

Company Registration Number 09248285

Green Finance Plc

Strategic Report, Directors' Report and Financial Statements

For the period ended 31 December 2015

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Green Finance Plc

Company information

The Board of Directors

Joint Corporate Services Limited
Praxis Mgt Limited
Michael Adams

Company Secretary

Joint Secretarial Services Limited

Registered Office

5th Floor
6 St Andrew Street
London EC4A 3AE

Independent Auditors

MHA McIntyre Hudson
New Bridge Street House
30 – 34 New Bridge Street
London EC4V 6BJ

Corporate Service Provider

TMF Management (UK) Limited
5th Floor
6 St Andrew Street
London EC4A 3AE

Trustee

BNY Mellon Corporate Trustee Services Limited
1 Canada Square
London E14 5AL

Bankers

Bank of New York Mellon, London Branch
1 Canada Square
London E14 5AL

Company Number

09248285
(England & Wales)

Strategic report for the period ended 31 December 2015

The directors have pleasure in presenting their Strategic report and the audited financial statements of Green Finance Plc (the "Company" or the "Issuer") for the period ended 31 December 2015.

Incorporation, principal activities, review of business and future developments

The Company was incorporated in England and Wales on 3 October 2014, as a public company with limited liability under the Companies Act 2006 with the registration number 09248285.

The Company is a special purpose vehicle established to substitute Standard Bank Plc as lender and issuer in connection with the outstanding US\$ 252,488,000 11 per cent. Loan Participation Notes due 2014 (the "Notes") issued by, but without recourse to, Standard Bank Plc (the "Original Lender") for the sole purpose of financing a loan made to Public Joint Stock Company "First Ukrainian International Bank" (the "Borrower").

The Original Lender made available to the Borrower a loan (the "Original Loan") in the amount of US\$ 150,000,000 on the terms and subject to the conditions of a loan agreement dated 8 February 2007 (the "Original Loan Agreement").

The Lender and the Borrower have supplemented the Original Loan Agreement to give effect to the increase in the Original Loan by US\$ 125,000,000 by entering into a supplemental loan agreement dated 16 May 2007 (the "First Supplemental Loan Agreement") and have further supplemented the Original Loan Agreement to give effect to amendments relating to the repayment date, rate of interest, frequency of payment of interest and the name of the Borrower, by entering into a supplemental loan agreement dated 15 December 2009 (the "Second Supplemental Loan Agreement").

On 8 November 2010 the Lender and the Borrower entered into the "Third Supplemental Loan Agreement" for the purpose of amendments relating to partial repayment, reorganisation, mergers, maintenance of capital adequacy and capital investment.

Pursuant to an extraordinary resolution passed on 4 December 2014 (the "Extraordinary Resolution"), the Noteholders have sanctioned certain amendments to the terms and conditions of the Notes and the Loan Agreement, including the substitution, in place of the Issuer, of the Company (the "New Issuer") as issuer of the Notes, lender under the Loan and obligor under the Trust Deed and the Agency Agreement. As a result, the Borrower and the Company (the "New Lender") entered into the "Fourth Supplemental Loan Agreement" in order to make certain amendments to the Loan Agreement, including the partial repayment date, amortisation and the substitution, in place of the Original Lender, of the New Lender as lender under the Loan. On 31 December 2014 the Company became the "New Issuer" of the Loan Participation Notes (the "Notes") which date of the maturity was extended until 31 December 2018. The original maturity was 31 December 2014. The Notes are constituted by the "Fourth Supplemental Trust Deed" dated on 18 December 2014 and the subject of the "Second Supplemental Agency Agreement" dated on 18 December 2014. The Notes are listed on the SIX Swiss Exchange, bear interest 11%.

No significant change in the Company's business is expected in the foreseeable future.

