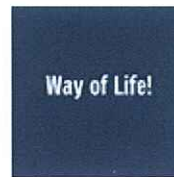


MIRKAT DOOEL SKOPJE



Financial Statements
for the year ending on 31.12.2014
with the Independent Auditor's Report

Skopje, March 2015 year

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Independent Auditor's Report

To the Management of MIRKAT DOOEL Skopje

We have audited the accompanying financial reports of the Company MIRKAT DOOEL Skopje (Company), which comprise of the Balance Statement as of 31 December 2014 year, Income Statement, Statement for changes in equity, and Cash Flow Report for the year ending on that date, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the financial statements

Management is responsible for preparation and fair presentation of these financial statements in accordance with the accounting standards accepted in Republic of Macedonia and for such internal controls as management determines are necessary to enable the preparation of financial statements that are freed of material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

Our opinion is that the financial statements of the Company, in all materially significant aspects, present the real financial condition of the Company on December 31, 2014 year, and the results from the working, changes in equity, and cash flow for the year ending on that date, in accordance with the accounting standards accepted in Republic of Macedonia.

Emphasis of matter

Without qualifying our opinion, we draw attention to the equity section of the Balance Sheet. The Company has uncovered loss in the amount of 65.921 thousand denars and presents negative equity in the amount of 25.855 thousand denars. This indicates the existence of a material uncertainty, which may cast a significant doubt about the company's ability to continue as a going concern.

Skopje, 20.03.2015

Certified Auditor

Dimitar Andonovski



AUDIT COMPANY
BAKER TILLY MAKEDONIJA LLC Skopje

 Audit Company
BAKER TILLY MACEDONIA
LTD Skopje



MIRKAT DOOEL Skopje

BALANCE SHEET

on 31.12.2014 year

(in 1000 Mkd)

	Notes	2014	2013
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	5.1.	13,005	13,772
Accumulated depreciation		-8,456	-7,280
Accounting value		4,548	6,492
Intangible assets		0	0
Long term investments		0	0
TOTAL NON CURRENT ASSETS		4,548	6,492
CURRENT ASSETS			
Cash and cash equivalents	5.2.	6,038	372
Trade Receivables	5.3.	5,496	5,306
Financial Investments	5.4.	0	2,504
Inventories	5.5.	18,062	15,036
TOTAL CURRENT ASSETS		29,597	23,218
TOTAL ASSETS		34,145	29,710
CAPITAL , RESERVES AND LIABILITIES			
CAPITAL and RESERVES			
Written capital		40,066	40,066
Reserves		0	0
Retained Earnings		0	0
Gain for the financial year		0	0
Loss for the financial year		-6,115	-6,809
Transferred loss		-59,806	-52,996
TOTAL CAPITAL and RESERVES		-25,855	-19,740
Noncurrent liabilities		0	0
Current liabilities	5.6.	59,999	49,449
TOTAL LIABILITIES		59,999	49,449
TOTAL CAPITAL , RESERVES AND LIABILITIES		34,145	29,710

Skopje 28.02.2015

Approved by:

MIRKAT DOOEL Skopje

INCOME STATEMENT

For the year ending on 31.12.2014
(in 1000 Mkd)

	<i>Note</i>	2014	2013
Revenues from sales	6.1	42,516	52,693
Cost of goods sold		-36,187	-45,578
Gross profit (Loss) from sales		6,329	7,115
Operational incomes	6.2	790	946
Operational expenses	6.3	-14,345	-14,917
Operational profit (-loss)		-7,226	-6,855
Financial Incomes	6.4	1,137	133
Financial costs	6.5	-26	-68
Profit (loss) before taxation		-6,115	-6,790
Income Tax		0	-19
Net Profit (loss) for the financial year		-6,115	-6,809

Skopje 28.02.2015

Approved by:

CASH FLOW REPORT
for the year ended on 31.12.2014

	2014	2013
A. Cash flow from operating activities	5,814	-3,167
Net income/loss after taxation	-6,115	-6,598
Deprecation	2,091	2,278
Increase/decrease of inventories	-3,026	1,344
Increase/decrease of trade receivables	-190	1,590
Increase/decrease of other receivables	2,504	0
Increase/decrease of (trade accounts payable)	10,550	-1,780
Increase/decrease of other short-time liabilities	0	0
Capital Gain (Loss) from sale of material assets	0	0
B. Cash flow of investment activities	-148	1,578
Purchase (sale)of material and intangible assets	-148	1,578
Increase/decrease id long term investments	0	0
Increase/decrease of long term receivables	0	0
Increase/decrease of short term financial investments	0	0
C. Cash flow of financing activities	0	0
Increase of the capital	0	0
Increase/decrease of long-term credits	0	0
Gaining of minority interests	0	0
Payment of (cash) dividends	0	0
Purchase/sale of own shares	0	0
Increase/decrease of cash	5,666	-1,590
Cash on beginning of the year	372	7,768
Cash on the end of the year	6,038	6,178

MIRKAT DOOEL Skopje

STATEMENTS OF CHANGES EQUITY

For the period from 01.01.2014 to 31.12.2014

(in 1.000 Mkd)

