiaries.

Payment policy
The Group does not have a formal code that it follows with regard to payments to suppliers. Members of the Group generally agree payment terms with their suppliers when they enter into binding contracts for the supply of goods and services. Suppliers are in that way made aware of these terms.

Group companies seek to abide by these payment terms when they are satisfied that the supplier has provided the goods and services in accordance with the agreed terms and conditions.

Apart from the performance indicators disclosed above, the directors have opted not to disclose further information on the grounds of commercial sensitivity.

PRINCIPAL RISKS AND UNCERTAINTIES

Financial risk
The Group's principal financial instruments are non-derivative and comprise of trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables. The main purpose of these instruments is to raise funds for the Group's operations and to finance the Group's trading activities.

The Group has exposure to credit, liquidity and market risk. Note 34 explains the Group's objectives, policies and processes for measuring and managing these risks

Foreign exchange and inflation
Fluctuations in rates of exchange or inflation in the jurisdictions to which the Group is exposed could result in future increased costs. As the functional currency of the Group's operating entities is their local currency, fluctuations in exchange rates can give rise to exchange gains and losses in the income statement and volatility in the level of net assets recorded on the Group's balance sheet. Where possible the Group conducts its business and maintains its financial assets and liabilities in US dollars. The Group generally does not hedge its exposure to foreign currency risk in respect of operating expenses.

Global Pandemic and going concern

The impacts of the Covid-19 global pandemic have been assessed and are included as an ongoing risk.
Further development of the COVID-19 pandemic is still unpredictable, which causes significant uncertainty in the development of the phosphorus processing industry as a whole.

Considering the impact of COVID 19, directors have a reasonable expectation that the Group as a whole, have adequate resources to continue in operational existence for foreseeable future.

These financial statements have been prepared on a break up basis, as company is not planning to be operational in the foreseeable future.

KAZPHOSPHATE LIMITED
GROUP STRATEGIC REPORT OF THE DIRECTORS

FUTURE DEVELOPMENTS

The directors intend to allow for the company to be placed in members voluntary liquidation in due course.

ON BEHALF OF THE BOARD:

....
S H Landes –Director
Date: 21/12/2022

KAZPHOSPHATE LIMITED
REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their report with the audited financial statements of the Group for the year ended 31 December 2021.

DIRECTORS

Mr SH Landes has held office during the whole of the period from 1 January 2021 to the date of this report.

Other changes in directors holding office are as follows:

Mrs N Aznabakiyeva - resigned 29 April 2021
Ms M Eden - appointed 29 April 2021.

REGISTERED OFFICE

123 Pall Mall, St. James's, London, SW1Y 5EA.

RESULTS AND DIVIDENDS

The consolidated statement of comprehensive income for the period is set out on page 10. During the year, the directors recommended and paid an ordinary dividend of $401,600,000 to the shareholders.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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 Group and Company financial statements in accordance with International Financial Reporting Standards as adopted for use in the European Union. 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 Group and the Company and of the profit or loss of the Group 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 that the financial statements comply with IFRS;
- 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 and the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Group's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the Group's auditors are aware of that information.

ON BEHALF OF THE BOARD:

....
S H Landes – Director
Date: 21/12/2022

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF KAZPHOSPHATE LIMITED FOR THE YEAR ENDED 31 DECEMBER 2021

Qualified Opinion
We have audited the financial statements of Kazphosphate Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2021 which comprise the consolidated statement of comprehensive income, the consolidated and company statement of financial position, the consolidated and company statement of changes in equity, the consolidated and company statement of cash flows and the notes to the financial statements, including significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion except for the possible effects of the matter described in the Basis for qualified opinion section of our report, the financial statements:

- give a true and fair view of the financial position of the group's and of the parent company's affairs as at 31 December 2021 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and the parent company financial statements have been properly prepared in accordance with IFRSs and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for qualified opinion
On 21 May 2021 the company disposed of its investment in Kazphosphate LLP which was the main trading subsidiary of Kazphosphate Limited. We have been unable to review the working papers of the component auditor of Kazphosphate LLP until the date of disposal in May 2021. We are therefore unable to confirm or verify by alternative means the amounts included in the consolidated statement of comprehensive income or consolidated statement of cash flows. As a result of this matter we have been unable to determine whether any adjustments might have been found necessary to the elements included in the consolidated statement of comprehensive income or consolidated statement of cash flows. This has not impacted our work on the consolidated statement of financial position as at the 31 December 2021 and the remainder of the group, as the assets and liabilities of the disposed subsidiaries are not included at the balance sheet date. The parent company statement of financial position is also unaffected as the investment has been disposed.

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Emphasis of matter
We draw attention to note 2 to the financial statements which explains that the directors intend to liquidate the company and therefore do not consider it to be appropriate to adopt the going concern basis of accounting in preparing the financial statements. Accordingly, the financial statements have been prepared on a basis other than the going concern as described in note 2. Our opinion is not modified in respect of this matter.

Other information
The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KAZPHOSPHATE LIMITED (CONTINUED)

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report of directors and the report of the directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report of directors and the report of the directors have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report of directors and the report of the directors.

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

Responsibilities of directors

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements

Extent to which the audit was considered capable of detecting irregularities, including fraud

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and addressing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We obtained an understanding of laws and regulations that affect the company, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws and regulations that we identified included the UK Companies Act, tax legislation, employment legislation, and health and safety.
- We enquired of the directors, reviewed correspondence with HMRC and reviewed directors meeting minutes for evidence of non-compliance with relevant laws and regulations. We also reviewed controls the directors have in place to ensure compliance.
- We gained an understanding of the controls that the directors have in place to prevent and detect fraud. We enquired of the directors about any incidences of fraud that had taken place during the accounting period.
- The risk of fraud and non-compliance with laws and regulations and fraud was discussed within the audit team and tests were planned and performed to address these risks. We identified the potential for fraud in the following areas: revenue recognition, related parties outside normal course of business and management override.
- We reviewed financial statements disclosures and tested to supporting documentation to assess compliance with relevant laws and regulations discussed above.
- We enquired of the directors about actual and potential litigation and claims.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KAZPHOSPHATE LIMITED (CONTINUED)

Extent to which the audit was considered capable of detecting irregularities, including fraud (continued)

- We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud due to management override of internal controls, we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

Due to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, as with any audit, there remained a higher risk of non- detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report
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.

Ahsan Miraj

Ahsan Miraj (Senior Statutory Auditor)

For and on behalf of Bright Grahame Murray

Chartered Accountants
Statutory Auditor
Emperor's Gate
114a Cromwell Road
Kensington
London
SW7 4AG
Date: 21 December 2022

KAZPHOSPHATE LIMITED
CONSOLIDATED AND COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

In thousands of US dollars	Note	Group 31 December 2021	Company 31 December 2021	Group 31 December 2020	Company 31 December 2020
ASSETS					
Property, plant and equipment	5	-	-	232,214	-
Intangible assets	6	-	-	10,914	-
Deferred value added tax recoverable		-	-	560	-
Investments in associate & joint venture	7	-	-	1,725	-
Other non-current assets	8	-	-	7,197	-
Investments	9	-	-	-	143,504
Loans receivable	12	-	-	82,451	-
Total non-current assets		**-**	**-**	**335,061**	**143,504**
Current assets					
Inventories	10	-	-	82,644	-
Trade and other receivables	11	64	64	27,846	64
Loans receivable	12	-	-	-	2,033
Taxes receivable	13	-	-	11,184	-
Other current assets	14	-	-	3,871	-
Cash and cash equivalents	15	2,579	2,579	1,308	270
Total current assets		**2,643**	**2,643**	**126,853**	**2,367**
TOTAL ASSETS		**2,643**	**2,643**	**461,914**	**145,871**
EQUITY					
Called up share capital	16	98	98	98	98
Retained earnings		2,260	2,260	208,242	145,515
Foreign exchange translation reserve		-	-	(169,183)	-
Revaluation surplus		-	-	22,614	-
Non-controlling interest		-	-	(1,886)	-
TOTAL EQUITY		**2,358**	**2,358**	**59,885**	**145,613**
LIABILITIES					
Non-current liabilities					
Provisions	17,18,33	-	-	32,886	-
Employee benefits		-	-	409	-
Borrowings	19	-	-	206,306	-
Lease liabilities	20	-	-	7,301	-
Deferred income		-	-	608	-
Total non-current liabilities		**-**	**-**	**247,510**	**-**

KAZPHOSPHATE LIMITED
CONSOLIDATED AND COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021 (CONTINUED)

In thousands of US dollars	Note	Group 31 December 2021	Company 31 December 2021	Group 31 December 2020	Company 31 December 2020
Current liabilities					
Borrowings	19	-	-	93,368	-
Corporation income tax payable		-	-	4,397	-
Trade and other payables	21	285	285	50,411	258
Employee benefits		-	-	116	-
Lease liabilities	20	-		3,218	
Provisions	33	-	-	84	-
Other taxes payable	22	-	-	2,925	-
Total current liabilities		**285**	**285**	**154,519**	**258**
TOTAL LIABILITIES		**285**	**285**	**402,029**	**258**
TOTAL LIABILITIES AND EQUITY		**2,643**	**2,643**	**461,914**	**145,871**

The financial statements were authorised for issue on 21/12/2022 and signed on its behalf.

....
S H Landes – Director

Company registration number: 06007551
The notes on pages 13 to 58 form an integral part of these financial statements.

KAZPHOSPHATE LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021

In thousands of US dollars	Note	2021	2020 (Restated)
CONTINUING OPERATIONS			
Revenue	23	-	-
Cost of sales	24	-	-
Gross profit		-	-
Other income	25	-	1
Distribution costs	26	-	-
General and administrative expenses	27	(23,758)	(470)
Other expenses		-	-
Operating profit/(loss) before exceptional items		**(23,758)**	**(469)**
Exceptional items	28	344,488	(115,397)
Operating profit / (loss)		**320,729**	**(115,866)**
Finance income	29	3	-
Finance costs	29	(8)	4
Foreign exchange gain, net		(193)	(513)
Share of profit /(loss) of joint ventures		-	-
Profit / (loss) before income tax		**320,531**	**(116,375)**
Income tax expense	30	-	-
Profit / (loss) for the year from continuing operations		**320,531**	**(116,375)**
DISCONTINUED OPERATIONS			
Profit/(Loss) from discontinued operations		(52,932)	35,734
Profit / (loss) for the year		**267,599**	**(80,641)**
Profits attributable to owners:			
Profit/(Loss) from continuing operations		320,531	(116,375)
Profit/(Loss) from discontinued operations	40	(52,932)	35,734
		267,599	**(80,641)**
Loss attributable to Non-controlling interest		(2,211)	(380)
Other comprehensive (loss)/ profit		(7,057)	13,182
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR		**258,331**	**(67,839)**

The notes on pages 13 to 58 form an integral part of these financial statements.

KAZPHOSPHATE LIMITED
CONSOLIDATED AND COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

In thousands of US Dollars

GROUP	Share Capital	Foreign exchange translation reserve	Revaluation reserve on property plant & equipment	Retained earnings	Equity	Non - controlling interest	Total equity
Balance 1 January 2020	**98**	**(182,365)**	**22,614**	**291,909**	**132,256**	**-**	**132,256**
Loss for the year	-	-	-	(80,641)	(80,641)	(380)	(81,021)
Re-attribution of share of NCI on further acquisition of shares	-	-	-	(3,026)	(3,026)	3,026	-
Other comprehensive profit	-	13,182	-	-	13,182	-	13,182
Total comprehensive loss for the year	-	13,182	-	(83,667)	(70,485)	2,646	(67,839)
Non-controlling interests on acquisition of subsidiary	-	-	-	-	-	(4,532)	(4,532)
Balance 1 December 2021	**98**	**(169,183)**	**22,614**	**208,242**	**61,771**	**(1,886)**	**59,885**
Profit for the year	-	-	-	267,599	267,599	(2,211)	265,388
Disposal of subsidiaries	-	169,183	(22,614)	(64,924)	81,645	4,097	85,742
Other comprehensive loss	-	-	-	(7,057)	(7,057)	-	(7,057)
Total comprehensive profit for the year	**98**	**-**	**-**	**403,860**	**403,958**	**-**	**403,958**
Distribution to owners	-	-	-	(401,600)	(401,600)	-	(401,600)
Balance 31 December 2021	**98**	**-**	**-**	**2,260**	**2,358**	**-**	**2,358**

COMPANY	Share capital	Retained earnings	Total equity
Balance as at 1 January 2020	**98**	**146,183**	**146,281**
Total comprehensive income / (loss)	-	(668)	(668)
Balance as at 31 December 2020	**98**	**145,515**	**145,613**
Total comprehensive income/(loss)	-	(23,943)	(23,943)
Profit / (loss) on disposal of subsidiaries	-	282,288	282,288
Distribution to owners	-	(401,600)	(401,600)
Balance as at 31 December 2021	**98**	**2,260**	**2,358**

The notes on pages 13 to 58 form an integral part of these financial statements.

KAZPHOSPHATE LIMITED
CONSOLIDATED AND COMPANY STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

In thousands of US Dollars	Group **2021**	Company **2021**	Group **2020**	Company **2020**
Cash flow from operating activities				
Proceeds from sales	181,427	-	380,214	-
Value added tax refund	6,880	-	10,765	-
Refund from suppliers	664	-	136	-
Other	622	-	650	2,233
Payments to suppliers and contractors	(145,509)	(24,016)	(242,866)	(142)
Wages and salaries paid	(12,217)	-	(22,766)	-
Payment of other taxes	(10,774)	-	(19,651)	-
Corporate income tax payment	(6,014)	-	(11,432)	-
Payments to other state funds	(2,433)	-	(4,820)	-
Rebates for undelivered goods	(316)	-	(970)	-
Others	(1,565)	-	(2,951)	(681)
Net cash received/(used in) from operating activities	**10,765**	**(24,016)**	**86,309**	**1,410**
Cash flow from investing activities				
Dividend received	-	-	-	52,729
Acquisition of property, plant and equipment	(30,669)	-	(30,448)	-
Loan disbursed and financial aid provided by related parties	2,133	2,133	(19)	(2,047)
Repayment received on loan issued	57,123	-	8,309	-
Acquisition of fixed asset investments	(187,462)	(187,462)	(7,500)	(52,419)
Sale of fixed asset investments	608,554	613,254	-	-
Other receipts	3	-	212	-
Interest paid	(12,377)	-	(28,107)	-
Deposit restricted in use	(377)	-	(86)	-
Net cash (used in) / received from investing activities	**436,928**	**427,925**	**(57,639)**	**(1,737)**
Cash flow from financing activities				
Proceeds from loans and borrowings	52,173	-	95,648	-
Dividends paid	(401,600)	(401,600)	-	-
Payment of lease liabilities	(1,866)	-	(3,309)	-
Repayment of loans and borrowings	(86,706)	-	(136,349)	-
Net cash received /(used in) from financing activities	**(437,999)**	**(401,600)**	**(44,010)**	**-**
Net increase/(decrease) in cash and cash	**9,694**	**2,309**	**(15,340)**	**(327)**
Cash and cash equivalents at the beginning of the year	1,308	270	17,539	597
Reserve for cash impairment	-	-	51	-
Exchange (loss)/gain on currency movement	531	-	(942)	-
Cash disposed on disposal of subsidiary	(8,954)	-	-	-
Cash and cash equivalents at the end of the year	**2,579**	**2,579**	**1,308**	**270**

The notes on pages 13 to 58 form an integral part of these financial statements.