Business environment and political instability in Ukraine

The Ukrainian economy while deemed to be of market status continues to display certain characteristics consistent with that of an economy in transition. These characteristics include, but are not limited to, low levels of liquidity in the capital markets, high inflation, and significant imbalances in the public finance and foreign trade. In 2015, the Ukrainian hryvnia ("UAH") depreciated significantly against major foreign currency and official UAH/US\$ exchange rate established by the National Bank of Ukraine has increased by 52.21% from UAH 15.768556 for US\$ 1 as at 1 January to UAH 24.000667 for US\$ 1 as at 31 December 2015. Abrupt depreciation of Ukrainian currency, rise of inflation, reduction of population income, decrease in revenues and capital expenditures, outflow of capital from Ukrainian economy due to an armed anti-terrorist operation in Eastern part of Ukraine, have caused the decrease in main economic indicators.

In addition, such factors as increase in unemployment in Ukraine, decrease in liquidity and profitability of corporate sector have negative impact on creditworthiness of economic agents and, as a consequence on the loan portfolio quality of Ukrainian banks. Events in Ukraine also lead to decrease in value of collateral securing loans and other assets of Ukrainian banks. The Government of Ukraine has undertaken to focus its policy on Association with the European Union, to implement a set of reforms aimed at addressing existing imbalances in the economy, public finance and public administration, and improving the investment climate.

The stabilization of the Ukrainian economy in the near future depends on the success of the actions taken by the Government of Ukraine, and on the continuous financial support of Ukraine by international donors and international financial institutions

Further negative developments of the political and macroeconomic conditions, and/or terms of international trade may continue to adversely affect the Ukrainian banks' financial position and performance in a manner not currently determinable.

Strategic report for the period ended 31 December 2015 (continued)

Principal risks and uncertainties

The Company is a securitisation company which has been structured so as to avoid, as far as possible, significant financial risk.

The Company's financial instruments comprise the loan assets, cash and cash equivalents, the Notes and various receivables and payables that arise directly from its operation. As per the Company's policy no trading in financial instruments is undertaken for the period ended 31 December 2015. The main risk arising from the Company's financial instruments is credit risk.

Credit risk

The Company is subject to the risk of delays in receipt and risk of defaults on payments due from the Borrower in respect of the Loan. The directors of the Company review information available to them including the latest financial information published by First Ukrainian International Bank and make due enquiries of First Ukrainian International Bank's management regarding the financial performance and position of the First Ukrainian International Bank and the business environment in which it operates in order to assess the credit risk related to the Loan to the Borrower.

Interest rate risk

Interest rate risk exists where assets and liabilities have interest rates set under a different basis or which reset at different times. The Company's exposure to interest rate risk is limited as the interest rate characteristics of its assets and liabilities are similar.

Liquidity risk

Liquidity risk is the risk that the Company may be unable to meet the payment obligations associated with its financial liabilities when they fall due. Because the payment and receipt of interest on notes and loan respectively, are matched and the expenses are reimbursed by the borrower, there is limited liquidity risk.

Currency risk

The functional currency of the Company is US Dollars. The Company is exposed to foreign exchange risk because the functional currency differs from the currency in which other expenses, other income are incurred and the currency in which its cash at bank is held. The risk is however very minimal.

Results and dividends

The results for the period and the Company's financial position at the end of the period are disclosed on pages 10 and 11. The profit for the period after taxation amounted to US\$ 3,989.

Key performance indicators

The Company receives interest from the Borrower and pays it to the Noteholders. Most of the administration expenses were paid for upfront. The borrower pays for any for any other expenses that were not paid upfront. The Company also retains a very minimal amount of profit of £ 1,000. As a result of this set up, the directors believe that it is not necessary to present any financial key performance indicators.

For and on behalf of the board



David Bell for and on behalf of
Joint Corporate Services Limited
Director

Date: 16 March 2016

Directors' report for the period ended 31 December 2015

The directors have pleasure in presenting their report and the audited financial statements of Green Finance Plc (the "Company" or the "Issuer") for the period ended 31 December 2015.

