

CLOSED JOINED-STOCK COMPANY INSURANCE COMPANY «BUSIN»

Financial statements in compliance with IFRS

As at 31 December 2008 and for the year then ended

(In thous UAH)

Balance-sheet as at 31 December 2008

	<i>Notes</i>	<i>2008</i>	<i>2007</i>
Assets			
Current assets			
Cash and cash equivalents	4	29,398	7,341
Cash with a limited ability to use	5	1,540	-
Accounts receivable	6	32,766	12,741
Advances given	7	9	799
Other accounts receivable	8	2,119	3,679
Investments accounted at fair value	14	823	1,169
Inventories	9	4,857	917
Non-current assets for sale	10	-	6,100
Expenses of future periods		91	83
		<u>71,603</u>	<u>32,829</u>
Long-term assets:			
Deferred tax assets	11	519	-
Long-term accounts receivable	11	19	130
Investments reflected at the method of participation in equity		-	56
Investments for sale reflected at cost	13	158	1,714
Fixed and intangible assets	15	690	924
		<u>1,386</u>	<u>2,824</u>
		<u>72,989</u>	<u>35,653</u>
Liabilities and equity			
Current liabilities			
Accounts payable	16	16,456	477
Advances received		1,020	216
Other current liabilities	17	1,199	2,032
		<u>18,674</u>	<u>2,725</u>
Long-term liabilities			
Deferred tax liabilities	11	-	946
		<u>-</u>	<u>946</u>
Insurance reserves			
Reserve for non-earned premiums	18	23,269	9,351
Reserves other than the reserve for non-earned premiums	18	47	415
Reinsurers' share in the non-earned premiums reserve	18	(15,977)	(5,884)
Reinsurers' share in the reserves other than the non-earned premiums reserves	18	(14)	(286)
		<u>7,325</u>	<u>3,597</u>
Equity			
Share capital	19	24,400	10,125
Capital reserves	20	4,125	125
Non-current arrest valuation surplus		-	4,320
Retained earnings		18,465	13,815
		<u>46,990</u>	<u>28,385</u>
		<u>72,989</u>	<u>35,653</u>

Income statement for 2008

	<i>Notes</i>	<i>2008</i>	<i>2007</i>
Premiums received			
Total premiums received	21,35	52,654	19,500
Premiums paid to reinsures	22,35	(39,551)	(13,999)
Changes in insurance reserves			
Changes in unearned premiums reserves	18,35	(13,918)	17,075
Changes in reinsure's share in unearned premiums reserves	18,35	10,094	(15,479)
Total income		9,279	7,097
Insurance claims and indemnities and changes in reserves, other than unearned premiums reserves			
Insurance claims and indemnities	23	(1,874)	(1,246)
Changes in reserves other than unearned premiums reserves	21	368	1,479
Changes in reinsurers' share in reserves other than unearned premiums reserves	21	(271)	(392)
Case administration cost			
Administrative expenses	24	(5,518)	(5,114)
Sale service related expenses	25	(2,979)	(1,159)
Provision for doubtful debt on trade accounts receivable	26	(4,346)	(40)
Other operating income and expenses	27	14,154	159
Total insurance related expenses		(467)	(6,313)
Net insurance activity income		8,811	785
Provision for doubtful debts on other receivables	26	(208)	26
Financial income and expenses	28	2,343	829
Other income and expenses	29	(2,250)	750
Net profit before tax		8,696	2,390
Income tax expenses	30	(4,905)	(1,936)
Net profit after tax		3,791	454

Cash flow statement for 2008

	2008	2007
Cash flows from operating activities		
Net income before taxation	8,696	2,390
Adjustments to:		
Fixed assets depreciation and Intangible assets amortization	261	799
Changes in insurance reserves	13,550	(18,554)
Changes of reinsurers' share in insurance reserves	(9,822)	16,011
Changes of provision for doubtful debts	4,346	40
Revaluation of shares accounted at fair value	863	(254)
Changes of provisions for impairment of financial investments	-	8
Impairment of fixed assets	-	(12)
Result from sale of financial investments	951	357
Interest expenses (income)	(2,194)	(829)
Changes in:		
Accounts receivable	(24,372)	15,718
Advances paid	789	(775)
Other accounts receivable	930	(3,774)
Inventories	(3,939)	848
Expenses of future periods	(8)	(76)
Long-term account receivable	111	(66)
Accounts payable	14,914	(13,891)
Advances received	804	216
Other liabilities	722	420
Cash from operating activity	6,604	(1,425)
Interest received on bank deposits	1,768	829
Income tax paid	(4,287)	(1,444)
Dividends paid	(901)	(250)
Net cash flows from operating activities	3,184	(2,290)
Cash flows from investment activities		
Acquisition of fixed assets	(27)	(734)
Proceeds from sales of fixed assets	6,100	-
Investments in associates	-	(65)
Acquisition of investments	(3)	(993)
Sales of investments	65	-
Net cash flows from investment activity	6,138	(1,792)
Cash flows from financial activity		-
Participants' contributions	14,275	-
Net cash flows from financial activity	14,265	-
Net cash increase	23,596	(4,082)
Cash and cash balances at the beginning of the year	7,341	11,423
Cash and cash balances at the year-end	29,398	7,341

Statement of changes in equity for 2008

	<i>Share capital</i>	<i>Capital reserves</i>	<i>Revaluation surplus</i>	<i>Retained earnings</i>	<i>Total</i>
Balance as at 01 January 2007	10,125	125	21,465	12,947	44,662
Net profit for the period	-	-	-	454	454
Dividend payment to shareholders	-	-	-	(250)	(250)
Depreciation on revaluated fixed assets	-	-	(665)	665	-
Revaluation adjustment resulted from the deferred tax accrual	-	-	5,715	-	5,715
Impairment of non-current assets	-	-	(22,196)	-	(22,196)
Balance as at 31 December 2007	10,125	125	4,320	13,815	28,385
Net profit for the period	-	-	-	3,791	3,791
Dividend payment to shareholders	-	-	-	(901)	(901)
Capital reserve accrual	-	4,000	-	(4,000)	-
Write off of revaluation amount due to assets retirement	-	-	(4,320)	4,320	-
Including the amount of the deferred revaluation taxes to retained earnings	-	-	-	1,440	1,440
Shareholders' contributions	14,275	-	-	-	14,275
Balance as at 31 December 2008	24,400	4,125	-	18,465	46,990