1. The Group and its Operations

Kazphosphate Limited is a company incorporated in England and Wales. Its registered office address is 123 Pall Mall, London, SW1Y 5EA. The Group financial statements consolidate those of the Company and its subsidiaries (together referred to as a Group). The Parent Company financial statements present information about the Company as a separate entity and not as a group.

2. Basis of Preparation and Significant Accounting Policies

Basis of preparation

The financial statements have been prepared and approved by the directors in accordance with International Financial Reporting Standards (IFRS)"As adopted by the EU" under the historical cost convention, as modified by revaluation of some financial instruments and land and in accordance with those parts of the Companies Act 2006 relevant to companies, preparing financial statement in accordance with IFRS. In publishing the Parent Company financial statements here together with the Group financial statements, the Company has taken advantage of the exemption in s408 of the Companies Act 2006 not to present its individual statement of comprehensive income and related notes that form part of these approved financial statements.

The main accounting policies used in the preparation of these financial statements are set out below. These accounting policies have been consistently applied to all the periods presented unless stated otherwise. All amounts have been rounded to the nearest $1,000 except as otherwise indicated.

Preparation of the financial statements in conformity with IFRS requires the use of certain accounting estimates and assumptions. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

Basis of consolidation

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

All intra-group transactions, balances, income, and expenses are eliminated on consolidation. Uniform accounting policies are applied by the Group companies to ensure consistency.

Functional and presentation currency

The functional and presentation currency of the Company is US dollars ("USD"). All amounts in these Group financial statements are presented in thousands of USD except where stated otherwise. The functional currency of the Kazakh subsidiary is the Kazakhstan Tenge.

Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Group companies at the exchange rates prevailing on the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value into a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are generally recognised in profit and loss. Non-monetary items are measured based on historical cost in a foreign currency are not translated.

Foreign operations

The assets and liabilities of foreign operations are translated into USD at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into USD at the exchange rates at the dates of transactions. Foreign currency differences are recognised in statement of comprehensive income and accumulated in the translation reserve. When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the group disposes of only part of an associate or joint venture while retaining influence or joint control, the relevant proportion of the cumulative amount in the translation reserve is reclassified to profit or loss.

2. Basis of Preparation and Significant Accounting Policies (continued)

Going concern

These individual financial statements have been prepared on a break up basis, in accordance with IFRS as adopted by EU. The directors intend to allow for the company to be placed in the members voluntary liquidation in due course.

Associates

Associates are those entities over which the group has significant influence (directly or indirectly), but not control; generally, the share of voting rights in these companies is between 20% and 50%. Investments in associates are accounted for using the equity method of accounting and are recognised initially at cost. Dividends received from associates reduce the carrying value of investments in the associates. Other post-acquisition changes in the group share in net assets of associates are recognised as follows: (i) the group share of profit or losses of the associates is recognised in profit or loss for the year as share of the results of associates; (ii) the Company's share of other comprehensive income is recognised in other comprehensive income and is presented as a separate line.

However, when the Company's share of losses in associate equals or exceeds its investment in the associate, including any other unsecured receivables, the recognition of further losses is discontinued, except to the extent that the Company has an obligation or has made payments on behalf of the associate.

Unrealised gains arising from transactions between the Company and its associates are eliminated to the extent of the group's interest in the associate. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment of the asset transferred.

Joint ventures

The Group has applied IFRS 11 to all the joint arrangements as of 1 January 2012. Under IFRS 11 investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures. Joint ventures are accounted for using the equity method. Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of post –acquisition profits and losses and movement in other comprehensive income.

When the Group's share of losses in a joint venture equals or exceeds its interest in the joint venture, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint venture. The Group's share of joint venture's other comprehensive income or loss is recognised in other comprehensive income in the Group's financial statements.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures; unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. The Group's policy is to eliminate unrealised gains against the carrying amount of the investment in joint venture. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

Disposals of subsidiaries, associates, or joint ventures.

When the Group ceases to have control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in profit and loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity, are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are recycled to profit and loss.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit and loss where appropriate.

2. Basis of Preparation and Significant Accounting Policies (continued)

Property, plant and equipment

Property, plant and equipment, except for land, are measured at the acquisition or construction cost less accumulated depreciation and any accumulated impairment losses, if any. Land is measured at the revalued amount, which is determined based on periodic revaluations by external independent appraisers.

The initial cost includes all expenditures that is directly attributable to the acquisition of the related asset. The initial cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to construction, installation, bringing the asset to a working condition for their intended use, as well as costs of dismantling and removing the assets and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

The individual significant parts of an item of property, plant and equipment (components), whose useful lives are different from the useful life of the given asset as a whole are depreciated individually, applying depreciation rates reflecting their anticipated useful lives. Cost of replacing major parts or components of property, plant and equipment items are capitalised and the replaced part is retired.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to profit or loss for the year during the reporting period in which they are incurred.

Spare parts and servicing equipment are recognised within inventories in the statement of profit or loss and other comprehensive income as used.

The gain or loss on disposal of property, plant and equipment is the amount of the difference in the consideration received and their carrying amount is recognized in the statement of comprehensive income.

Lease

The Group evaluates whether the contract is a lease or contains lease relationship which based on new definition of a lease in accordance with IFRS 16 "Leases". The Group determines that the contract is a lease or contains lease relationship if, under this contract, the right is transferred to control the use of the identified asset for a certain period of time in exchange for compensation.

The Group uses practical simplifications and applies the exemption, which allows not to recognize right-of-use assets and liabilities under lease agreements, where the lease term is less than 12 months and where the underlying asset has a low value.

The Group determines the lease term based on the length of the period during which the contract is provided with legal protection. The Group believes that the legal protection of the lease is ensured by a contract (including its provisions on fines), concluded in writing form, in combination with applicable laws regarding the rights to extend or terminate the lease (in particular, the tenant's preferential rights to extend the lease). However, the Group determined that its prerogative right to extend the lease in itself cannot be considered valid in cases where the lessor may refuse the Group in its request to extend the lease. As a result, in relation to lease agreements in which a short period of validity (usually less than 12 months) is established, when the Group has a prerogative right to extend the lease in accordance with the law, but the lessor has the right to refuse the request of the Group to extend the lease, the Group determined that the lease term does not exceed the validity period specified in the contract (less than 12 months).

Right-of-use asset

The Group recognizes right-of-use assets at the commencement date of the lease (i.e. the date on which the underlying asset becomes available for use). Right-of-use assets are measured at historical cost, less accumulated depreciation and accumulated impairment losses, adjusted for reassessment of lease liabilities. The initial cost of a right-of-use asset includes the amount of recognized lease liabilities, initial direct costs incurred and lease payments which incurred at the commencement date and before that date of the lease, where also minus net of any incentive lease payments received.

2. Basis of Preparation and Significant Accounting Policies (continued)

Lease (continued)

If the Group does not have sufficient confidence that it will receive ownership of the leased asset at the end of the lease term, the recognized right-to-use asset is amortized on a straight-line basis over the shorter of the following periods: the estimated useful life of the asset or the lease term.

Short-term leases and leases of low value assets

For short-term leases and leases in which the underlying asset is of low value, the Group recognizes lease payments as an expense on a straight-line basis over the lease term.

Land revaluation

Land is subject to revaluation with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period. Increases in the carrying amount arising on revaluation are credited to other comprehensive income and increase the revaluation surplus in equity. Decreases that offset previous increases of the same asset are recognised in other comprehensive income and decrease the previously recognised revaluation surplus in equity; all other decreases are charged to profit or loss for the year. The revaluation reserve for land in equity is transferred directly to retained earnings on the retirement or disposal of the asset.

Depreciation

The depreciation is charged to the statement of profit or loss and other comprehensive income. Depreciation is calculated using the straight-line method to allocate their cost to revalued amounts to their residual value over their estimated useful lives of the item of property, plant and equipment, Land and construction in progress are not depreciated.

The expected useful lives of property, plant and equipment in the reporting and comparative periods are as follows:

	Useful lives in years
Buildings and structure	3-50
Machinery and equipment	7-20
Other assets	6-14
Land	Indefinite

The residual value of an asset is the estimated amount that the Group would currently obtain from disposal of the asset less the estimated costs of disposal, if the asset was already of the age and in the condition expected at the end of its useful life. The residual value of an asset is nil if the Group expects to use the asset until the end of its physical life. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Impairment of assets

At the end of each reporting period management assesses whether the indicators of impairment of property, plant and equipment exists. The carrying amounts of property, plant and equipment and all other non-financial assets are reviewed for impairment if there is any indication that the carrying amount may not be recoverable.

For the purpose of impairment testing the recoverable amount is measured by reference to the higher of "value in use" (being the net present value of expected future cash flows of a relevant cash generating unit) and "fair value less costs to sell" (the amount obtainable from the sale of an asset or cash generating unit in an arm's length transaction between knowledgeable, willing parties, who are independent from each other, less the costs of disposal). Where there is no binding sale agreement or active market, fair value less costs to sell is based on the best information available to reflect the amount the Group could receive for the cash generating unit. A cash generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

2. Basis of Preparation and Significant Accounting Policies (continued)

Impairment of assets (continued)

If the carrying amount of the asset exceeds its recoverable amount, the asset is deemed to be impaired and an impairment loss is charged to statement of comprehensive income so as to reduce the carrying amount in the individual statement of financial position to its recoverable amount. A previously recognised impairment loss is reversed if the recoverable amount increases as a result of a reversal of the conditions that originally resulted in the impairment. This reversal is recognised in profit or loss, and is limited to the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised in prior years.

Intangible assets

Intangible assets are stated at cost less accumulated amortisation and impairment loss, where required. Intangible assets include software licenses, development costs, mining rights, rent entitlements and capitalised costs on social program financing.

The cost includes all expenses on acquisition and implementation of intangible assets. Intangible assets are amortised using the straight-line method over their useful lives, as follows:

	Useful lives in years
Licenses and rights for subsurface use and rights for groundwater extraction	3-25
Software	5-6
Other intangible assets	3-25

If impaired, the carrying amount of intangible assets is written down to the higher of value in use and fair value less costs to sell.

Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity. The cost of inventories is based on the first-in first-out principle. Net realisable value is the estimated selling price in the ordinary course of business, less the cost of completion and selling expenses.

Financial instruments

Key measurement terms

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortised cost;
- fair value through profit or loss (FVTPL);
- fair value through other comprehensive income (FVOCI).

Financial instruments of the Group include financial assets and financial liabilities which are carried at amortised cost as described below.

Amortised cost is the amount at which the financial instrument was recognised at initial recognition less any principal repayments, plus accrued interest, and for financial assets less any write–down for expected impairment losses. Accrued interest includes amortisation of transaction costs deferred at initial recognition and of any premium or discount to maturity amount using the effective interest method. Accrued interest income and accrued interest expense including both accrued coupon and amortised discount or premium (including fees deferred at origination, if any), are not presented separately and are included in the carrying values of related items in the statement of financial position.

2. Basis of Preparation and Significant Accounting Policies (continued)

Financial instruments (continued)

The effective interest method is a method of allocating interest income or interest expense over the relevant period, to achieve a constant periodic rate of interest (effective interest rate) on the carrying amount. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts (excluding future credit losses) through the expected life of the financial instrument or a shorter period, if appropriate, to the net carrying amount of the financial instrument. The effective interest rate discounts cash flows of variable interest instruments to the next interest repricing date, except for the premium or discount which reflects the credit spread over the floating rate specified in the instrument, or other variables that are not reset to market rates. Such premiums or discounts are amortised over the whole expected life of the instrument. The present value calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate.

Initial recognition of financial instruments

Financial instruments are initially recorded at fair value plus transaction costs. Fair value at initial recognition is best evidenced by the transaction price. A gain or loss on initial recognition is only recorded if there is a difference between fair value and transaction price which can be evidenced by other observable current market transactions in the same instrument or by a valuation technique whose inputs include only data from observable markets

Financial assets

Financial assets of the Group include restricted cash, cash and cash equivalents, bank deposits, loans issued and trade and other accounts receivable.

Restricted cash

Restricted cash includes Group's cash placed on special bank accounts with limited access of the Group.

Cash and cash equivalent

Cash and cash equivalents include cash on hand, cash on current accounts in banks, cash on short-term bank deposits with maturity less than 3 months from inception.

Bank deposits

Bank deposits include funds in savings accounts with an initial maturity of more than three months from inception.

Loans issued

Loans issued evaluated at fair value and subsequently at amortized cost using effective interest rate method.

Trade and other accounts receivable

Trade and other accounts receivable are recognized in the statement of financial position at amounts of invoices for payment net of allowance for doubtful debts which are calculated on the basis of expected loss. Trade and other accounts receivable primarily evaluated at fair value, subsequently at amortized cost using method of effective interest rate.

Subsequent measurement of financial assets

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows;
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, they are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is not material.

2. Basis of Preparation and Significant Accounting Policies (continued)

Derecognition of financial assets

The Group derecognizes financial assets when (a) the assets are redeemed or the rights to cash flows from the assets otherwise expire or (b) the Group has transferred the rights to the cash flows from the financial assets or entered into a qualifying pass–through arrangement while (i) also transferring substantially all risks and rewards of ownership of the assets or (ii) neither transferring nor retaining substantially all risks and rewards of ownership but not retaining control. Control is retained if the counterparty does not have the practical ability to sell the asset in its entirety to an unrelated third party without needing to impose additional restrictions on the sale.