Please refer to the Strategic report for detailed disclosures relating to financial instruments and related risk management.

Corporate governance

The directors have been charged with governance in accordance with the offering circular describing the structure and operation of the transaction. The governance structure of the Company is such that the key policies have been predetermined at the time of issuance and the operational roles have been assigned to third parties with their roles strictly governed by the transaction documents.

The transaction documents provide for procedures that have been designed for safeguarding assets against unauthorised use or disposition, for maintaining proper accounting records, and for the reliability and usefulness of financial information used within the business or for publication. Such procedures are designed to manage rather than eliminate the risk of failure to achieve business objectives whilst enabling them to comply with their regulatory obligations.

Directors and their interests

The directors of the Company who were in office during the period and up to the date of signing the financial statements, were:

Joint Corporate Services Limited
Praxis Mgt Ltd
Michael Adams

None of the directors have any beneficial interest in the ordinary share capital of the Company. None of the directors had any interest either during or at the end of the period in any material contract or arrangement with the Company.

No dividends were declared or paid by the Company during the current period and the directors do not propose a final dividend.

Directors' indemnities

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity is currently in force.

Company secretary

The Company secretary during the period, and subsequently, was Joint Secretarial Services Limited.

Employees

The Company had no employees during the current period. Joint Secretarial Services Limited performs the Company's secretarial functions. TMF Management (UK) Limited provides corporate and administration services.

Political and charitable donations

The Company made no political or charitable donations or incurred any political expenditure during the period.

Subsequent Events

There were no significant post balance sheet events to report.

Statement of disclosure of information to the auditors

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

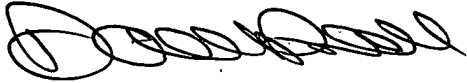
This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Directors' report for the period ended 31 December 2015 (continued)

Auditors

The auditors, MHA McIntyre Hudson were appointed as first auditors of the Company and have expressed their willingness to continue in office until the next Annual General Meeting. In accordance with s.485 of CA 2006, a resolution to reappoint MHA McIntyre Hudson will be proposed at the forthcoming Annual General Meeting.

For and on behalf of the board

A handwritten signature in black ink, appearing to be 'David Bell', written in a cursive style.

David Bell for and on behalf of
Joint Corporate Services Limited
Director

Date: 16 March 2016

Statement of directors' responsibilities

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

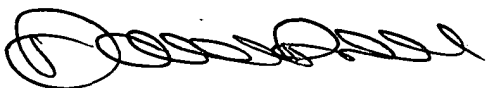
Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the directors 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 company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Company's ability to continue as a going concern.

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

For and on behalf of the board



David Bell for and on behalf of
Joint Corporate Services Limited
Director

Date: 16 March 2016

Independent Auditors' Report to the Members of Green Finance Plc

We have audited the financial statements of Green Finance Plc for the period ended 31 December 2015 which comprise the Statement of comprehensive income, the Statement of changes in equity, the Statement of financial position, the Statement of cashflows and the related notes 1 to 15. 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.

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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 8, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2015 and of its profit for the period then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in Note 2 to the financial statements concerning the political unrest in Ukraine. The events referred to in Note 2 could adversely affect the Company's future results and financial position in a manner not currently determinable.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



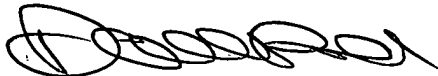
Rakesh Shaunak (FCA) (Senior Statutory Auditor)
for and on behalf of MHA McIntyre Hudson, Statutory Auditor
London, United Kingdom
Date: 21 March 2016

Statement of comprehensive income
for the period ended 31 December 2015

Company registration number 09248285

	Note	Period from 3 October 2014 to 31 December 2015 US \$
Interest income	4	29,775,020
Interest expense	5	(29,775,020)
Net interest income		-
Operating expenses	6	(151,217)
Management fee		1,653
Reimbursement for operating expenses		153,884
Profit on ordinary activities for the period before taxation		4,320
Income tax expense	7	(331)
Profit for the period after taxation		3,989
Total comprehensive income for the period		3,989

The financial statements are approved and authorised for issue by the Board of Directors on 16 March 2016 and signed on its behalf by:



David Bell for and on behalf of
Joint Corporate Services Limited
Director

The accompanying notes on pages 13 to 20 are an integral part of these financial statements.

