

Registration number OC325075

ADA CAPITAL LLP

REPORT FOR THE MEMBERS AND UNAUDITED FINANCIAL STATEMENTS 31 December 2012

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ADA CAPITAL LLP

REPORT FOR THE MEMBERS AND UNAUDITED FINANCIAL STATEMENTS 31 December 2012

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ADA CAPITAL LLP

PARTNERS AND OTHER OFFICERS

Members: Arsen Agadzhanian 99,00%
Gegam Agadzhanian 1,00%

Designated members Arsen Agadzhanian
Gegam Agadzhanian

Registered address: 21 St Thomas Street
Bristol
BS1 6JS
United Kingdom

Registration number: OC325075

ADA CAPITAL LLP

REPORT OF THE MEMBERS

The partners presents its report and financial statements of the Partnership for the year ended 31 December 2012

Principal activities

The principal activities of the Partnership, which are unchanged from last year, are the financing of companies and providing short term interest bearing loans to third parties

Review of current position, future developments and significant risks

The Partnership's development to date, financial results and position as presented in the financial statements are not considered satisfactory and the partners is making an effort to reduce the Partnership losses

Results

The Partnership's results for the year are set out on page 4

Partners

The Partners of ADA Capital LLP as at 31 December 2011 and at the date of this report are presented on page 1 All of them were members of the Partnership throughout the year ended 31 December 2012

In accordance with the Partnership's Articles of Association all directors presently member of the Board continues in office

There were no significant changes in the remuneration of the Partners

Events after the reporting period

Any significant events that occurred after the end of the reporting period are described in note 10 to the financial statements

By order of the Members,

Arsen Agadzhanyan
Designated member

Limassol, 24 September 2013



Independent accountant's report

To the Partners of ADA CAPITAL LLP

We have reviewed the financial statements of the Partnership ADA CAPITAL LLP (the "Partnership") on pages 4 to 12 which comprise the statement of financial position as at 31 December 2011, the statements of comprehensive income and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information

Partners' responsibility for the financial statements

The Partners are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and the Partnership and Business Names Law, and for such internal control as determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error

Accountant's responsibility

Our responsibility is to express an opinion on these financial statements, based on our review. We conducted our review in accordance with International Standard on Review Engagements 2400. This Standard requires that we plan and perform the review to obtain moderate assurance about whether the financial statements are free of material misstatement.

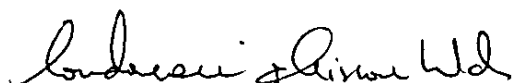
A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying financial statements do not give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union.

Emphasis of matter

In common with many businesses of similar size and organisation the system of internal control is dependent to a great extent upon the close involvement of the Partners. Where independent confirmation of the completeness of the accounting records was not therefore available we have accepted the assurances of the Partners that all the Partnership's transactions have been reflected in the financial statements. Our opinion is not qualified in this respect.



Frederik Coudounari
Certified Public Accountant and Registered Auditor
for and on behalf of
Coudounari & Elisseou Ltd
Certified Public Accountants and Registered
Auditors

Limassol, 24 September 2013

ADA CAPITAL LLP

STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2012

	Note	2012 €	2011 €
Gross profit		-	-
Other income	3	323.997	300 329
Administration expenses		(107.681)	(568 390)
Operating profit/(loss)		216.316	(268 061)
Finance costs	5	(373.942)	(1 691)
Net loss for the year		(157.626)	(269 752)
Other comprehensive income		-	-
Total comprehensive income for the year		(157.626)	(269 752)

The notes on pages 7 to 12 form an integral part of these financial statements

ADA CAPITAL LLP

STATEMENT OF FINANCIAL POSITION

31 December 2012

	Note	2012 €	2011 €
ASSETS			
Non-current assets			
Current assets			
Receivables	6	10.879.462	2 826 733
Cash at bank and in hand		2.422	516
		<u>10.881.884</u>	<u>2 827 249</u>
Total assets		<u>10.881.884</u>	<u>2 827 249</u>
PARTNERS' EQUITY AND LIABILITIES			
Partner's equity		<u>2.380.184</u>	<u>2 825 294</u>
Total equity		<u>2.380.184</u>	<u>2 825 294</u>
Non-current liabilities			
Borrowings		<u>8.500.000</u>	-
		<u>8.500.000</u>	-
Current liabilities			
Trade and other payables	7	<u>1.700</u>	<u>1 955</u>
		<u>1.700</u>	<u>1 955</u>
Total liabilities		<u>8.501.700</u>	<u>1 955</u>
Total partners' equity and liabilities		<u>10.881.884</u>	<u>2 827 249</u>