Impairment of financial assets carried at amortized cost

Expected impairment losses are defined as the difference between all the contractual cash flows that are due to an entity and the cash flows that it actually expects to receive ("cash shortfalls"). This difference is discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The assessment of impairment for financial assets can either be individually or collectively and is based on how an entity manages its credit risk. If an entity has a small number of receivables with large value and these receivables are managed on an account basis (i.e. individually) it may not be appropriate in that case to base the impairment on a provision matrix as such a matrix would unlikely be in line with the expected credit loss of the individual receivable.

Recognition of credit losses is no longer dependent on the Group first identifying a credit loss event. Instead the Group considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ("Stage 1")
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ("Stage 2").
- "Stage 3" would cover financial assets that have objective evidence of impairment at the reporting date.

"12-month expected credit losses" are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

If the terms of an impaired financial asset held at amortized cost are renegotiated or otherwise modified because of financial difficulties of the counterparty, impairment is measured using the original effective interest rate before the modification of terms.

Uncollectible assets are written off against the related impairment loss provision after all the necessary procedures to recover the asset have been completed and the amount of the loss has been determined. Subsequent recoveries of amounts previously written off are credited to impairment loss account within the profit or loss for the year.

Offsetting of financial instruments

Financial assets and financial liabilities may be offset, and net amount may be disclosed in the statement of financial position only when there is a legally enforceable right to offset recognized amounts and the Group intends either to offset or to sell the asset and settle the liability simultaneously.

Impairment

Investments accounted for using the equity method

Impairment with respect to investments accounted for using the equity methods assessed by comparing the recoverable cost of investments and its carrying amount. Impairment losses are recognised in profit or loss and reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

2. Basis of Preparation and Significant Accounting Policies (continued)

Financial liabilities

Financial liabilities of the Group include financial liabilities carried at amortized cost.

Loans payable, trade accounts payable and other payables

Loans payable, trade accounts payable and other payables are initially measured at fair value and subsequently at amortized cost using the effective interest rate method.

Lease liabilities

At the commencement date of the lease, the Group recognizes lease liabilities that are measured at the present value of the lease payments that will be made during the lease term. Lease payments include fixed payments (including substantially fixed payments) minus any incentive payments on a lease receivable, variable lease payments, which depend on the index or rate, and the amount that is expected to be paid on residual value guarantees. Lease payments also include the perform price of the purchase option, if there is sufficient confidence that the Group will perform this option, and payment of penalties for terminating the lease, if the lease term reflects the Group's potential exercise of the termination option. Variable lease payments that are independent of the index or rate are recognized as an expense in the period in which an event or condition leading to such payments. If the interest rate which laid down in the lease agreement cannot be easily determined, to calculate the present value of the lease payments, the Group uses the rate of raising additional borrowed funds on the date the lease begins. After the lease commencement date, lease liabilities increase to reflect interest accruals and decrease to reflect lease payments made. In addition, the carrying amount of lease liabilities is reassessed in the event of a modification, a change in the lease term, a change in the substance of fixed lease payments or a change in the valuation of an option to purchase an underlying asset.

Non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU. Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

The Group's corporate assets do not generate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

Impairment losses are recognised in the cases, when the carrying amount of an asset or CGU, to which this asset relates to, exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Prepayments

A prepayment is classified as non-current when the goods or services relating to the prepayment are expected to be obtained after one year, or when the prepayment relates to an asset which will itself be classified as non-current upon initial recognition.

2. Basis of Preparation and Significant Accounting Policies (continued)

Prepayments to acquire assets are transferred to the carrying amount of the asset once the Group has obtained control of the asset and it is probable that future economic benefits associated with the asset will flow to the Group. Prepayments paid for future supplies of inventories are recorded within other current assets. Other prepayments are written off to profit or loss when the goods or services relating to the prepayments are received. Prepayments denominated in foreign currencies for goods and services are non-monetary items, and are recorded by the market rate ruling at the date of the prepayment, and are not subject to translation at the reporting date. If there is an indication that the assets, goods or services relating to a prepayment will not be received, the carrying value of the prepayment is written down accordingly and a corresponding impairment loss is recognised in profit or loss.

Provision for asset retirement and site restoration obligations

Asset retirement and site restoration obligations for fields under development are recognised when it is highly probable that the cost would be incurred, and those costs can be measured reliably. Site restoration costs related to fields under development include the costs of rehabilitation and costs of liquidation (dismantling or demolition of infrastructure facilities, removal of residual materials and restoration of disturbed land).

Provision for the estimated costs of liquidation, rehabilitation and restoration are established and charged to the cost of property, plant and equipment in the reporting period when the obligation arises based on net present value of estimated future costs.

Provisions for asset retirement obligations do not include any additional obligations expected to arise from future disturbance and damage. The costs are estimated on the basis of a closure and restoration plan. The costs are estimated annually during the course of operations to reflect known developments, e.g. updated cost estimates and revised estimated useful life of an asset or the estimated terms of operations and are subject to regular formal reviews.

The Group estimates its costs based on feasibility and engineering studies using the current restoration standards and techniques for conducting restoration and remediation works.

The amortisation or "unwinding" of the discount applied in establishing the net present value of provisions is charged to the statement of profit or loss and other comprehensive income in each reporting period. The amortisation of the discount is shown as finance costs. Other changes in the provisions for site restoration obligations, resulting from updated cost estimates, changes to the estimated lives of operations and revisions to discount rates are capitalised within property, plant and equipment. These costs are then depreciated over the lives of the assets to which they relate using the depreciation methods applied to those assets. Where restoration and rehabilitation works are conducted systematically over the term of the operations, rather than at the time of closure, provision is made for the estimated outstanding continuous restoration work at each reporting date and the costs are charged to profit or loss.

Capitalisation of borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial time to get ready for intended use or sale (qualifying assets) are capitalised as part of the costs of those assets, if the commencement date for capitalisation is on or after 1 January of the financial year or later.

The commencement date for capitalisation is when (a) the Group incurs expenditures for the qualifying asset; (b) it incurs borrowing costs; and (c) it undertakes activities that are necessary to prepare the asset for its intended use or sale.

Capitalisation of borrowing costs continues up to the date when the assets are substantially ready for their use or sale.

The Group capitalises borrowing costs that could have been avoided if it had not made capital expenditure on qualifying assets. Borrowing costs capitalised are calculated at the Group average funding cost (the weighted average interest cost is applied to the expenditures on the qualifying assets), except to the extent that funds are borrowed specifically for the purpose of obtaining a qualifying asset. Where this occurs, actual borrowing costs incurred less any investment income on the temporary investment of those borrowings are capitalised.

Trade payables per main activities

Trade payables per main activities are accrued when the counterparty performed its obligations under the contract, and are recorded at amortised cost using the effective interest method.

Value added tax (VAT)

Value-added tax related to sales is payable to the tax authorities when goods are shipped or services are rendered. Input VAT can be offset against output VAT upon the receipt of a tax invoice from a supplier. Tax legislation allows the settlement of VAT on a net basis. Accordingly, VAT related to sales and purchases unsettled at the reporting date is stated in the statement of financial position on a net basis.

2. Basis of Preparation and Significant Accounting Policies (continued)

Income tax

Income taxes have been provided for in the individual financial statements in accordance with applicable local tax legislation. The income tax charge comprises current (corporate and excess profit) taxes and deferred taxes, and is recognised in profit or loss, except for where it is recognised in the same or a different period in other comprehensive income or directly in equity.

Current tax is the amount expected to be paid to or recovered from the state budget in respect of taxable profits or losses for the current and prior periods. Taxable income or losses are based on estimates where the individual financial statements are authorised prior to the filling of the relevant tax returns. Taxes, other than income tax, are recorded within operating expenses.

Deferred tax is recognised using the balance sheet method in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. In accordance with the initial recognition exception, the deferred income tax is not recognised in respect of temporary differences arising on initial recognition of an asset or liability in a transaction that is not a business combination and that affects neither accounting nor taxable profit nor loss.

Deferred tax is measured at the corporate tax rates and excess profit tax rates that enacted or substantively enacted at the reporting date and that are expected to be applied to the period when the temporary differences are reversed or the tax loss carry-forwards are utilised.

Deferred tax assets for deductible temporary differences and tax loss carry-forwards are recorded only to the extent that it is probable that future taxable profit will be available against which the deductions can be utilised.

The Group's uncertain tax positions are reassessed by management at the end of each reporting period. Liabilities are recorded for income tax positions that are determined by management as more likely than not to result in additional taxes being levied if the positions of the Group's were to be challenged by the tax authorities. The assessment is based on the interpretation of tax laws that have been enacted or substantively enacted by the end of the reporting period and any known court or other rulings on such issues. Liabilities for penalties, interest and taxes other than on income are recognised based on management's best estimate of the expenditure required to settle the obligations at the end of the reporting period.

Revenue recognition

In 2018 IFRS 15 was adopted and it determines when and how a company must recognize revenue (income), as well as the requirements for disclosing sufficient information about revenue. IFRS 15 offers a single model of five basic steps for revenue recognition, which will apply to all contracts with customers and clients.

The Company, in recognition of revenue, takes the following steps:

- identify of the contract(s) with a consumer;
- identify the performance obligations in the contract;
- determine the transaction price;
- allocate the transaction price to the performance obligations in the contract;
- recognise revenue when (or as) the entity satisfies a performance obligation.

The main principle is that revenue is recognized at the time or as it transfers the promised goods (services) to customers (clients) in an amount corresponding to the remuneration that the company expects and to which it has the right in exchange for goods or services.

Revenue from services is recognised in the same reporting period in which these services were performed by applying the proportion of actual services performed to date from total services to be provided under the contract.

Revenues are shown net of VAT and discounts.

Revenues are measured at the fair value of the consideration received or receivable. When the fair value of goods received in a barter transaction cannot be measured reliably, the revenue is measured at the fair value of the goods or service given up.

Interest income is recognised on a time-proportion basis using the effective interest method.

2. Basis of Preparation and Significant Accounting Policies (continued)

Revenue recognition (continued)

Payroll expenses and related charges

The expenses for salaries, social tax, social insurance fund contributions, annual paid vacations and sick leaves, bonuses and non-cash benefits in kind are accrued as the respective services are provided by the Group's employees.

In compliance with Kazakhstan legislation the Group withholds pension contributions from employees' salaries and remits them to pension funds selected by employees. When an employee retires, all the related payments are made by the respective pension fund.

Employee benefits

The Group provides long-term employee benefits to employees before, on and after retirement, in accordance with a Collective Labour Agreement. The Collective Labour Agreement provides for one-off retirement payments, financial aid for employees' disability, significant anniversaries and funeral aid to the Group's employees. The entitlement to some benefits is usually conditional on the employee remaining in service up to retirement age and the completion of a minimum service period. Such benefits are valued consistently with an unfunded defined plan in accordance with IAS 19, Employee Benefits.

The Group's net obligation in respect of long-term employee benefits, different from the payments on pension plans, is the amount of future benefit that employees have earned in return for their service in the current and prior periods and usually depends on the employee's minimum period of service. That benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The discount rate is the yield at the reporting date on government bonds that have maturity dates approximating the terms of the Group's obligations and that are denominated in the same currency in which the benefits are expected to be paid. The calculation is performed using the projected unit credit method. Revaluations are recognised in profit or loss in the period in which they arise. The employee obligations are valued periodically.

Discontinued operation

A discontinued operation is a component of the company's business (i.e. the operations and cash flows can be clearly distinguished, operationally and for financial reporting purposes, from the rest of the company). It also represents a separate major line of business or geographical area of operations, or is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations.

Classification as a discontinued operation occurs on disposal or when the operation meets the criteria to be classified as held for sale, if earlier.

Finance income and finance costs

Finance income and costs comprise interest expense on borrowings and loans payable, deposits, loans issued by the group to its employees, interest income/expense from unwinding of discount on provision for asset retirement obligations and other financial assets and liabilities, net foreign exchange gains and losses related to respective financial assets and liabilities on a net basis.

Provisions for liabilities and charges

Provisions for liabilities and charges are non-financial liabilities of uncertain timing or amount. They are accrued when the group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

Regional social development liabilities

Provisions for regional social investment are community social investment liabilities in the Zhambyl Region of the Republic of Kazakhstan, which are mandatory pursuant to acquisition of subsurface use rights. These social expenses are recognised as part of acquisition cost after initial recognition, and relevant liabilities are recognised at present value of future social expenses during exploration and extraction stage.

3. Critical Accounting Estimates and Judgements in Applying Accounting Policies

The Group makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial period. Estimates and judgments are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Management also makes certain judgments, apart from those involving estimations, in the process of applying the accounting policies. Judgments that have the most significant effect on the amounts recognised in the financial statements and estimates that can cause a significant adjustment to the carrying amount of assets and liabilities within the next financial period include:

Useful lives of property, plant and equipment

Estimation of useful lives of property, plant and equipment is a matter of judgement based on previous experience with similar assets. The future economic benefits embodied in the assets are mainly consumed through the use. However, other factors, such as technical or commercial obsolescence and wear and tear, often result in the diminution of the economic benefits embodied in the assets. Management assesses the remaining useful lives in accordance with the current technical conditions of the assets and estimated period during which the assets are expected to earn benefits for the Group. The following primary factors are considered: (a) expected usage of the assets; (b) expected physical wear and tear, which depends on operational factors and maintenance programme; and (c) technical or commercial obsolescence arising from changes in market conditions.

Subsurface use contracts

The Group has several subsurface use contracts that expire during 2020-2040. The Group complies with contractual obligations and believes that extension of the subsurface use contract is probable and mining operations will continue in the long run. State authorities inspect the Group for compliance with the subsurface use contract requirements on a regular basis. No material violations were detected. Subsurface use contract term is considered when determining useful lives of property, plant and equipment and when estimating provision for asset retirement and site restoration obligations.

Provisions for asset retirement and site restoration obligations

In accordance with the environmental legislation and the contracts on subsurface use, the Group has a legal obligation to remediate damage caused to the environment from its operations and to decommission its assets and restore a landfill site after its closure. Provision is made based on net present values for site restoration and rehabilitation costs as soon as the obligation arises from past activities. The provision is estimated based on the Group interpretation of current environmental legislation in the Republic of Kazakhstan and the Group related program for liquidation of subsurface use consequences on the contractual area and other operations supported by the feasibility study and engineering researches in accordance with the existing rehabilitation standards and techniques. Estimations of the restoration costs are subject to potential changes in environmental regulatory requirements and the interpretation of the legislation. Provisions for site restoration obligations are recognised when they are probable and can be measured reliably.

No provision existed as at December 31, 2021, because the subsidiary was sold on the year. The carrying amount of the provision for asset retirement and restoration of phosphate ore fields in 2020 was US Dollars 2,725 thousand. At December 31, 2020, the carrying amount of the provision for assets retirement and restoration of groundwater fields was US Dollars 488 thousand.