Green Finance Plc

Statement of financial position as at 31 December 2015

Company registration number 09248285

		As at 31 December 2015 US \$
Non-current assets	Note	
Loan to the Borrower	8	158,048,000
Current assets		
Loan to the Borrower	8	39,512,000
Other debtors	8	35,639
Cash at bank	9	31,974
Total current assets		<u>39,579,613</u>
Total assets		<u>197,627,613</u>
Non-current liabilities		
Notes	10	158,048,000
Current liabilities		
Notes	10	39,512,000
Other creditors	10	43,304
Current income tax liability		331
Total current liabilities		<u>39,555,635</u>
Total liabilities		<u>197,603,635</u>
Net assets		<u>23,978</u>
Equity		
Share capital	11	19,989
Retained earnings		3,989
Total equity		<u>23,978</u>
Total equity and liabilities		<u>197,627,613</u>

The financial statements are approved and authorised for issue by the Board of Directors on 16 March 2016 and signed on its behalf by:



David Bell for and on behalf of
Joint Corporate Services Limited
Director

The accompanying notes on pages 13 to 20 are an integral part of these financial statements.

Statement of changes in equity
For the period ended 31 December 2015

Company registration number 09248285

Attributable to equity holders of the Company

	Note	Share Capital	Retained earnings	Total
		US \$	US \$	US \$
At the date of incorporation - 3 October 2014		-	-	-
Total comprehensive income for the period		-	3,989	3,989
Shares issued during the period	11	19,989	-	19,989
At the end of the period		<u>19,989</u>	<u>3,989</u>	<u>23,978</u>

The accompanying notes on pages 13 to 20 are an integral part of these financial statements.

Statement of cash flows

Company registration number 09248285

		As at 31 December 2015 US \$
	Note	
Cash flows from operating activities		
Profit before income tax		4,320
Adjustments for:		
(Increase) in other debtors	8	(35,639)
Increase in other creditors	10	43,304
Net cash from operating activities		<u>11,985</u>
Investing activities		
Loan to the Borrower	8	(252,488,000)
Repayments	8	54,928,000
Interest receivable		29,775,020
Net cash generated investing activities		<u>(167,784,980)</u>
Financing activities		
Issue of share capital	11	19,989
Issue of Notes	10	252,488,000
Repayments	10	(54,928,000)
Interest payable		(29,775,020)
Net cash from financing activities		<u>167,804,969</u>
Net increase in cash and cash equivalents		<u>31,974</u>
Cash and cash equivalents at beginning of period		-
Cash and cash equivalents at 31 December 2015	9	<u><u>31,974</u></u>

The accompanying notes on pages 13 to 20 are an integral part of these financial statements.

Notes to the financial statements

1. GENERAL INFORMATION

The Company is a special purpose vehicle incorporated in England and Wales on 3 October 2014, as a public Company with limited liability under the Companies Act 2006 with the registration number 09248285. The Company was established to substitute Standard Bank Plc as lender and issuer in connection with the outstanding US\$ 252,488,000 11 per cent. Loan Participation Notes due 2014 (the "Notes") issued by, but without recourse to, Standard Bank Plc (the "Original Lender") for the sole purpose of financing a loan made to Public Joint Stock Company "First Ukrainian International Bank" (the "Borrower").

On 31 December 2014 the Company became the "New Issuer" of the Loan Participation Notes (the "Notes") which date of the maturity was extended until 31 December 2018. The Notes are constituted by the "Fourth Supplemental Trust Deed" dated on 18 December 2014 and the subject of the "Second Supplemental Agency Agreement" dated on 18 December 2014. The Notes are listed on the SIX Swiss Exchange, bear interest 11%.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below.