On 24 September 2013 the partners authorised these financial statements for issue


Arsen Agadzhanlyan
Designated member

The notes on pages 7 to 12 form an integral part of these financial statements

ADA CAPITAL LLP

CASH FLOW STATEMENT

Year ended 31 December 2012

	Note	2012 €	2011 €
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss for the year		(157.626)	(269 752)
Adjustments for			
Unrealised exchange (profit)		-	(241)
Interest income	3	(323.997)	(300 329)
Interest expense	5	360.491	-
Cash flows used in operations before working capital changes		(121.132)	(570 322)
(Increase)/decrease in receivables		(8.052.729)	462 442
Decrease in trade and other payables		(255)	(3 367)
Cash flows used in operations		(8.174.116)	(111 247)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		323.997	300 329
Partner's drawings		(426.025)	-
Net cash flows (used in)/from investing activities		(102.028)	300 329
CASH FLOWS FROM FINANCING ACTIVITIES			
Partners' deposits		138.541	-
Proceeds from borrowings		8.500.000	-
Interest paid		(360.491)	-
Partner's drawings		-	(188 780)
Unrealised exchange (profit)		-	241
Net cash flows from/(used in) financing activities		8.278.050	(188 539)
Net increase in cash and cash equivalents		1.906	543
Cash and cash equivalents			
At beginning of the year		516	(27)
At end of the year		2.422	516

The notes on pages 7 to 12 form an integral part of these financial statements

ADA CAPITAL LLP

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

Year ended 31 December 2012

1. Incorporation and principal activities

Country of incorporation

The Partnership ADA CAPITAL LLP (the "Partnership") was incorporated in the UK on 28th December 2006 as a partnership under the Partnership Law, Cap 116. Its registered address is at 21 St Thomas Street, Bristol, BS1 6JS, United Kingdom.

Principal activities

The principal activities of the Partnership, which are unchanged from last year, are the financing of companies and providing short term interest bearing loans to third parties.

2. Accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented in these financial statements unless otherwise stated.

Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU). The financial statements have been prepared under the historical cost convention.

Adoption of new and revised IFRSs

During the current year the Partnership adopted all the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning on 1 January 2012. This adoption did not have a material effect on the accounting policies of the Partnership.

At the date of approval of these financial statements, standards and interpretations were issued by the International Accounting Standards Board which were not yet effective. Some of them were adopted by the European Union and others not yet. The Board of Directors expects that the adoption of these accounting standards in future periods will not have a material effect on the financial statements of the Partnership.

Audit exemption

The LLP is entitled to exemption from audit under Section 477 of the Companies Act 2006 as modified by the Limited Liability Partnership (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 for the year ended 31 December 2012.

The Members acknowledge their responsibilities for

(a) ensure that the LLP keeps accounting records which comply with Section 386 and 387 of the Companies Act 2006 as modified by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulation 2008 and

(b) preparing financial statements which give a true and fair view of the state of affairs of the LLP as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Section 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 as modified by the Limited Liability Partnership (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 relating to financial statements, so far as applicable to the LLP.

ADA CAPITAL LLP

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

Year ended 31 December 2012

2. Accounting policies (continued)

Revenue recognition

Revenues earned by the Partnership are recognised on the following bases

- **Interest income**

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

Finance costs

Interest expense and other borrowing costs are charged to profit or loss as incurred

Foreign currency translation

(1) **Functional and presentation currency**

Items included in the Partnership's financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Euro (€), which is the Partnership's functional and presentation currency

(2) **Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss

Financial instruments

Financial assets and financial liabilities are recognised in the Partnership's statement of financial position when the Partnership becomes a party to the contractual provisions of the instrument

Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprise cash at bank and in hand

Borrowings

Borrowings are recorded initially at the proceeds received, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method

Trade payables

Trade payables are initially measured at fair value and are subsequently measured at amortised cost, using the effective interest rate method

ADA CAPITAL LLP

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

Year ended 31 December 2012

2. Accounting policies (continued)

Derecognition of financial assets and 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 Partnership 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 Partnership 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 substantially 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

When 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, and the difference in the respective carrying amounts is recognised in profit or loss

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the statement of financial position