Government grants

The benefit from reimbursement of interest expense by the government is treated as a state government grant. The benefit from the usage of interest rate below market rate is measured as difference between the fair value of the loan at the receipt of the loan and proceeds received. Government grant is recognised if there is a reasonable assurance that the grant will be received, and the Group will comply with the conditions of receiving the grant. Grants related to the purchase of property, plant and equipment are recognised within long term liabilities as deferred revenue and transferred to profit or loss over the useful lived of the related assets. Government grants for reimbursement if expenses are recognised as deferred revenue and recognised in profit or loss within "Other operating income" line item during the corresponding period of incurring of related costs for which the grants are intended to compensate. For the year ended 31 December 2020 the Group recognised deferred income in the amount of 608 thousand US dollars.

3. Critical Accounting Estimates and Judgements in Applying Accounting Policies (continued)

Revaluation of land

Due to disposal of the subsidiary and the land it owned, as at December 31, 2021, the fair value of land was US Dollars nil. In 2020 it was US Dollars 34,421 thousand and was categorised to Level 2 based on the input such as quotations of similar assets in the active markets (method of comparable sales) or quotations on the identical or similar assets in the non-active markets (method of the normative (cadastral) value). The cadastral value, in its turn, represents the historic data on property valuation performed by the state authorities for a certain period of time for all lands of the territory of the Republic of Kazakhstan.

Related party transactions

In the normal course of business, the Group enters into transactions with its related parties. IFRS 9 requires initial recognition of financial instruments based on their fair values. Judgment is applied in determining if transactions are priced at market or non-market interest rates, where there is no active market for such transactions. The basis for judgment is pricing for similar types of transactions with unrelated parties (Note 32).

4. New and Revised International Financial Reporting Standards

Standards and interpretations adopted this year

The accounting policy adopted in the preparation of the individual financial statements is consistent with that applied in the preparation of the Group's financial statements for the year ended December 31, 2020, except for the newly adopted standards and interpretations effective as at 1 January 2021.

The Group has not early adopted any other standard, interpretation or amendment that has been issued but not yet effective.

IFRS 3 Business Combinations

The amendments to IFRS 3 clarify that, to be considered a business, an integrated set of activities and assets must include at least input and a fundamentally significant process that together can significantly contribute to the creation of outputs. It also clarifies that a business does not have to include all the inputs and processes needed to generate outputs. These amendments did not have any impact on the Company's individual financial statements, but may be applicable in the future if the Company enters into a business combination.

Amendments to IFRS 7, IFRS 9 and IAS 39 - Interest Rate Reform

The amendments to IFRS 7, IFRS 9, IAS 39 Financial Instruments: Recognition and Measurement provide a number of exemptions that apply to all hedging relationships directly affected by the interest rate reform. The interest rate reform affects hedging relationships if, as a result, it creates uncertainties about the timing and / or the amount of cash flows based on the benchmark interest rate for the hedged item or the hedging instrument. These amendments did not have an impact on the individual financial statements of the Company as it does not have an interest rate-based hedging relationship.

Amendments to IAS 1 and IAS 8 - Determination of Materiality

The amendments propose a new definition of materiality, according to which "information is material if omission, misstatement or masking can reasonably be expected to influence the decisions of the principal users of general purpose financial statements that they make on the basis of these financial statements that provide financial information about a specific reporting entity. The amendments clarify that materiality will depend on the nature or quantity of the information (whether taken separately or in combination with other information) in the context of the financial statements as a whole. Misstatement is material if it can reasonably be expected to influence the decisions of the primary users of the financial statements.

4. New and Revised International Financial Reporting Standards (continued)

Amendments to IAS 1 and IAS 8 - Determination of Materiality (continued)

These amendments did not have any impact on the Company's individual financial statements and it is expected that there will be no future impact either.

Conceptual Framework for the Presentation of Financial Statements, issued 29 March 2018

The Conceptual Framework is not a standard, and none of the provisions of the Conceptual Framework take precedence over any provision or requirement of the standard. The objectives of the Conceptual Framework are to: assist the IASB in developing standards; assist preparers of financial statements in the development of accounting policies when none of the standards govern a particular transaction or other event; and assist all parties to understand and interpret the standards. This document will have an impact on organizations that develop their accounting policies in accordance with the provisions of the Conceptual Framework. The revised Conceptual Framework contains several new concepts, updated definitions of assets and liabilities and criteria for their recognition, and clarifies some significant provisions.

This amendment did not have any impact on the Company's individual financial statements.

Amendments to IFRS 16 - Covid-19 related lease concessions

On 28 May 2020 the IASB issued an amendment to IFRS 16 Leases - Lease concessions related to the Covid-19 pandemic. The amendment provides an exemption for lessees from applying the requirements of IFRS 16 to account for modifications to leases in the event of lease concessions that arise as a direct consequence of the Covid-19 pandemic. As a practical expedient, the tenant may choose not to analyze whether the rental concession provided by the landlord in connection with the Covid-19 pandemic is a modification of the lease. A lessee who decides to do so should account for any change in lease payments arising from a lease assignment related to the Covid-19 pandemic, in the same way that the change would be accounted for under IFRS 16 if it were not a contract modification lease.

These amendments are effective for annual reporting periods beginning on or after 1 June 2020. Earlier application is permitted. These amendments did not have any impact on the Company's individual financial statements.

New and revised IFRSs - issued but not yet effective

The Company has not adopted the following new and revised IFRSs, interpretations or amendments, issued but not yet effective:

IFRS 17 Insurance Contracts

In May 2017, the IASB issued IFRS 17 Insurance Contracts, a new comprehensive financial reporting standard for insurance contracts that addresses recognition and measurement, presentation and disclosure. When IFRS 17 becomes effective, it will replace IFRS 4 Insurance Contracts, which was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e. life and insurance other than life insurance, direct insurance and reinsurance), regardless of the type of entity that issues them, as well as certain guarantees and financial instruments with conditions discretionary participation. There are several exceptions to the scope. The main objective of IFRS 17 is to provide an accounting model for insurance contracts that is more efficient and consistent for insurers. Unlike the requirements of IFRS 4, which are largely based on previous local accounting policies, IFRS 17 provides a comprehensive accounting model for insurance contracts, covering all relevant accounting aspects. IFRS 17 is effective for reporting periods beginning on or after 1 January 2023, with comparative information required. This standard is not applicable to the Company.

4. New and Revised International Financial Reporting Standards (continued)

Amendments to IAS 1 - Classification of Liabilities as Current or Non-current

In January 2020 the IASB issued amendments to paragraphs 69-76 of IAS 1, which clarify the requirements for classifying liabilities as current or non-current. The amendments clarify the following:

- what is meant by the right to defer settlement of obligations;
- the right to defer settlement of obligations must exist at the end of the reporting period;
- the classification of the liability is not affected by the likelihood that the entity will exercise its right to defer settlement of the liability;
- the terms of the liability will not affect its classification only if the embedded derivative in the convertible liability is itself an equity instrument.

These amendments are effective for annual periods beginning on or after 1 January 2023 and are applied retrospectively. The Company is currently analyzing the possible impact of these amendments on the current classification of liabilities and the need to renegotiate the terms of the existing loan agreements.

Amendments to IFRS 3 - "References to Conceptual Framework"

In May 2020, the IASB issued amendments to IFRS 3 Business Combinations - Conceptual References. The purpose of these amendments is to replace the references to the Framework for the Preparation and Presentation of Financial Statements issued in 1989 with references to the Conceptual Framework for the Presentation of Financial Statements issued in March 2018, without significantly changing the requirements of the standard.

The Board also added an exemption from the recognition principle in IFRS 3 to avoid potential "Day 2" gains or losses for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC Interpretations 21 "Mandatory payments", if they arise in the framework of separate transactions. At the same time, the Board decided to clarify the existing requirements of IFRS 3 for contingent assets, which would not be affected by the replacement of references to the Framework for the Preparation and Presentation of Financial Statements.

These amendments are effective for annual periods beginning on or after 1 January 2022 and are applied prospectively. These amendments are not expected to have a material impact on the Company's individual financial statements.

Amendments to IAS 16 - Property, Plant and Equipment: Proceeds before Intended Use

In May 2020, the IASB issued Property, Plant and Equipment: Proceeds Before Intended Use, which prohibits entities from deducting from the cost of an item of property, plant and equipment any proceeds from the sale of items produced by bringing the item to and from its location, condition that is required for its operation in accordance with the intentions of management. Instead, the entity recognizes the proceeds from the sale of those items and the cost of manufacturing those items in profit or loss.

These amendments are effective for annual periods beginning on or after 1 January 2022 and must be applied retrospectively to those items of property, plant and equipment that became available for use on or after the commencement date of the earliest presented in the financial reporting period in which the entity first applies these amendments. The amendments are not expected to have a significant impact on the Company.

Amendments to IAS 37 - Onerous Contracts - Contract Performance Costs

In May 2020 the IASB issued amendments to IAS 37, which clarify what costs an entity should consider when assessing whether a contract is onerous or unprofitable.

The amendments provide for a "cost directly attributable to the contract" approach. Costs directly attributable to a contract for the provision of goods or services include both the incremental costs of performing that contract and allocated costs directly attributable to the performance of the contract. General and administrative costs are not directly related to the contract and are therefore excluded unless they are explicitly recoverable by the contractual counterparty.

4. New and Revised International Financial Reporting Standards (continued)

Amendments to IAS 37 - Onerous Contracts - Contract Performance Costs (continued)

These amendments are effective for annual periods beginning on or after 1 January 2022. The Company will apply the amendments to contracts for which it has not yet met all of its obligations at the beginning of the annual reporting period in which it first applies the amendments.

These amendments are not expected to have a material impact on the Company's individual financial statements.

Amendment to IFRS 1 First-time Adoption of International Financial Reporting Standards - First-time adopter of International Financial Reporting Standards

As part of the annual improvement process to IFRSs 2018-2020 period, the IASB issued an amendment to IFRS 1 First-time Adoption of International Financial Reporting Standards. Under the amendment, a subsidiary that elects to apply paragraph D16 (a) of IFRS 1 is entitled to measure cumulative exchange differences using the amounts reported in the parent's financial statements based on the parent's transition date to IFRSs. The amendment is also applicable to associates and joint ventures that choose to apply paragraph D16 (a) of IFRS 1.

This amendment is effective for annual periods beginning on or after 1 January 2022. Earlier application is permitted. This amendment is not expected to have a significant impact on the Company's individual financial statements.

Amendment to IFRS 9 Financial Instruments - 10% test fee on derecognition of financial liabilities

As part of the annual improvement process to IFRSs 2018-2020 period, the IASB issued an amendment to IFRS 9. The amendment clarifies the amount of fees an entity considers when assessing whether the terms of a new or modified financial liability are materially different from the terms of the original financial obligation. Such amounts include only those fees paid or received between the specified lender and the borrower, including fees paid or received by the lender or borrower on behalf of another party. An entity shall apply this amendment to financial liabilities that have been modified or replaced at the beginning (or after) the annual reporting period in which the entity first applies the amendment.

This amendment is effective for annual periods beginning on or after 1 January 2022. Earlier application is permitted. The Company expects that this amendment will not have a significant impact on the Company's individual financial statements.

Amendment to IAS 41 Agriculture - Taxation in Fair Value Measurement

As part of the annual improvement process to IFRSs 2018-2020 period, the IASB issued an amendment to IAS 41 Agriculture. This amendment removes the requirement in paragraph 22 of IAS 41 that entities exclude tax cash flows when measuring the fair value of assets within the scope of IAS 41. An entity must apply the amendment prospectively, with respect to fair value measurements at or after the commencement date of the first annual reporting period beginning on or after 1 January 2022, with earlier application permitted.

The Company expects that this amendment will not have a significant impact on the Company's individual financial statements.

5. Property, Plant and Equipment

GROUP

In thousands of US Dollars	Land	Buildings and constructions	Machinery and equipment	Other assets	Construction in progress	Total
Cost or revalued amount at 1 January 2020	**37,869**	**289,205**	**197,007**	**53,748**	**3,598**	**581,427**
Additions	-	3	444	62	44,399	44,908
Disposals	-	(59)	(781)	(88)	-	(928)
Foreign currency differences	(3,448)	(5,830)	(11,032)	(4,359)	(696)	(25,365)
Impairments	-	-	-	-	(5)	(5)
Transfers to intangible asset	-	-	-	-	(97)	(97)
Transfers	-	1,085	11,943	4,259	(17,287)	-
Balance at 31 December 2020	**34,421**	**284,404**	**197,581**	**53,622**	**29,912**	**599,940**
Accumulated depreciation at 1 January 2020	-	**185,727**	**130,364**	**28,483**	**(2,079)**	**342,495**
Charge for year	-	17,377	12,671	4,534	-	34,582
Disposals	-	(58)	(775)	(84)	-	(917)
Foreign currency differences	-	(1,398)	(4,972)	(2,064)	-	(8,434)
Accumulated depreciation at 31 December 2020	-	**201,648**	**137,288**	**30,869**	**(2,079)**	**367,726**
Net Carrying amount at 31 December 2020	**34,421**	**82,756**	**60,293**	**22,753**	**31,991**	**232,214**
Cost or revalued amount at 1 January 2021	**34,421**	**284,404**	**197,581**	**53,622**	**29,912**	**599,940**
Additions	-	1,746	58	92	36,267	38,163
Disposals	(34,421)	(282,667)	(196,233)	(53,500)	(59,620)	(626,441)
Foreign currency differences	-	(3,411)	(4,366)	(1,723)	(1,628)	(11,128)
Impairments	-	(600)	-	-	-	(600)
Transfers	-	528	2,960	1,509	(4,931)	66
Balance at 31 December 2021	-	-	-	-	-	-
Accumulated depreciation at 1 January 2021	-	**201,648**	**137,288**	**30,869**	**(2,079)**	**367,726**
Charge for year	-	1,249	4,717	1,753	-	7,719
Transfers	-	4	(4)	-	-	-
Disposals	-	(202,296)	(139,781)	(31,717)	(2,079)	(371,716)
Foreign currency differences	-	(604)	(2,220)	(905)	-	(3,729)
Accumulated depreciation at 31 December 2021	-	-	-	-	-	-
Net Carrying amount at 31 December 2021	-	-	-	-	-	-

5. Property, Plant and Equipment (continued)

During the year company sold its main trading subsidiary, disposing of all fixed assets held.