Basis of preparation

The Company's financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRSs as adopted by the EU"), IFRIC Interpretations and the Companies Act 2006 is applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention. As explained in the Directors' report, the directors consider it appropriate for the financial statements to be prepared on a going concern basis.

The Company's main transactions are in US dollars and therefore, the functional and presentational currency used by the Company is US dollars.

Standards issued but not yet effective

The following accounting standards and interpretations have been issued by the IASB but have not yet been endorsed by the EU and have not been early adopted by the Company:

- IFRS 9 'Financial instruments'. IFRS 9, as issued reflects the first phase of the IASB's work on the replacement of IAS 39 'Financial instruments: recognition and measurement' and applies to classification and measurement of financial assets and financial liabilities as defined in IAS 39 and introduces an expected credit loss model for the measurement of the impairment of financial assets. The effective date for this standard is 1 January 2018.

The Company will quantify the effect in conjunction with the other phases, when issued, to present a comprehensive picture. This new standard is not expected to have a significant impact on the Company's Financial Statements;

- IFRS 15 'Revenue from contracts with customers'. IFRS 15 supersedes IAS 11 'Construction contracts' and IAS 18 'Revenue' and sets out the requirements for recognising revenue that applies to contracts with customers, except for those covered by standards on leases, insurance contracts and financial instruments. This standard becomes effective on 1 January 2018. This new standard is not expected to have a significant impact on the Company's Financial Statements;
- IFRS 16 'Leases'. This new standard is not expected to have a significant impact on the Company's Financial Statements; and
- Annual improvements to IFRSs 2012–2014 cycle. This new standard is not expected to have a significant impact on the Company's Financial Statements.

The directors consider that there are no other new or revised standards relevant to the Company which should be adopted and reported in the 2015 Financial Statements.

Going concern

The Company's business activities, together with the factors likely to affect its future development, performance, and its principal uncertainties are set out in the Strategic report. The Company's ability to meet its obligations to the Noteholders as they fall due is directly linked to the Borrower's performance of their obligations under the Loan.

The performance of the Company depends on First Ukrainian International Bank's credit quality and its ability to make payments under the Fourth Supplemental Loan Agreement. The majority of First Ukrainian International Bank's business is conducted in Ukraine. Consequently, First Ukrainian International Bank's performance and therefore the credit risk to which the Company is exposed is dependent upon the stability of the government and the Ukrainian economy.

Notes to the financial statements

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Going concern (continued)

The directors have undertaken a review and conclude that the Company has adequate resources and suitable arrangements in place for it to be able to continue in operational existence for the foreseeable future. Therefore the directors consider it appropriate for the financial statements to be prepared on a going concern basis.

Loan to the Borrower

The Loan to the Borrower has been classified as Loan and receivables. The Loan is measured on initial recognition at fair value, and is subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired.

The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition. Subsequent increases of the value of the Loan, which can be objectively related to an event occurring after previous impairment losses have been recognised, are recorded in the income statement to the extent previous impairment losses have been taken through the income statement. The reversal shall not result in a carrying amount of the Loan that exceeds the amortised cost had no impairment been recognised.

Segmental Analysis

The whole Company's operations are carried out in the United Kingdom and the results and net assets are derived from its investment in the Loan to the Borrower, which as stated in Note 8, is due from a related entity in the Ukraine.

Operating expenses

Operating expenses include corporate service fees, accounting fees, audit fees and other professional fees including Trustee which are recognised on an accruals basis.

Share capital

Share capital is issued in Sterling (GBP) and has been translated at the prevailing rate of US\$ 1.6068 on the date of issuance being 3 October 2014.

Other debtors

Other debtors are classified as loans and receivables. They are measured at fair value on initial recognition and subsequently at amortised cost, with exception of short debtors that are measured at original amount less impairment.