Non-current liabilities

Non-current liabilities represent amounts that are due more than twelve months from the reporting date

3. Other income

	2012	2011
	€	€
Interest income	323.997	300 329
	323.997	300 329

4. Expenses by nature

	2012	2011
	€	€
Other expenses	107.681	568 390
Total expenses	107.681	568 390

ADA CAPITAL LLP

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

Year ended 31 December 2012

5. Finance costs

	2012 €	2011 €
Net foreign exchange transaction losses	-	(241)
Interest expense	360.491	-
Other finance expenses	13.451	1 932
	<u>373.942</u>	<u>1 691</u>

6. Receivables

	2012 €	2011 €
Receivables from related companies	2.379.462	2 826 733
Deposits and prepayments	8.500.000	-
	<u>10.879.462</u>	<u>2 826 733</u>

The fair values of trade and other receivables due within one year approximate to their carrying amounts as presented above

7. Trade and other payables

	2012 €	2011 €
Accruals	1.700	1 955
	<u>1.700</u>	<u>1 955</u>

The fair values of trade and other payables due within one year approximate to their carrying amounts as presented above

8. Operating Environment of the Partnership

The Cyprus economy has been adversely affected over the last few years by the international credit crisis and the instability in the financial markets. During 2012 there was a considerable tightening of financing availability from Cypriot financial institutions, mainly resulting from financial instability in relation to the Greek sovereign debt crisis, including the impairment of Greek Government Bonds, and its impact on the Cyprus economy. In addition, following its credit downgrades, the ability of the Republic of Cyprus to borrow from international markets has been significantly affected. The Cyprus government entered into negotiations with the European Commission, the European Central Bank and the International Monetary Fund, in order to obtain financial support.

The negotiations of the Cyprus Government with the European Commission, the European Central Bank and the International Monetary Fund (the 'Troika'), in order to obtain financial support, resulted in an agreement and decision of the Eurogroup on 25 March 2013 on the key elements necessary for a future macroeconomic adjustment programme which includes the provision of financial assistance to the Republic of Cyprus of up to €10 billion. The programme aims to address the exceptional economic challenges that Cyprus is facing, and to restore the viability of the financial sector, with a view to restoring sustainable economic growth and sound public finances in the coming years.

ADA CAPITAL LLP

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

Year ended 31 December 2012

8. Operating Environment of the Partnership (continued)

The Eurogroup decision on Cyprus includes plans for the restructuring of the financial sector and safeguards deposits below €100 000 in accordance with European Union legislation. In addition, the Cypriot authorities have reaffirmed their commitment to step up efforts in the areas of fiscal consolidation, structural reforms and privatizations. Following the Eurogroup request the Cypriot authorities and the European Commission, in liaison with the European Central Bank, and the International Monetary Fund, finalised the relevant Memorandum of Understanding in April 2013 which was then followed by the formal approval of the Board of Directors of the European Stability Mechanism as well as by the ratification by Eurozone member states through national parliamentary (or equivalent) approval.

On 12 April 2013 the Eurogroup welcomed the agreement that has been reached between Cyprus and the Troika institutions regarding the macroeconomic adjustment programme for Cyprus, and stated that the necessary elements were in place to launch the relevant national procedures required for the formal approval of the European Stability Mechanism financial assistance facility agreement.

On 22 March 2013 legislation was enacted by the House of Representatives of the Republic of Cyprus concerning restrictive measures in respect of transactions executed through the banking institutions operating in Cyprus. The extent and duration of the restrictive measures are decided by the Minister of Finance and the Governor of the Central Bank of Cyprus and they were enforced on 28 March 2013. The Partnership's management is monitoring the developments in relation to these capital controls and is assessing the implications on the Partnership's operations.

The uncertain economic conditions in Cyprus, the unavailability of financing, the impairment loss incurred on bank deposits and the imposition of the above mentioned capital controls together with the current instability of the banking system and the anticipated overall economic recession, could affect:

- the ability of the Partnership to obtain new borrowings or re-finance its existing borrowings at terms and conditions similar to those applied to earlier transactions
- the ability of the Partnership's trade and other debtors to repay the amounts due to the Partnership
- the ability of the Partnership to enter into contracts for the development of new property units
- the cash flow forecasts of the Partnership's management in relation to the impairment assessment for financial and non-financial assets

The economic conditions disclosed above together with the impact of the results of the Eurogroup decision of 25 March 2013 for Cyprus may have an adverse impact on the Partnership's debtors (inability to meet their obligations towards the Partnership), suppliers (inability to continue trading), valuation of real estate, bankers (inability to provide adequate finance), revenue (decreased demand for the Partnership's products or services due to decreased purchasing power by consumers).