6. Intangible Assets

GROUP

The movements in the cost of intangible assets are presented below:

In thousands of US dollars	Software	Licenses and Other	Mining rights	Rent entitle-ments	Good-will	Total
Cost Balance at 1 January 2020	**431**	**1,839**	**74,464**	**1,701**	**-**	**78,435**
Additions	-	55	-	-	107,897	107,952
Transfer from property, plant and equipment	4	93	-	-	-	97
Foreign currency differences	(42)	(171)	-	-	-	(213)
Balance at 31 December 2020	**393**	**1,816**	**74,464**	**1,701**	**107,897**	**186,271**
Accumulated amortisation at 1 January 2020	**308**	**797**	**59,571**	**1,701**	**-**	**62,377**
Impairment of goodwill	-	-	-	-	107,897	107,897
Amortisation	33	195	4,964	-	-	5,192
Foreign currency differences	(30)	(79)	-	-	-	(109)
Accumulated amortisation at 31 December 2020	**311**	**913**	**64,535**	**1,701**	**107,897**	**175,357**
Net carrying amount at 31 December 2020	**82**	**903**	**9,929**	**-**	**-**	**10,914**
Cost at 1 January 2021	**393**	**1,816**	**74,464**	**1,701**	**107,897**	**186,271**
Additions	2	30	-	-	-	32
Disposal	(389)	(1,844)	(74,440)	(1,701)	(107,897)	(186,271)
Foreign currency differences	(6)	(2)	(24)	-	-	(32)
Balance at 31 December 2021	-	-	-	-	-	-
Accumulated amortisation at 1 January 2021	**311**	**913**	**64,535**	**1,701**	**107,897**	**175,357**
Amortisation	12	3	37	-	-	52
Disposal	(318)	(915)	(64,559)	(1,701)	(107,897)	(175,390)
Foreign currency differences	(5)	(1)	(12)	-	-	(18)
Accumulated amortisation at 31 December 2021	-	-	-	-	-	-
Net carrying amount at 31 December 2021	-	-	-	-	-	-

During the year company sold its main trading subsidiary, resulting in disposal of intangible assets.

7. Investments in joint venture

GROUP

In thousands of US dollars

	Joint venture
Carrying value at 1 January 2020	**1,409**
Exchanges differences	(137)
Share of profit	453
Carrying value 31 December 2020	**1,725**
Carrying value at 1 January 2021	**1,725**
Disposal	(1,725)
Carrying value 31 December 2021	**-**

During the year company sold its main trading subsidiary.

8. Other Non-current Assets

GROUP

In thousands of US dollars	31 December 2021	31 December 2020
Prepayments for property, plant and equipment and related services	-	6,363
Right-of-use assets	-	271
Restricted cash	-	576
Reserve for impairment of restricted cash	-	(13)
Total other non-current assets	**-**	**7,197**

As at December 31, 2020 restricted cash was denominated in tenge.
The changes in 2020 in the reserve for impairment are presented below:

In thousands of US dollars	31 December 2021	31 December 2020
Balance as at 1 January	13	12
Translation reserve	-	2
Disposed during the year	(13)	(1)
Balance as at December 31	**-**	**13**

9. Investments in subsidiary

COMPANY

In thousands of US dollars	**Shares in subsidiary undertakings**
Cost	
1 January 2020	143,504
Additions	52,419
Impairment	(52,419)
Balance 31 December 2020	**143,504**
1 January 2021	143,504
Additions	187,462
Disposal	(330,966)
Balance 31 December 2021	**-**
Carrying amount	
At 31 December 2021	**-**
At 31 December 2020	**143,504**

During the year the company disposed of its holding in Kazphosphate LLP, a company incorporated in Kazakhstan. This resulted in profit of $443,112 thousand. In addition, the company sold its investment in Almaty Mega Finance LLP, a company incorporated in Kazakhstan. This resulted in loss of US$98,624 thousand, note 40.

10. Inventories

GROUP

In thousands of US dollars	**2021**	**2020**
Raw materials	-	22,771
Work in progress	-	21,243
Finished products	-	28,845
Goods for resale	-	423
Goods in transit	-	9,627
Less: provisions for obsolete and slow-moving inventory	-	(265)
Total inventories	**-**	**82,644**

11. Trade and Other Receivables

GROUP

In thousands of US dollars	2021	2020
Financial assets		
Trade receivables	-	28,198
Less: provision for impairment loss	-	(1,552)
Total	**-**	**26,646**
Advances paid for inventory and services	-	1,159
Other receivables	64	206
Less: provision for impairment loss	-	(165)
Total	**64**	**1,200**
Total trade and other receivables	**64**	**27,846**

The changes in reserve for impairment of trade receivables for principal activities are presented below:

In thousands of US dollars	2021	2020
Balance as at January 1	1,552	1,588
Accrued during the year	-	(36)
Disposal of the group	(1,552)	-
Balance as at December 31	**-**	**1,552**

The changes in reserve for impairment of advances paid and other receivables are presented below:

In thousands of US dollars	2021	2020
Balance as at January 1	**165**	**122**
(Recovered) / accrued during the year	-	55
Disposal of the group	(165)	-
Translation reserve	-	(12)
Balance as at December 31	**-**	**165**

The ageing analysis of trade receivables classified as financial assets as of 31 December 2020 is as follows:

In thousands of US dollars	2021	2020
Current and not impaired	**-**	**7,531**
Past due but not impaired		
- 30 to 90 days overdue	-	17,188
- 91 to 180 days overdue	-	1,181
- 181 to 360 days overdue	-	744
- over 360 days overdue	-	2
Total past due but not impaired	**-**	**26,646**
Individually determined to be impaired (gross)		
- not overdue	-	34
-less than 360 days overdue	-	315
- over 360 days overdue	-	1,203
Total individually impaired	**-**	**1,552**
Total trade receivables	**-**	**28,198**
Less: impairment loss provision	-	(1,552)
Total trade receivables net	**-**	**26,646**

11. Trade and Other Receivables - continued

The carrying amounts of the Group's trade receivables are denominated in the following currencies:

In thousands of US dollars	2021	2020
US Dollars	64	23,710
Tenge	-	2,760
Russian Roubles	-	665
Yuan	-	658
Euro	-	53
Total trade receivables	**64**	**27,846**

As at 31 December 2020 the cash to be received under contract No. 1661/9-SB between the Group and LANXESS Deutschland GmbH is a security for loans received from Halyk Bank of Kazakhstan JSC (Note 19).

As at 31 December 2020 the cash to be received under contract No. 2331/14-SB between the Group and Fosfa akciova spolosenost and contract No. 2203/14-SB with Alwenta Invest Sp.Zoo, are considered to be collateral for obligations on loans received from Development Bank of Kazakhstan JSC (Note 19).

COMPANY

In thousands of US dollars	2021	2020
Other receivables	64	64
Total trade and other receivables	**64**	**64**

12. Loans Receivable

GROUP

In thousands of US dollars	Currency	Commencement date	Termination date	31 December 2021	31 December 2020
Long-term loans issued to third parties					
Mainam Ventures Ltd.	Tenge	17.06.2019	22.09.2022	-	82,451
Total long-term loans issued				**-**	**82,451**

The changes in the provision for expected credit losses on long-term loans issued to the related and third parties are presented below:

In thousands of US dollars	2021	2020
Balance as at January 1	-	14,821
Reversed during the year	-	(14,821)
Balance as at December 31	**-**	**-**

The changes in the provision for expected credit losses on short-term loans issued to the third party are presented below:

In thousands of US dollars	2021	2020
Balance as at January 1	-	470
Reversed during the year	-	(470)
Balance as at December 31	**-**	**-**

Loan issued to Mainam Ventures Ltd.

These long-term accounts receivable arose on 26.02.2013, when the group rendered a reimbursable financial assistance to Crowtonney Limited in the amount of 340,000,000 (Three hundred forty million) US dollars, for the period of 7 years, which provides for, according to the Agreement, interests in the amount of 10% p.a. of the loan amount.

According to the Addendum to the Financial Assistance Agreement, on 17.06.2019 the maturity date for the interests and principal debt was extended till 22.09.2022.

According to the agreements of assignment of the right to claim a debt dated 01.09.2020 and 03.09.2020, the entire debt amount was assigned to Mainam Ventures Ltd, subject to the repayment to be made by 31.12.2021.

These long-term accounts receivable are recognized at historical cost, as they have been paid off in full in March 2021.

12. Loans Receivable - continued

COMPANY

In thousands of US dollars	**2021**	**2020**
Loans receivable from group undertaking	-	2,033
Total loans receivable	**-**	**2,033**

13. Taxes Receivable

GROUP

In thousands of US dollars	**2021**	**2020**
VAT refund	-	10,612
Other	-	572
Total taxes receivable	**-**	**11,184**

VAT receivable represents the current asset on VAT recognized as a result of purchase of goods and services on the territory of Republic of Kazakhstan. The group on a quarterly basis makes a refund of VAT receivables amounts under a simplified scheme, that is, when the quarterly tax return for VAT payables is submitted, an application for a refund of VAT receivables is also filed. Every year, tax authorities of the Republic of Kazakhstan conduct audit for the correctness of the calculation and payment of VAT amounts. As a result of such audits, no additional significant charges were incurred by tax authorities at the reporting date. Management of the group believes that the VAT will be refunded within the period established by tax legislation.

14. Other Current Assets

GROUP

In thousands of US dollars	**2021**	**2019**
Bank guarantees and commissions for arranging loans	-	920
Transportation	-	1,919
Insurance	-	548
Subscription for publications	-	12
Other	-	247
Subsidies receivable	-	225
Total other current assets	**-**	**3,871**

15. Cash and Cash Equivalents

GROUP

In thousands of US dollars	2021	2020
Cash in bank, Tenge	-	65
Cash in bank	2,179	270
Cash on hand	-	14
Bank deposits	400	965
Provision for expected credit losses on cash and cash equivalents	-	(6)
Total cash and cash equivalents	**2,579**	**1,308**

COMPANY

In thousands of US dollars	2021	2020
Cash in bank, USD	2,547	257
Cash in bank, EUR	32	13
Total cash and cash equivalents	**2,579**	**270**

16. Called up share capital

Allotted and issued:

GROUP AND COMPANY

In thousands of US dollars			2020	2019
Number	**Class**	**Nominal value**		
50,000	Ordinary Share	£1	98	98

As at 31 December 2021 the Company was owed USD 55 thousand (2020: USD 55 thousand) in relation to unpaid share capital, which is included in trade and other receivables.

Dividends

During the year ended 31 December 2021 company declared and paid $401,600 thousand in dividends (2020: $nil).

17. Group deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Asset		Liabilities		Net	
In thousands of US dollars	2021	2020	2021	2020	2021	2020
Property, plant and equipment	-	-	-	(28,038)	-	(28,038)
Land revaluation	-	-	-	(7,114)	-	(7,114)
Provisions and accruals	-	2,379	-	-	-	2,379
Employees benefit	-	107	-	-	-	107
Other payables	-	3,120	-	-	-	3,120
Deferred income	-	122	-	-	-	122
Lease liabilities	-	57	-	-	-	57
Tax losses carried forward	-	403	-	-	-	403
Cash and cash equivalents	-	4	-	-	-	4
Net tax assets/(liabilities)	**-**	**6,192**	**-**	**(35,152)**	**-**	**(28,960)**

Deferred tax forming part of tax movement recognised in the consolidated statement of comprehensive income for the period is $314 thousand (2020: $3,859 credit).

18. Provisions for asset retirement and site restoration obligations

There were no provisions at the end of the reporting period.

In 2020 the obligations related to site restoration at GPK Karatau and GPK Chuluktau are stipulated by the subsurface use contracts between the Group and Government of the Republic of Kazakhstan. The Group has a legal obligation to restore land disturbed during the operations and decommissioning of its assets after its expected closure of site operation at GPK Karatau and GPK Chuluktau. In April 2009 the Group signed two contracts for groundwater extraction and use in the territory of its branches: NDPP and MFP. The contracts have been signed for 25 years and include a provision for site restoration after the contract expiry date.

For duration of the current conditions of extraction, the Group believes that current cost estimate for site restoration is correct. Future estimated cash outflows for site restoration purposes were discounted at the rate of 8%. Unwinding of discount is recognised as interest expense in profit and loss and other comprehensive income under “Finance expenses”.

Under the subsurface use contracts the Group is obliged to make payments to the liquidation fund regulated by the government, determined as 0.1 percent of operational costs. In accordance with the subsurface use contracts, the Group transfers cash to the long-term bank deposit to finance assets retirement and site restoration in future. As at 31 December 2020 the total balance in special deposit accounts was USD 576 thousand.

18. Provisions for asset retirement and site restoration obligations - continued

Movements in provisions for site restoration obligations in 2020 were as follows:

In thousands of US dollars	Ore fields	Groundwater wells and landfills for waste disposal	Total
Carrying amount at 1 January 2020	**2,960**	**393**	**3,353**
Unwinding of the present value discount	35	135	170
Currency translation	(270)	(40)	(310)
Carrying amount at 31 December 2020	**2,725**	**488**	**3,213**

19. Borrowings

GROUP

The carrying amounts of borrowings are as follow:

In thousands of US dollars	Currency	Commencement date	Termination date	Rate	31 December 2021	31 December 2020
Long-term loans payable:						
Halyk Bank of Kazakhstan JSC (v)	US dollars	14.10.2019	02.10.2026	7%	-	88,095
Halyk Bank of Kazakhstan JSC (vi)	US dollars	06.03.2013	20.09.2024	7%	-	61,132
Halyk Bank of Kazakhstan JSC (vi)	Tenge	29.06.2015	20.09.2024	11%	-	25,386
Halyk Bank of Kazakhstan JSC (ii)	US dollars	18.05.2018	17.05.2022	6-7%	-	3,134
Halyk Bank of Kazakhstan JSC (iii)	Tenge	11.02.2015	10.02.2022	6%	-	566
Halyk Bank of Kazakhstan JSC (vii)	Tenge	07.04.2020	05.04.2030	15%(6+9)	-	27,993
Total long-term loans payable					**-**	**206,306**
Short-term loans payable:						
Halyk Bank of Kazakhstan JSC (v)	US dollars	04.10.2019	30.07.2021	5%	-	19,813
Halyk Bank of Kazakhstan JSC (v)	US dollars	14.10.2019	02.10.2026	7%	-	5,808
Halyk Bank of Kazakhstan JSC (vi)	US dollars	06.03.2013	20.09.2024	6.5%	-	19,358
Halyk Bank of Kazakhstan JSC (vi)	Tenge	29.06.2015	20.09.2024	10%	-	13,299
Halyk Bank of Kazakhstan JSC (ii)	US dollars	18.05.2018	17.05.2022	6-7%	-	6,317
Halyk Bank of Kazakhstan JSC (iii)	Tenge	11.02.2015	10.02.2022	6%	-	2,277
Halyk Bank of Kazakhstan JSC (i)	US dollars	13.11.2012	14.11.2022	12%	-	9,485
Halyk Bank of Kazakhstan JSC (vii)	Tenge	07.04.2020	05.04.2030	15%(6+9)	-	375
Development Bank of Kazakhstan JSC (iv)	Tenge	17.08.2015	31.05.2020	6%	-	16,636
Total short-term loans payable					**-**	**93,368**
Total loans payable					**-**	**299,674**

(i) Credit line No. KS 02-12-40, Halyk Bank of Kazakhstan JSC

On 5 July 2019, the Group entered into an additional agreement with Halyk Bank of Kazakhstan JSC on the provision of a loan facility No.KS 02-12-40 until 29 August 2024. According to this additional agreement, the Group received loans totalling 10 million US dollars and 2,000,000 thousand tenge, respectively. A loan facility was provided to the Group for working capital replenishment for the purchase of inventory, services of contractors and suppliers. Interest rates are 12% per annum for loans in tenge and from 4% to 6% per annum for loans in US dollars.