Cash and cash equivalents

Cash and cash equivalents comprises of cash at bank.

Other creditors

Other creditors are classified as loans and payables. They are measured at fair value on initial recognition and subsequently at amortised cost, with exception of short creditors that are measured at original amount.

Notes

The Notes issued are classified as other financial liabilities and are recognised initially at fair value being the principal issued less attributable transaction costs. Subsequent to initial recognition, the Notes are stated at amortised cost with any difference between cost and the redemption value being recognised in the statement of comprehensive income on an effective interest basis.

As mentioned in the Strategic report, all issue costs relating to the issuance of the Notes were borne by the Borrower.

Notes to the financial statements

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Derecognition of financial assets and financial liabilities

Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired;
- the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass through" arrangement; or
- the Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained all the risks and rewards of the asset, but has transferred control of the asset.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss.

Interest income and expense

Interest income and interest expense are determined using the effective interest rate method. The effective interest rate method is a method of calculating the amortised cost of financial assets or financial liabilities and of allocating the interest income or interest expense over the expected life of the asset or liability. The effective interest rate is the rate that exactly discounts estimated future cash flows to the instrument's initial carrying amount.

Income tax expense

The charge for taxation is calculated in accordance with "Taxation of Securitisation Companies Regulations 2006 (SI 2006/3296)" and takes into account all deferred taxation adjustments arising from timing differences between the treatment of income and expenditure for taxation and accounting purposes which are likely to crystallise in the foreseeable future.

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

Foreign currency

The transactions in foreign currency are recorded at the rate of exchange as at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date. Non-monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at historical rates. These translation differences are dealt with in the statement of comprehensive income.

3. DIRECTORS AND EMPLOYEES

None of the directors received any emoluments during the period for their services to the Company nor received any benefits from the Company. The directors are employed and remunerated by subsidiaries of the TMF Group in respect of their services to the Company. Subsidiaries of the TMF Group who are the appointed corporate service providers as per the offering document were paid an annual corporate fee of US\$ 31,478 as a whole, and it is considered that there is no appropriate basis on which they can apportion part of this fee applicable to directors' services to the Company.

The Company has no employees and services required are contracted to third parties.

Notes to the financial statements

4. INTEREST INCOME

2015
US \$

Interest income from Loan to the Borrower	29,775,020
	<u>29,775,020</u>

The Borrower pay 'interest' on the principal outstanding amount of the Loan at the rate of 11% payable quarterly in arrears on 31 March, 30 June, 30 September, 31 December in US dollars.

5. INTEREST EXPENSE

2015
US \$

Interest expense on the Notes	29,775,020
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Interest expense to the Noteholders is calculated on the principal outstanding amount of the Notes at the rate of 11% payable quarterly in arrears on 31 March, 30 June, 30 September, 31 December in US dollars.

6. OPERATING EXPENSES

2015
US \$

Operating expenses include the following amounts:

Audit and corporation tax services	16,161
Management and advisory fees	31,479
Trustee fees	15,282
Other expenses	86,081
Foreign exchange loss	2,214
	<u>151,217</u>

All ongoing operating expenses including the audit fees and corporate service fees of the Company are borne by the Borrower where applicable by reimbursing the company for expenses incurred

7. INCOME TAX EXPENSE

(a) Analysis of charge in the year

2015
US \$

Current tax:

Current tax charge for the year	331
Income tax expense	<u>331</u>

(b) Reconciliation of effective tax rate

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

2015
US \$

Profit before tax	4,320
Tax at the UK corporation tax rate of 20%	<u>864</u>
Effects of:	
Adjustment in accordance with securitisation tax rules	(864)
Application of Statutory Instrument No 3296. The Taxation of Securitisation Companies Regulation 2006	331
Total tax expense reported in the income statement	<u>331</u>

Notes to the financial statements

7. INCOME TAX EXPENSE (continued)

The Finance Act 2005 provided that corporation tax for a 'securitisation company' within the meaning of the Act, would be calculated with reference to UK GAAP as applicable up to 31 December 2004, for accounting periods ending by 1 January 2008. Under the powers conferred by the Finance Act 2005, secondary legislation was enacted in November 2006 which ensures that, for periods commencing on or after 1 January 2007, corporation tax for a 'securitisation company' will be calculated by reference to the retained profit of the securitisation company.