The Partnership's management has assessed:

- (1) whether any impairment provisions are deemed necessary for the Partnership's financial assets carried at amortised cost by considering the economic situation and outlook at the end of the reporting period. Provisions for trade receivables are determined using the incurred loss model required by the applicable accounting standards. These standards require recognition of impairment losses for receivables that arose from past events and prohibit recognition of impairment losses that could arise from future events, no matter how likely those future events are.

The Partnership's management is unable to predict all developments which could have an impact on the Cyprus economy and consequently, what effect, if any, they could have on the future financial performance, cash flows and financial position of the Partnership.

On the basis of the evaluation performed, the Partnership's management has concluded that no provisions or impairment charges are necessary.

The Partnership's management believes that it is taking all the necessary measures to maintain the viability of the Partnership and the development of its business in the current business and economic environment.

ADA CAPITAL LLP

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

Year ended 31 December 2012

9. Related party transactions

The following transactions were carried out with related parties

9.1 Partners' current accounts - credit balances

	2012	2011
	€	€
Balance 1 January	2.825.294	3 283 826
Partners' withdrawals	(287.484)	(188 780)
(Loss)/Profit for the year	(157.626)	(269 752)
	<u>2.380.184</u>	<u>2 825 294</u>

The partners' current accounts are interest free, and have no specified repayment date

10. Borrowings

A loan of €8,500,000 was obtained from Promsvyazbank, Cyprus Branch, on 13 July 2012. The principal debt is payable by 11 monthly instalments of €250,000 starting from 11 August 2014. The final instalment will be on 11 June 2015 and on that date the balance of the principal debt of €5,750,000 must also be repaid. The interest on the loan is 10,35% per annum.

11. Events after the reporting period

Significant events that occurred after the end of the reporting period are described in note 8 to the financial statements.

On 22 March 2013 legislation was enacted by the House of Representatives of the Republic of Cyprus concerning restrictive measures in respect of transactions executed through the banking institutions operating in Cyprus. The extent and duration of the restrictive measures are decided by the Minister of Finance and the Governor of the Central Bank of Cyprus and they were enforced on 28 March 2013. The Partnership's operations will be affected by the extent and duration of these restrictive measures.

On 18 April 2013 legislation was enacted by the House of Representatives to increase the corporate tax from 10% to 12.5% with effect from 1 January 2013. Furthermore, legislation was enacted to increase the rate of special defence contribution from 15% to 30% on interest which does not arise from the ordinary course of business or is closely linked to it.

On 29 March 2013 the Central Bank of Cyprus issued Decrees relating to Laiki Bank and the Bank of Cyprus implementing measures for these two banks under the Resolution of Credit and Other Institutions Law of 2013.

The Partnership's cash held with banks affected from the above measures were below €100,000 as at the relevant date for implementation of the decisions, and hence are not affected.

Independent accountant's report on page 3

ADA CAPITAL LLP

DETAILED INCOME STATEMENT

Year ended 31 December 2012

	Page	2012 €	2011 €
Revenue			
Other interest income		<u>323.997</u>	<u>300 329</u>
		323.997	300 329
Operating expenses			
Administration expenses	14	<u>(107.681)</u>	<u>(568 390)</u>
Operating profit/(loss)		216.316	(268 061)
Finance costs	15	<u>(373.942)</u>	<u>(1 691)</u>
Net loss for the year		<u>(157.626)</u>	<u>(269 752)</u>

ADA CAPITAL LLP

OPERATING EXPENSES

Year ended 31 December 2012

	2012 €	2011 €
Administration expenses		
Donations to Dar Fond	105.981	562 440
Accounting fees	1.700	1 955
Legal and professional	-	3 995
	<u>107.681</u>	<u>568 390</u>

ADA CAPITAL LLP

FINANCE COSTS

Year ended 31 December 2012

	2012 €	2011 €
Finance costs		
Interest expense		
Loan interest	360.491	-
Other finance expenses		
Bank charges	13.451	1 932
Net foreign exchange transaction losses		
Unrealised exchange loss	-	(241)
	<u>373.942</u>	<u>1 691</u>