On 23 July 2020 the Group entered into an additional agreement with Halyk Bank of Kazakhstan JSC to the loan facility No.KS 02-12-40, according to which the rates in US dollars were set from 3.5% to 6% per annum.

19. Borrowings (continued)

During the year ended 31 December 2021 the Group disposed of the subsidiary hence clearing the principal and interest in full. In the year to 31 December 2020 repaid principal in the amount of 17,260 thousand US dollars and interests in the amount of 52 thousand US dollars. For the year ended 31 December 2021 accrued interest amounted to 12 thousand US dollars (2020: 58 thousand US dollars).

(ii) Loan facility KD 02-18-12, Halyk Bank of Kazakhstan JSC

On 3 May 2018 the Group concluded an agreement with Halyk Bank of Kazakhstan JSC on the provision of a loan facility in the amount of 20 million US dollars for a period of 48 months. The interest rate for using the loan facility is 6% - 7% depending on the period of use. The purpose of the loan is the technical re-equipment of the drum granulator dryer on ZMU. During the year ended 31 December 2021 the Group disposed of the subsidiary hence clearing the principal and interest in full. During the year ended 31 December 2020 the Group repaid principal in the amount of 6,360 thousand US dollars and interest in the amount of 741 thousand US dollars. For the year ended 31 December 2021 the amount of interest accrued was 92 thousand US dollars (2020: 729 thousand US dollars).

(iii) Loan facility No.KS 02-15-03, Halyk Bank of Kazakhstan JSC

In January 2015 based on the program of the Development Bank of Kazakhstan JSC for lending to second-tier banks to finance large business entities, the Group opened two loan facilities at Halyk Bank of Kazakhstan JSC under agreement No.KS 02-15-03 dated30 January 2015 on providing a loan facility worth of 5 billion tenge (funds of Development Bank of Kazakhstan JSC) and 10 million US dollars (funds of Halyk Bank of Kazakhstan JSC). A loan facility is provided for a period of 7 years. The interest rate is 6% per annum. The main purpose of lending is the acquisition of equipment, materials, construction and installation works and design estimates related to the reconstruction of the unit for production of phosphoric acid extraction at the MFP branch. During the year ended 31 December 2021 the Group disposed of the subsidiary, hence clearing the principal and interest in full. During the year ended 31 December 2020 the Group repaid principal in the amount of 2,306 thousand US dollars and interest in the amount of 265 thousand US dollars. For the year ended 31 December 2021 accrued interest amounted to 41 thousand US dollars (2020: 251 thousand US dollars).

(iv) Credit Line No. 80-SM-F / 05-01, Development Bank of Kazakhstan JSC

The Group opened a loan facility at Development Bank of Kazakhstan JSC for 7 billion tenge under an agreement No. 80-SM-A / 05-01 dated 17 August 2015. The interest rate is 6.39% per annum. The purpose of this loan is to replenish working capital for purchase of inventory, services of contractors and suppliers for purchase of raw materials, materials and services for pre-export operations. During the year ended 31 December 2021 the credit line was closed, due to disposal of the subsidiary, clearing the principal and interest in full. During the year ended 31 December 2020 the Group repaid principal in the amount of 40,320 thousand US dollars and interest in the amount of 823 thousand US dollars. For the year ended 31 December 2021, the amount of interest accrued was 400 thousand US dollars (2020: 823 thousand US dollars).

(v) Loan facility KD 02-19-20, Halyk Bank of Kazakhstan JSC

In September 2019 the Group entered into an agreement with Halyk Bank of Kazakhstan JSC on the provision of a non-revolving loan facility in the amount of 142.5 million US dollars for a period of 84 months. The purpose of the loan facility is to pay dividends. The interest rate is 5% - 7% per annum. During the year ended 31 December 2020 the Group repaid principal in the amount of 31,074 thousand US dollars and interest in the amount of 8,725 thousand US dollars. During the year ended 31 December 2021 the Group disposed of the subsidiary, hence clearing the principal and interest in full. For the year ended 31 December 2021 the amount of accrued interest was 2,305 thousand US dollars (2020: 8,970 thousand US dollars).

(vi) Loan agreement KD 02-13-05, Halyk Bank of Kazakhstan JSC

In September 2019 the Group entered into a debt transfer agreement with Halyk Bank of Kazakhstan JSC. According to the terms of the agreement, the Group assumed the outstanding debt of Almaty Mega Finance LLP to Halyk Bank of Kazakhstan JSC in the amount of 19,993,960 thousand tenge and 112,198 thousand US dollars. The maturity of obligations to the bank is 5 years. Interest rates range from 11% per annum for loans in tenge and from 7% per annum for loans in US dollars. During the year ended 31 December 2021 the Group disposed of the subsidiary, hence clearing the principal and interest in full. During the year ended 31 December 2020 the Group repaid principal in the amount of 39,029 thousand US dollars and interest in the amount of 14,849 thousand US dollars. For the year ended 31 December 2021 the amount of interest accrued was 1,793 thousand US dollars (2020: 10,508 thousand US dollars).

19. Borrowings (continued)

(vii) Loan facility No. KS 02-20-06, Halyk Bank of Kazakhstan JSC

On 20 March 2020 the Group entered into an agreement with Halyk Bank of Kazakhstan JSC to provide a non-revolving credit line in the amount of 40 billion tenge at an annual rate of 15%. The credit facility has a term of 7 years. The purpose of the credit facility is to pay all costs associated with the construction of a start-up complex for the production of 500 thousand tons of monoammonium phosphate and ammophos at the MFP site.

In accordance with the State Program for Support and Development of Business "Business Road Map - 2025", approved by the Government of the Republic of Kazakhstan dated 24 December 2019 No. 968, Damu Entrepreneurship Development Fund JSC subsidizes the interest rate on the credit line. The subsidized interest rate is 9%.

For the year ended 31 December 2021 the Group accrued interest in the amount of 4,052 thousand US dollars (2020: 1,033 thousand US dollars), which was capitalized in the cost of property, plant and equipment. The subsidy received was recognised as deferred income in the amount of 2,707 thousand US dollars (2020: 608 thousand US dollars) and will be amortised during the useful life of the above property, plant and equipment.

During the year ended 31 December 2021 the Group disposed of the subsidiary, hence clearing the principal and interest in full. For the year ended 31 December 2020 the Group repaid interest in the amount of 417 thousand US dollars.

As at 31 December 2020 in accordance with the terms of pledge agreements with Halyk Bank of Kazakhstan JSC, property, plant and equipment with a carrying value of 83,823 thousand US dollars were pledged by the Group as collateral under a bank loan agreement. Subsoil use rights (development of phosphate ore deposits of Zhanatas, Koksu, Kokjon sites; Kistas, Chulaktau, Aksai, Shiylibulak deposits) are being the collateral for the loan. In addition, cash inflows under contract No. 4326/17-SB between the Group and LANXESS Deutschland GmbH are collateral for the loan (Note 12). In May 2021 the Group had disposed of the subsidiary holding above mentioned plant and equipment.

20. Lease Liabilities

GROUP

As at 31 December 2021 the group did not have any lease liabilities, as these belonged to the subsidiary that was sold during the year. As at 31 December 2020 the value of the net minimum lease payments is presented as follows:

In thousands of US dollars	Right-of-use asset (Note 8)	Machinery and equipment (Note 5)	Other (Note 5)	Total 31.12.2020
Within one year	153	2,085	1,886	**4,124**
From 2 to 5 years inclusively	153	4,645	3,557	**8,355**
Less: amounts representing financial payments	(19)	(1,081)	(860)	**(1,960)**
Present value of minimum rental payments	**287**	**5,649**	**4,583**	**10,519**
Less the amount payable within 12 months	(138)	(1,711)	(1,369)	**(3,218)**
Amounts due after 12 months	**149**	**3,938**	**3,214**	**7,301**

For the year ended 31 December 2020, changes in lease liabilities are presented as follows:

In thousands of US dollars	Right-of-use asset (Note 8)	Machinery and equipment (Note 5)	Other (Note 5)	Total 31.12.2020
1 January 2020	315	6,436	7,794	**14,545**
Lease additions	132	2,890	–	**3,022**
Accrued interest expenses on lease liabilities	23	627	637	**1,287**
Payments of principal at present value	(156)	(1,625)	(1,527)	**(3,308)**
Payments of interest at present value	–	(635)	(646)	**(1,281)**
Forex revaluation	–	(1,462)	(1,012)	**(2,474)**
Translation reserve	(28)	(582)	(662)	**(1,272)**
31 December 2020	**287**	**5,649**	**4,583**	**10,519**

On 9 October 2018 the Group entered into a lease agreement with Exim LLP in order to place and operate an office in the city of Almaty. Future minimum lease payments for office leases amount to 16 thousand US dollars including VAT, monthly. The Group has applied IFRS 16 to the office lease.

On 29 March 2019 the Group entered into series of lease contracts for new mining dump trucks of Belaz-75131 with RailLeasing LLP in the quantity of 6 units for mining operations. The term of the lease is 5 years. After the expiration date and the terms of the lease agreement are fulfilled, all fixed assets become the property of the Group. The total cost of these lease agreements is 9,689 thousand US dollars, including VAT, and includes reimbursement for the purchase of mining trucks and any other expenses associated with the rental of fixed assets. The Group pays remuneration to RailLeasing LLP for arranging a lease transaction in accordance with the payment schedule in the amount of 2,200 thousand US dollars excluding VAT for the entire duration of the lease. In accordance with the terms of the lease agreements with RailLeasing LLP, during 2019 the Group paid advances in the amount of 1,446 thousand US dollars, which were not included into the cost of lease liabilities at initial recognition.

On 26 April 2019 the Group also concluded a lease agreement with RailLeasing LLP for new excavators of EKG-10 in the quantity of 3 units for mining operations. The term of the lease is 5 years. After the expiration date and the terms of the lease agreement are fulfilled, all property, plant and equipment become the property of the Group. The total value of the contract is 11,468 thousand US dollars without VAT. The Group pays remuneration to RailLeasing LLP for arranging a lease transaction in the amount of 2,294 thousand US dollars before the end of the contract. In accordance with the terms of the lease agreements with RailLeasing LLP, during 2019 the Group paid advances for 3 excavators in the amount of 2,344 thousand US dollars, which were not included in the lease liabilities at initial recognition. As of 31 December 2020, the Group took ownership over one excavators on its balance sheet.

RailLeasing LLP set the base rate in Russian rubles in lease agreements, therefore, the Group performed an exchange rate revaluation of lease liabilities as of 31 December 2020.

21. Trade and Other Payables

GROUP

In thousands of US dollars	2021	2020
Financial liabilities		
Trade payables	-	40,996
Total	**-**	**40,996**
Payables to employees	-	1,871
Other payables	285	7,544
Total	**285**	**9,415**
Trade and other payables	**285**	**50,411**

Trade payables are denominated in the following currencies:

In thousands of US dollars	2021	2020
Tenge	-	27,231
US Dollars	-	3,091
Pound GB	285	44
Russian Roubles	-	5,194
Euro	-	5,436
Trade payables	**285**	**40,996**

COMPANY

In thousands of US dollars	2021	2020
Other payables	285	258
Trade and other payables	**285**	**258**

22. Other Taxes Payable

GROUP

In thousands of US dollars	2021	2020
Minerals extraction tax	-	23
Environmental emission payments	-	1,930
Social tax	-	159
Individual income tax	-	145
Payable to social fund	-	89
Other	-	448
Customs fees	-	90
Obligatory professional pension contributions	-	41
Total other taxes payable	**-**	**2,925**

23. Revenue
Group

In thousands of US Dollars	2021	2020
Yellow phosphorus	88,812	217,755
Sodium tripolyphosphate	7,657	17,351
Ammonia phosphorus	60,550	113,481
Thermal phosphoric acid	6,380	11,900
Services	1,286	4,593
Tricalcium phosphate	695	1,981
Granulated slag	722	1,256
Ferrophosphorus	2,057	2,477
Oxygen	67	61
Sulphuric acid	-	491
Other	1,420	3,655
Total revenue	**169,646**	**375,001**

For the year ended 31 December 2021 the Company sold yellow phosphorus and ammophos in the quantity of 34,997 tons and 153,753 tons, before the divestment (2020: 86,879 tons and 426,577 tons, respectively).
All the revenue is derived from discontinued operations.

An analysis of the Group's revenue by geographical market is given below:

In thousands of US dollars	2021	2020
European Union and Switzerland	102,979	208,580
Commonwealth of Independent States (former USSR)	20,840	33,926
Kazakhstan	17,803	41,677
Asia	23,068	76,997
America	4,956	13,821
Total revenue	**169,646**	**375,001**

For the year ended 31 December 2021, ten major buyers accounted for 63% of total revenue from contracts with customers (2020: 67%).