The directors are satisfied that this Company meets the definition of a 'securitisation company' as defined by both The Finance Act 2005 and the subsequent secondary legislation and that no incremental unfunded tax liabilities will arise. The directors have elected that this Company be taxed by reference to the profit required to be retained in accordance with the applicable capital market arrangement.

As at 31 December 2015, there are no tax-related contingent assets or contingent liabilities in accordance with International Accounting Standard No. 37 'Provisions, Contingent Liabilities and Contingent Assets' (IAS 37).

The small profits rate of corporation tax in the United Kingdom is 20%. Accordingly, the company's profit for this accounting year is taxed at a standard effective rate of 20%.

8. LOAN, ACCRUED INTEREST INCOME AND OTHER RECEIVABLES

	As at 31 December 2015	
	Current US \$	Non-current US \$
Loan to the Borrower	39,512,000	158,048,000
Accrued interest income	-	-
Other debtors	35,639	-
	<u>39,547,639</u>	<u>158,048,000</u>

The US\$ 197,560,000 Loan outstanding at 31 December 2015 matures in 31 December 2018 and bears a fixed interest rate of 11% per annum.

9. CASH AT BANK

As at 31 December 2014 the Company held US\$ 31,974 with Bank of New York Mellon London.

10. NON-CURRENT AND CURRENT LIABILITIES.

The US\$ 197,560,000 Notes outstanding at 31 December 2015 is listed on the SIX Swiss Exchange. The Notes mature on 31 December 2018 and bears a fixed interest rate of 11% per annum.

	As at 31 December 2015	
	Current US \$	Non-current US \$
Notes	39,512,000	158,048,000
Accrued interest payable	-	-
Other creditors	43,304	-
	<u>39,555,304</u>	<u>158,048,000</u>

The proceeds from the offering of the Notes are used by the New Issuer to Fund a Loan to Public Joint Stock Company "First Ukrainian International Bank" (the "Borrower").

Notes to the financial statements

11. SHARE CAPITAL

	Number of shares	2015	
		GBP	US \$
Authorised share capital			
Ordinary share capital of GBP £1 each	50,000	50,000	79,950
	Number of shares	2015	
		GBP	US \$
Issued, allotted and called up			
Fully paid up ordinary share capital of GBP £1	1	1	1.61
Partially paid up share capital at GBP £0.25	49,999	12,500	19,987
	50,000	12,501	19,989

The entire issued share capital is held on trust by TMF Trustee Limited.

12. FINANCIAL RISK MANAGEMENT

The Company's financial instruments comprise of Loan to the Borrower, cash and cash equivalents and the Notes.

Credit risk

The Company is subject to the risk of delays in receipt and risk of defaults on payments due from the Borrower in respect of the Loan. The directors of the Company review information available to them including the latest financial information published by Public Joint Stock Company "First Ukrainian International Bank" and make due enquiries of First Ukrainian International Bank's management regarding the financial performance and position of the Public Joint Stock Company "First Ukrainian International Bank" and the business environment in which it operates in order to assess the credit risk related to the Loan to the Borrower. Due to the current crisis and instability in Ukraine, the credit risk of the Loan to the Borrower has increased significantly.

The maximum exposure to credit risk arising on the Company's financial assets at the reporting date is disclosed in the table below.