24. Cost of Sales
GROUP

In thousands of US Dollars	2021	2020
Raw materials	52,066	109,605
Electricity	19,927	49,651
Salary and related cost	12,639	25,817
Repair and maintenance	1,019	2,343
Changes in inventories of finished goods and work in progress	1,005	(2,819)
Third party Services	3,573	8,480
Depreciation and amortisation	6,984	30,542
Cost of inventory sold	201	480
Mineral extraction tax	4,183	10,260
Provision for obsolete and slow-moving inventory	-	(31)
Insurance cost	273	1,334
Other	1,030	590
Total cost of sales	**102,900**	**236,252**

25. Other Operating Income

GROUP

In thousands of US Dollars	2021	2020
Recovery of loss from impairment of financial assets	5,266	-
Other income	1,676	1,493
Total other operating income	**6,942**	**1,493**

26. Distribution Cost

GROUP

In thousands of US Dollars	2021	2020
Transportation services – export	16,154	31,058
Materials and repair	2,594	6,885
Payroll and related expense	593	1,133
Electricity	-	148
Depreciation	61	220
Business trips and representative expenses	135	265
Certification	67	208
Insurance	1	22
Communication expenses	5	14
Customs services	32	85
Consulting	27	-
Other	74	189
Total distribution costs	**19,743**	**40,227**

27. General and Administrative Expenses

GROUP

In thousands of US Dollars	2021	2020
Payroll and related expenses	28,044	5,126
Production suspension expenses -depreciation	-	4,655
Maintenance, repair and materials	121	730
Communication and IT expenses	74	124
Taxes, other than income tax	-	1,017
Business trips and representative expenses	75	591
Consulting services *	177	356
Depreciation and amortisation	310	5,561
Bank charges	63	130
Utilities	47	169
Rent	73	80
Security services	138	171
Sponsorship and charity	563	134
Legal services	276	146
Insurance	-	84
Accountancy	121	173
Parent Company auditor remuneration	61	99
Other	82,409	2,304
Depreciation of right-of-use assets	418	138
Asset retirement expenses	396	-
Fines	3,422	-
Actuarial loss on employees benefits	50	-
Total general and administrative expenses	**116,838**	**21,788**

* Remuneration of the auditors' of subsidiaries is included within consulting services.

28. Exceptional item

GROUP

During the year the company disposed of its holding in Kazphosphate LLP, a company incorporated in Kazakhstan. This resulted in profit of $443,111,923. In addition, the company sold its investment in Almaty Mega Finance LLP, a company incorporated in Kazakhstan. This resulted in loss of US$98,624,235.

As at 31 December 2020, group reviewed the goodwill for impairment on acquisition of Almaty Mega Finance LLP and as the fair value of assets acquired in Almaty Mega Finance LLP is less than it's carrying value, goodwill recognised in the books of $107,897 has been impaired fully in that year. In addition, in 2020 the group incurred a loss on the purchase and sale on the shares in a Marshall Islands company, Bloomtrade International Limited of 7,500 thousand US dollars. This arose on an arrangement to repay off balance sheet financing of the Company.

29. Finance Income and Costs

GROUP

In thousands of US Dollars	2021	2020
Finance income		
Interest income on loans issued	1,543	11,328
Unwinding of a discount on loan received	378	-
Income from a finance guarantee	41	-
Interest income on bank deposit	63	164
Total finance income	**2,025**	**11,492**
Finance costs		
Interest expenses on loans payable	(8,441)	(22,279)
Provision for asset retirement and site restoration obligations: unwinding of discount	(41)	(36)
Interest expenses on lease liabilities	(412)	(1,264)
Interest expenses on lease payments	-	(23)
Regional social development liabilities: unwinding of discount	-	(69)
Loss on convertible bonds	-	4
Unwinding of a discount on loans	(378)	-
Employee benefit interest expenses	(20)	-
Total finance costs	**(9,292)**	**(23,667)**

30. Income Tax
GROUP

In thousands of US Dollars	Note	2021	2020
Current income tax expense		(7,274)	(18,019)
Deferred income tax credit	17	(314)	3,859
Income tax expense		**(7,588)**	**(14,160)**

30. Income Tax - continued

In thousands of US dollars	2021		2020	
(Loss)/profit before income tax	**273,068**		**(66,861)**	
Income tax benefit at applicable tax rate	54,614	20%	13,372	20%
Tax effect of Non-deductible items /non-taxable income	(68,898)		(540)	
Effect of tax charged in foreign jurisdiction	7,274		18,019	
Tax losses utilized	14,284		(12,832)	
Total tax charge	7,274		18,019	

The applicable tax rate used is 20%, which is the corporation tax rate in Kazakhstan. As almost all the Group's activities take place in Kazakhstan this is considered to be the rate most applicable to the Group.

31. Employee Information and benefits

GROUP

The Group's total staff costs (including directors) were: In thousands of US dollars	2021	2020
Wages and salaries, other bonuses and related expenses	41,276	32,076
Total staff costs	**41,276**	**32,076**
The average number of employees for the period:		
Production	2,022	4,758
Distribution	35	80
Administration	324	1,328
Total	**2,381**	**6,166**

Employee benefits include one-time retirement grants, financial aid, dental care, medical benefits, long-term disability allowances, sanatorium visits, annual financial support to pensioners and funeral aid.

Amounts recognised in statement of comprehensive income as profit or loss are presented as follows:

In thousands of US Dollars	2021	2020
As at 1 January 2021	527	490
Benefits paid to employees	(30)	-
Cost of services for the current period	31	-
Cost of services for prior periods	650	38
Interest on benefit obligations	20	-
Net actuarial losses recognised in the statement of profit or loss	42	-
Net actuarial losses recognised in other comprehensive income	48	-
Disposed obligations on divestment of the subsidiary	(1,288)	
Defined benefit plan obligation at 31 December	**-**	**528**

32. Balances and Transactions with Related Parties

Parties are considered to be related if one party has the ability to control the other party, is under common control, or can exercise significant influence over the other party in making financial and operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form.

The nature of the related party relationships for those related parties with whom the Group entered into significant transactions or had significant balances outstanding at 31 December 2020 detailed below. There were no outstanding balances at 31 December 2021.

In thousands of USD	Note	Parent company	Associates and joint ventures
Loan receivable		-	107

The income and expense items of the related party transactions for the year ended 31 December 2020 were as follows

In thousands of USD	Entities under common control	Parent company	Associates and joint ventures
Revenue from contracts with customers	-	-	3,189
Finance income	408	-	-
Finance costs	(1,079)	-	-

During the year, dividends in the amount of $401,600 thousand were paid out to the shareholders of the company.

During the year, the Group was charged accountancy fees of USD 121 thousand (2020: USD 173 thousand) by Hawksford UK Services Limited. S H Landes, a director of the Parent Company, is a Director of Hawksford UK Services Limited.

The above parties are related due to common directorship.

Key management includes three members of the Management Board of the Group. The key management compensation in 2021 and 2020 was included within general and administrative expenses. The total key management compensation cost for the year was as follows:

In thousands of US dollars	2021	2020
Wages, salaries, other bonuses and related expenses	276	501
Social tax	-	47
Management bonus on disposal of the subsidiaries	13,000	-
Total key management compensation	**13,276**	**548**

33. Contingencies, Commitments and Operating Risks

Political and economic situation in the Republic of Kazakhstan

There are ongoing economic reforms and developments of legal, tax and administrative infrastructure in Kazakhstan which would meet the requirements of market economy. The stability of Kazakhstani economy will largely depend on the progress of these reforms, as well as on effectiveness of measures undertaken by the Government in spheres of economy, financial and monetary-credit policy.

Kazakhstani economy is subject to influence by market fluctuations and decline in the tempo of economic development in the world economy. The global financial crisis led to instability in capital markets, significant decline in liquidity in banking sector and tightening of the credit terms in Kazakhstan. Despite the stabilizing measures, undertaken by the Government of the Republic of Kazakhstan for the purposes of maintaining liquidity and refinancing foreign debts of Kazakhstani banks and companies, there is an uncertainty in relation to possibility of access to sources of capital, as well as cost of capital for the Group and its counterparties, which may impact the financial position, results of operations and economic prospects of the Group.

Considering that the economy of Kazakhstan is largely dependent on the export of oil and other mineral resources, which global prices have declined in the recent years, especially on hydrocarbonate produce, currently there is an indication of decline in the development of the country. Moreover, the presently continuing economic sanctions against Russia indirectly influence the economy of Kazakhstan, taking into account the substantial economic ties between the countries.

33. Contingencies, Commitments and Operating Risks (continued)

Management of the Group believes that it undertakes all necessary measures to support the economic stability of the Group in such conditions. However, further deterioration in the areas described above could negatively affect the results and financial position of the Group. Currently it is not possible to assess potential impact.

Effect of COVID-19 pandemic

Due to the rapid spread of COVID-19 pandemic in 2020 many governments, including the Government of the Republic of Kazakhstan, have introduced various measures to combat the outbreak, including travel restrictions, quarantines, closure of business and other venues and lockdown of certain areas. These measures have affected the global supply chain, demand for goods and services, as well as scale of business activity. It is expected that pandemic itself as well as the related public health and social measures may influence the business of the entities in a wide range of industries.

The Company continues to manage and respond to the COVID-19 pandemic and has implemented preventative measures to ensure the safety of its workforce, local communities and other key stakeholders. The Company takes measures including partial decrease of non-urgent expenses and increased isolation and limitation of people involvement in production processes. As a result of the ongoing global COVID-19 pandemic there are unknown but potentially significant impacts by increased levels of volatility, changes in oil prices, disruption in supply chains and decreased demand. Given the global nature of the Company's operations, the Company may not be able to accurately predict which operations will be impacted. The management of the Company believes that the impact of COVID-19 have been minimal to the Company's operations.

Tax legislation

Kazakhstani tax legislation and practice is in a state of continuous development, and therefore is subject to varying interpretations and frequent changes, which may be retroactive. Further, the interpretation of tax and transfer pricing legislation by tax authorities as applied to the transactions and activities of the Group may not coincide with that of management. As a result, tax authorities may challenge transactions and additional taxes, penalties and fines can be accrued to the Group. Tax periods remain open to review by the Kazakh tax authorities for five years.

Transfer pricing

According to transfer pricing law, the international transactions are subject to the state control. This law prescribes the Kazak companies to support and if necessary to provide the economic rationale and the method for pricing applied in the international transactions, including the availability of documentation supporting the prices and price differentials. Additionally, the price differentials cannot be applied in the international transactions with the companies registered in the offshore countries. In case of deviation of transaction price from the market price, the tax authorities have the tight to adjust the taxable items and accrue the additional taxes, penalties and fine. Some sections of the transfer pricing law do not contain any detailed or clear practical guidance (for example form and content of documentation supporting the discounts), and determination of the Group's tax liabilities in terms of transfer pricing rules requires the interpretation of transfer pricing law.

The Group carried out the transactions subject to the transfer pricing state control. Despite possible risks of challenging the Group's policy relating to transfer pricing tax legislation by the tax authorities, the management of the Group believes that that they would be successful in defending any such challenge if the Group's policy relating to transfer pricing tax legislation is challenged by the tax authorities. Accordingly, the financial statements of the Group do not include any additional tax liabilities.

Social liabilities

Under the subsurface use contracts, the Group was committed to finance social programs which are beneficial for Zhambyl region of the Republic of Kazakhstan. The Group will not receive any direct benefit from such costs but they are obligatory in accordance with the provisions on acquisition of subsurface use rights. These social costs are recognised as a part of acquisition cost upon the initial recognition, while the respective liabilities are recognised at present value of future social programs payments during exploration and production stage. Thus, according to the addendums to the contracts for phosphoric ore, the Group is required to make annual payment of US Dollars 100 thousand until the contract expiry date for development of the region. Moreover, similar payments in the amount of 1,600 thousand Tenge (equivalent US Dollars 5 thousand) are stipulated under the contracts for ground water extraction, which were cancelled at the end of 2018 in connection with changes in the environmental legislation of the Republic of Kazakhstan.

33. Contingencies, Commitments and Operating Risks (continued)

For the period ended 31 December 2020, the Group fulfilled its obligations for the development of the region. As at December 31, 2020 the Group recognised provisions for regional social development in the total amount of US Dollars 797 thousand. Segregation of provision for liability as current and non-current as under:

In thousands of US dollars	31.12.2021 Current	31.12.2021 Non-current	31.12.2020 Current	31.12.2020 Non-current
Provision for social liabilities	-	-	84	713
Total	**-**	**-**	**84**	**713**

The Group makes payments into obligatory and voluntary social development programs. These costs are expensed in the period in which they are incurred. The Group's social assets as well as local programs for social development will bring the benefits not only to the Group's employees but also to the community as a whole. For the years ended December 31, 2021 and December 31, 2020, the Group incurred expenses in the amount of US Dollars 862 thousand and US Dollars 1,028 thousand, respectively, which were recorded in the individual statement of profit and loss and other comprehensive income. The Group transferred a range of social facilities to the local authorities; however, management believes that the Group will continue to finance such programs in the nearest future.

As part of costs for acquisition of subsurface use rights, the Group was liable to finance the employee professional training programs which benefits both the community in Zhambyl region and the Group. According to the subsurface contract the Group is obliged to invest at least 0.1% of total operating costs to professional staff training programs. These costs are expensed as incurred. For the years ended 31 December 2021 and 2020, the Group had fully fulfilled these obligations.

Capital expenditure commitments

As at December 31, 2020, the Group had contractual capital expenditure commitments on purchase of equipment, appliances and expensive spare parts for the reconstruction of property, plant and equipment totalling US Dollars 8,593. No such commitments existed as at 31 December 2021.

Insurance policies

The insurance industry in Kazakhstan is in a developing stage and many forms of insurance protection common in other parts of the world are not yet generally available. The Group does not have full coverage for its plant facilities, business interruption, or third-party liability in respect of property or environmental damage arising from accidents on Group property or relating to property operations. Until the Group obtains adequate insurance coverage, there is a risk that the loss or destruction of certain assets could have a material adverse effect on the Group's operations and financial position.

The Group holds insurance policies in relation to the following risks:

- Insurance of property;
- Insurance of civil liability of employer for causing damage to life and health of employee during their work duties;
- Insurance of civil liability of employer for causing damage to environment;
- Insurance of civil liability of vehicles owners;
- Insurance of civil liability of property owners, operations which can cause damage to third parties.

33. Contingencies, Commitments and Operating Risks (continued)

Environmental matters

The enforcement of environmental regulation in the Republic of Kazakhstan is evolving and the enforcement posture of government authorities is continually being reconsidered. The Group periodically evaluates its obligations under environmental regulations. As obligations are determined, they are recognised immediately in the individual financial statements. Thus, due to adoption of the Ecology Code of the Republic of Kazakhstan, during 2008 the Group created a liquidation fund to arrange the measures for landfill site restoration and environmental monitoring upon closure. In addition to liquidation fund representing the special account for accumulation of funds, the Group accrued provisions for asset retirement and site restoration obligations. The amount of accrued provision for asset retirement and site restoration obligations was based on the management's best estimates of future costs which will be incurred by the Group for repayment of its current liabilities (Note 18). In the current enforcement climate under existing environmental legislation, management of the Group believes that there are no significant liabilities for environmental damage.

Kazakhstan environment legislation and legal practice is continuously evolving, which may result in varying interpretations of the current legislation as well as to introduction of the new laws and other normative acts. Management believes that provisions for asset retirement and site restoration obligation shown in these individual financial statements are sufficient based on the requirements of the current legislation and operations of the Group. However, the changes in the legislation, its interpretation as well as changes in the management estimates can result in the Group's revision of its estimates and accrual of the additional provisions for asset retirement and site restoration obligation.

The Group's management also developed and approved a number of policies on quality, environmental protection, health and labour safety, the main purposes of which are strict compliance with the requirements and expectations of consumers and other interested parties on product quality, environmental pollution prevention, health and labour safety.

34. Financial Risk Management

Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk, (including foreign exchange risk), liquidity risk and credit risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potentially adverse effects on the Group's financial performance.

Credit risk

Financial assets, which potentially subject the Group to credit risk, consist principally of trade receivables, loans receivable, cash and cash equivalents and restricted cash.

The Group has developed policies to ensure that sales of products and services are made to customers with an appropriate credit history and good reputation. Clients which do not meet the Group's solvency requirements may have transactions with the Group only on the terms of prepayments. Maximum credit risk exposure represents the current carrying value of trade receivables, loans receivable, cash and cash equivalents and restricted cash. The Group's management believes that the credit risk on loans to related parties is acceptable as it is expected that the loans will be repaid within the period stipulated in the loan agreements.

Although collection of receivables could be influenced by economic factors, the Group's management believes that there is no significant risk of loss to the Group beyond the allowance for doubtful debts already created. The carrying amount of trade receivables attributable to 10 most significant customers of the Group amounted to US Dollars 23,003 thousand (or 86% of total trade receivables) as at December 31, 2020. As at 31 December 2021 there were no trade receivables outstanding.

The maximum exposure to credit risk for trade receivables and loan receivable at the reporting date by geographic region was as follows: -

	Carrying value	
In thousands of US dollars	**31 December 2021**	**31 December 2020**
Germany	-	7,832
United Arabic Emirates	-	6,252
Afghanistan	-	3,421
Kazakhstan	-	2,624
Czech Republic	-	2,045
Kingdom of Denmark	-	1,552
The Russian Federation	-	1,202
Switzerland	-	319
People's Republic of China	-	665
Other countries	-	734
Total	**-**	**26,646**

34. Financial Risk Management (continued)

Cash and cash equivalents are placed in financial institutions, which are considered at the time of deposit to have a minimal risk of default. Additionally, the Group analyses the external credit ratings of these financial institutions.

The table below shows the credit ratings as of 31 December 2021 and balances with banks and financial institutions where cash and cash equivalents and term deposits were placed as of 31 December 2021 and 31 December 2020:

In thousands of US dollars	Rating	31 December 2021	31 December 2020
Cash and cash equivalents			
Bank CenterCredit	B (B) (S&P)	-	12
Halyk Bank of Kazakhstan JSC	BB (BB) (S&P)	2,143	40
SB Alfa-Bank JSC	BB- (BB-) (S&P)	-	13
LLB Bank	No rating available	4	-
CBH Bank	No rating available	32	270
(LLB and CBH banks are independent, family-owned, private banks in Switzerland, no rating is available.)			
Total cash and cash equivalents		**2,179**	**335**
Halyk Bank of Kazakhstan JSC	BB (BB) (S&P)	400	965
Total bank deposits		**400**	**965**
Restricted cash			
SB Alfa-Bank	BB- (BB-) (S&P)	-	311
Eurasian Bank JSC	B (B) (S&P)	-	230
Total restricted cash		**-**	**576**

Interest rate risk

At 31 December 2021 the Group is not exposed to interest rate risk as it has no financial instruments with floating interest rate.

Price risk

The Company is not exposed to equity securities price risk since it does not hold a portfolio of quoted equity securities.

Liquidity risk

Liquidity risk is defined as the risk that the Group will encounter difficulty in meeting its obligations associated with financial liabilities as they fall due. The Group's approach to liquidity management is to ensure the continuous and sufficient liquidity to meet the Group's liabilities as they fall due (both under standard and non-standard situations), preventing unacceptable losses or the Group's reputation damage risk.

Below is the information on contractual terms of financial liabilities settlement, including interest payments as at 31 December 2021 and 31 December 2020:

In thousands of US dollars	Carrying value	Cash flows under agreement	Within 1 month	1-3 months	3-12 months	1-5 years	Over 5 years
Liabilities-2021							
Other payables	285	-	-	-	285	-	-
Total	285	-	-	-	285	-	-

In thousands of US dollars	Carrying value	Cash flows under agreement	Within 1 month	1-3 months	3-12 months	1-5 years	Over 5 years
Liabilities-2020							
Borrowings	299,674	353,849	5,440	12,412	83,529	210,559	41,909
Trade payables	797	797	-	-	84	713	-
Lease liabilities	10,519	12,479	355	703	3,066	8,355	-
Regional social development liabilities	40,996	40,996	-	40,952	44	-	-
Total	351,986	408,121	5,795	54,067	86,723	219,627	41,909

34. Financial Risk Management (continued)

Market risk

Currency risk

Currency risk arises when future commercial transactions or recognised assets and liabilities are denominated in currency other than the Group's functional currency.

The Group exports a part of its products to the European Union and CIS markets, borrows in foreign currencies and purchases materials in foreign currency. As a result, the Group is exposed to currency risk. Production and processing costs are denominated in Kazakhstan Tenge, while the portion of revenues is denominated in USD, EUR and RUB. Thus, the Group is exposed to risk that changes in exchange rates shall affect both the revenue and financial position.

The management does not have formal arrangements to mitigate the currency risk levels of the Group's operations.

Exposure to currency risk

Exposure to currency risk based on nominal values was as follows:

GROUP

	USD-denominated		RUB-denominated		EUR-denominated		Yuan-denominated	
In thousands of USD	2021	2020	2021	2020	2021	2020	2021	2020
Loans receivables	-	82,451	-	-	-	-	-	-
Trade receivables	-	22,510	-	658	-	53	-	655
Cash and cash equivalents	-	1,121	-	-	-	13	-	-
Loans and borrowings	-	(241,510)	-	-	-	-	-	-
Lease liabilities			-	(10,232)	-	-	-	-
Trade payables	-	(3,091)	-	(5,194)	-	(5,435)	-	-
Exposure of the statement of financial position to foreign exchange risk, net	**-**	**(138,519)**	**-**	**(14,768)**	**-**	**(5,369)**	**-**	**665**

	GBP-denominated	
In thousands of USD	2021	2020
Trade payables	-	90
Exposure of the statement of financial position to foreign exchange risk, net	**-**	**90**

COMPANY

	GBP-denominated	
In thousands of USD	2021	2020
Trade payables	285	258
Exposure of the statement of financial position to foreign exchange risk, net	**285**	**258**

34. Financial Risk Management (continued)

During a year, the following main foreign exchange rates were applied to amounts nominated in Kazakh tenge:

	Average exchange rate		Spot rate at the balance sheet date	
	2021	**2020**	**2021**	**2020**
1 USD	426.70	412.95	435.07	420.91
1 EUR	500.00	471.44	500.00	516.79
1 RUB	5.79	5.73	5.62	5.82
1 Yuan	66.23	59.89	68.49	64.36

The following table presents sensitivities of profit or loss and equity to reasonably possible changes in exchange rates applied at the reporting date with all other variables held constant:

Price risk acceptable

The Group is not exposed to equity securities price risk since it does not hold a portfolio of quoted equity securities.

35. Capital Risk Management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital under management. Net debt is determined as total amount of borrowings (including current and non-current borrowings recognised in the Consolidated Statement of Financial Position) less cash and deposits. Total capital is determined as equity recognised in the Consolidated Statement of Financial position and net debt. Gearing ratio is consistent with the Group's strategy in attracting debt for operating and investment activities.

In thousands of US dollars	Note	2021	2020
Total loans	19	-	299,674
Less – cash and cash equivalents	15	(2,579)	(1,308)
Net debt		**(2,579)**	**298,366**
Total own capital		2,358	59,885
Total capital		**(221)**	**358,251**
Financial leverage ratio		**9%**	**83%**

The Group's management believes that the debt to equity ratio at 31 December 2021 and 31 December 2020 is reasonable to its circumstances.

36. Fair Value of Financial Instruments

Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing and independent parties, other than in a forced sale or liquidation, and is best evidenced by an active quoted market price. The estimated fair values of financial instruments have been determined by the group using available market information, where it exists, and appropriate valuation methodologies. However, judgment is necessarily required to interpret market data to determine the estimated fair value. The Republic of Kazakhstan continues to display some characteristics of an emerging market and economic conditions continue to limit the volume of activity in the financial markets. Market quotations may be outdated or reflect distress sale transactions and therefore not represent fair values of financial instruments. Management has used all available market information in estimating the fair value of financial instruments.

Financial assets carried at amortised cost

The estimated fair value of fixed interest rate instruments is based on estimated future cash flows expected to be received discounted at current interest rates for new instruments with similar credit risk and remaining maturity. Discount rates used depend on credit risk of the counterparty. Carrying amount of trade receivable (Note 11), cash and cash equivalents (Note 15), restricted cash deposits (Note 8) and loans receivable (Note 12) approximates their fair value.

The estimated fair value of fixed interest rate instruments with stated maturity, for which a quoted market price is not available, was estimated based on expected cash flows discounted at current interest rates for new instruments with similar credit risk and remaining maturity. Due to short maturities the carrying amount of trade payables to suppliers and contractors approximates their fair values. Fair value of bank loans approximates their carrying amount as disclosed in Note 19.

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: quoted (unadjusted) prices in active market for identical assets or liabilities;
- Level 2: techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and
- Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The following tables provide an analysis of financial instruments in the consolidated financial statements at fair value by the level in the fair value hierarchy at 31 December 2021 and 2020:

GROUP

In thousands of US Dollars	Level 1	Level 2	Level 3	**Total as at December 31, 2021**
Assets, which fair value is disclosed				
Trade receivable	-	64	-	64
Cash and cash equivalents	2,579	-	-	2,579
Total fair value	**2,579**	**64**	**-**	**2,643**
Liabilities, which fair value is disclosed				
Trade payable	-	285	-	285
Total fair value	**-**	**285**	**-**	**285**

36. Fair Value of Financial Instruments (continued)

In thousands of US Dollars	Level 1	Level 2	Level 3	**Total as at December 31, 2020**
Assets, which fair value is disclosed				
Trade receivable	-	26,646	-	26,646
Cash and cash equivalents	1,308	-	-	1,308
Restricted cash deposits	563	-	-	563
Loans receivable	-	82,451	-	82,451
Total fair value	**1,871**	**109,187**	**-**	**111,058**
Liabilities, which fair value is disclosed				
Trade payable	-	40,996	-	40,996
Lease liabilities and finance leasing	-	10,519	-	10,519
Loans payable	-	299,674	-	299,674
Total fair value	**-**	**351,189**	**-**	**351,189**

COMPANY

In thousands of US Dollars	Level 1	Level 2	Level 3	**Total as at December 31, 2021**
Assets, which fair value is disclosed				
Trade receivable	-	64	-	64
Cash and cash equivalents	2,579	-	-	2,579
Total fair value	**2,579**	**64**	**-**	**2,643**

In thousands of US Dollars	Level 1	Level 2	Level 3	**Total as at December 31, 2020**
Assets, which fair value is disclosed				
Trade receivable	-	64	-	64
Loans receivable	2,033	-	-	2,033
Cash and cash equivalents	270	-	-	270
Total fair value	**2,303**	**64**	**-**	**2,367**

During 2021 and 2020 there were no transfers between levels 1, 2 and 3.

37. Ultimate Controlling Party

There is no ultimate controlling party.

38. Profit of Parent Company

As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the Parent Company is not presented as part of these financial statements. The Parent Company's profit for the financial year was USD 258,332 thousand (2020: loss USD 655 thousand).

39. Nature and Purposes of Reserves

Retained earnings

The retained earnings reserve represents the accumulated retained profits and losses of the Group.

Foreign exchange translation reserve

The foreign exchange translation reserve comprises all currency exchange differences arising from the translation of the financial statements of non-US dollar denominated operations into the presentational currency of the Group.

Revaluation reserve

The revaluation reserve is used to record the increase/decrease in the carrying value of tangible assets where revalued.

Share capital

Holders of these ordinary shares are entitled to dividends and are also entitled to one vote per share at general meetings of the Company.

40. Disposal of Kazphosphate LLP and Almaty Mega Finance LLP

On 21 May 2021, the Group disposed of 100% of the shares and voting interests in Kazphosphate LLP.

Profit resulting from the disposal has been recognised as follows –

In thousands of US Dollars	**2021**
1. Consideration transferred in cash	612,874
2. Fair value of identifiable net assets	(169,762)
Profit	**443,112**

On 15 September 2021, the Group disposed of 100% of the shares and voting interests held in Almaty Mega Finance LLP.

Profit resulting from the disposal has been recognised as follows –

In thousands of US Dollars	**2021**
1. Consideration transferred in cash	380
2. Fair value of identifiable net assets	(99,004)
Loss	**(98,624)**

40. Disposal of Kazphosphate LLP and Almaty Mega Finance LLP - continued

The results of discontinued operations are analysed below. The comparative figures have been re-presented to show separately the results of the discontinued operations as included in that period.

Loss for the year from discontinued operations:

In thousands of US dollars	Note	2021	2020
CONTINUING OPERATIONS			
Revenue	23	169,645	375,001
Cost of sales	24	(102,899)	(236,252)
Gross profit		**66,746**	**138,749**
Other income	25	6,939	1,492
Distribution costs	26	(19,743)	(40,227)
General and administrative expenses	27	(91,052)	(21,318)
Other expenses		(6)	(11)
Operating profit/(loss)		**(37,116)**	**78,685**
Finance income	29	2,022	11,492
Finance costs	29	(9,190)	(23,291)
Foreign exchange gain, net		(1,276)	(17,445)
Share of profit /(loss) of joint ventures		216	453
Profit / (loss) before income tax		**(45,344)**	**49,894**
Income tax expense	30	(7,588)	(14,160)
Profit / (loss) from discontinued operations		**(52,932)**	**35,734**

41. Subsequent Events

Invasion of Ukraine by Russia is an ongoing military conflict that began on 24 February 2022. At present we cannot quantify to what extent this may impact the future and results of the group.