	Carrying value	Maximum exposure
	2015	2015
	US\$	US\$
Assets:		
Loan to the Borrower	197,560,000	197,560,000
Accrued interest receivable	-	-
Other debtors	35,639	35,639
Cash at bank and in hand	31,974	31,974
	<u>197,627,613</u>	<u>197,627,613</u>

Notes to the financial statements

12. FINANCIAL RISK MANAGEMENT (continued)

Liquidity risk

Liquidity risk is the risk that the Company may be unable to meet the payment obligations associated with its financial liabilities when they fall due. Because the payment and receipt of interest on the Notes and Loan respectively, are matched and the expenses are reimbursed by the borrower, there is limited liquidity risk.

The table below reflects the undiscounted cash flows of financial liabilities at the balance sheet date.

	Gross contractual cashflow	1 to 3 months	3 months to 1 year	1-5 years	Over 5 years
	US \$	US \$	US \$	US \$	US \$
Interest payable	40,746,750	5,432,900	15,755,410	19,558,440	-
Notes principal	197,560,000	-	39,512,000	158,048,000	-
	238,306,750	5,432,900	55,267,410	177,606,440	-

Interest rate risk

Interest rate risk exists where assets and liabilities have interest rates set under a different basis or which reset at different times. The Company's exposure to interest rate risk is limited as the interest rate characteristics of its assets and liabilities are similar.

Currency risk

The functional currency of the Company is US Dollars. The Company is exposed to foreign exchange risk because the functional currency differs from the currency in which other expenses, other income are incurred and the currency in which its cash at bank is held. The risk is however very minimal.

Fair values

The carrying amounts shown on the statement of financial position are considered a reasonable approximation of the fair value of all the Company's financial instruments excluding the following:

	As at 31 December 2015	
	amount	Fair Value
	US \$	US \$
Loan to the Borrower	197,560,000	149,163,727
Note	197,560,000	149,163,727

The fair value of the Notes are based on market prices as at the year end which showed an ask price of 75.50% of face value. The fair value of the Loan to the Borrower are considered to be the same as the fair value of the Notes.

The Borrower has paid repayment and all the Loan interest due to date in full. The Loan is neither past due nor impaired.

Notes to the financial statements

12. FINANCIAL RISK MANAGEMENT (continued)

Estimation of fair values

The fair value of the Notes are based on market prices as at the year end which showed an ask price of 75.50% of face value. The fair value of the Loan to the Borrower are considered to be the same as the fair value of the Notes. The terms of the Loan and Notes agreements match in all material respects. Under IFRS 13, Loan to the Borrower are considered Level 2 as explained below.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Under IFRS 13 the fair value of the Notes are considered to be Level 1.

No fair values have been disclosed for current assets and liabilities because their carrying amount approximates to fair value due to their short-term maturities.

13. RELATED PARTY TRANSACTIONS

The fees payable to the Company's directors for their services for the period ended on 31 December 2015 were US\$nil. However, Praxis Mgt Limited, Joint Corporate Services Limited are subsidiaries of TMF Management (UK) Limited, a company in which Mr Michael Adams was a director during the year, up until his resignation on 1 October 2015. Invoices issued by TMF Management (UK) Limited, which provides corporate services to the Company, are paid for by Public Joint Stock Company "First Ukrainian International Bank" according to the New Issuer Engagement Letter. There is no key management apart from the company's Directors.

During the period, fees of US\$ 31,478 were paid in relation to TMF Management UK Ltd in respect of corporate services provided to the Company. The amount accrued as at 31 December 2015 was US\$6,472.

14. ULTIMATE CONTROLLING PARTY

Green Finance Plc is incorporated and registered in the United Kingdom.

The entire share capital of the Company is held by TMF Trustee Limited on a discretionary trust basis for the benefit of certain charities.

Although Public Joint Stock Company "First Ukrainian International Bank" has no direct ownership interest in the Company, it is considered to benefit from the risk and rewards of its activities in the Loan to the Borrower and the Notes issued.

15. SUBSEQUENT EVENTS

There were no significant post balance sheet events to report.