Description		Share capital	Reserves	Retained Earnings	Transferred loss	TOTAL
Balance at	01.01.2014	40,066	0	1	-59,806	-19,740
New emission		0	0	0	0	0
Net gains (losses) non accepted in Income statement		0	0	0	0	0
Dividends		0	0	0	0	0
Redeemed treasury shares		0	0	0	0	0
Net gains (losses) for the financial year		0	0	0	-6,115	0
Balance at	31.12.2014	40,066	0	0	-65,921	-25,855

MIRKAT Ltd, Skopje
NOTES TO THE FINANCIAL STATEMENTS

1. General information

Company Name	MIRKAT Ltd Skopje
Address	Skupi street no. 1, Skopje, Republic of Macedonia
Municipality	Karposh
Type of ownership	Private
Owner	Sfakianakis-Athens, Greece
Date of establishment	31.07.2006
Code of activity	6130275
Activity	45.11 Trade with cars and lightweight motor vehicles
Basic capital EUR	655.000,00
Average number of employees	4
Director	Ljube Nesovski
Chief of accounting	BILANS LD Ltd, Skopje
Accounting year	2014
Period of Income Statement	01.01-31.12.2014
Date of the Balance Sheet	31.12.2014

a) Establishment of the Company

The company for production, trade and services "MIRKAT" DOOEL export - import is registered in the Central Registry of Republic of Macedonia, Regional registration office Skopje on 31.07.2006 year.

According to the contract for establishment MIRKAL DOOEL is importer and authorized dealer for sale of passenger vehicles from the brand SUZUKI.

2. Basis for preparation of the financial statements

The financial statements of the company are prepared according to the Accounting Standards accepted in Republic of Macedonia which are implemented in Republic of Macedonia from 01.01.2010 year, and are published on 28.12.2009 year in the Official Gazette of the Republic of Macedonia No. 159/2009 year in the Rulebook for chart of accounts. The basic settings of such standards are given below.

a) General

Accounting base

The Financial statements are prepared in accounting based on accounting base. According to this approach the effects of the transactions and other events are recognized when they occur, and not when the money are received or paid.

Continuity

The Financial statements are prepared under the presumption that the company will continue with for unpredictable duration that is the company has no intention to liquidate or significantly decrease its activity.

Comparability

The company applies consistent accounting policies in relation with the previous period, as well as, in relation with other companies in Republic of Macedonia.

3. Basic accounting policies and valuations

The basic accounting policies applied during the preparation of the financial statements are given below:

3.1. Non-current assets

As non-current assets are classified real estate, plant and equipment, intangible assets and long term investments.

Non-current assets are recognized in the Balance Sheet when the company has proof that possesses them, and it is known that will realize future economic benefits from them, and the expenses for their acquisition objectively can be measured.

The assets are recorded at their acquisition value decreased for the accumulated depreciation and the accumulated impairment loss.

3.1.1. The acquisition value of the real estate, plant and equipment, and intangible assets, is measured according the expenses for their acquisitions:

- Value of the asset from the invoice from the suppliers;
- Customs duties and taxes which are not refunded from the state;
- Expenses for transport;
- Expenses for preparation of the space;
- Expenses for installation and fees for specialist.

3.1.2. The non-current assets in the Balance Sheet include investments in other objects and are presented by their acquisition value decreased for the accumulated depreciation.

The expenses for interests from credits which are used for financing of building the real estates, plant and equipment, and intangible assets as well as all the successive expenditures connected to these assets are capitalized. The other expenses in respect of loans and successive expenses which can not be identified for some real estate, plant and equipment, and intangible assets are recorded as expense of the period.

These assets are depreciated with straight-line method, with application of rates according appropriate depreciation groups that are based according the estimated useful lives of the assets. The depreciation of the assets is calculated in the beginning of the following month after the asset is put in usage on the basis of acquisition value of the basic asset.

The applied depreciation rates of the real estate, plant and equipment that are in use are:

	Depreciation rate 2014 year	Estimated useful lives
1. Real estate	2.5 - 10 %	10- 40
2. Plant and equipment	10 - 20 %	5 -10
3. Office equipment	20 - 25 %	4- 5
4. Transport assets	10 - 25 %	4-10

Depreciation of the investments in other objects is calculated with application of straight-line method in period of 5 years, as far as the validity of the lease contract which is at rate of 20%.

3.1.3. Real estate, plant and equipment, as well as the intangible assets are checked for possible damages always when some events or changes direct to the fact that the carrying amount of the assets can not be compensated. Whenever the carrying amount of the assets exceeds their recoverable amount impairment loss is recognized. The recoverable amount is the

MIRKAT Ltd, Skopje
NOTES TO THE FINANCIAL STATEMENTS

higher amount from the net sales value and the use value of the assets. The net sales value is the amount that is obtained from selling the asset in the transaction between well-informed subjects, while the use value of the asset is the current value of estimated future cash flows expected to arise from the continued use of assets and their disposal at the end of the century usage. The recoverable amounts are estimated for individual assets, or when that is not possible for the whole group of assets that generates cash.

3.1.4. As long-term investments the company recorded the investments in shares and stocks which has no intention to sell in the following accounting period. In the beginning they are recorded according acquisition expenses, and subsequently every other day of the Balance Sheet at fair value where applicable.

3.2. Current assets

As currents assets the company is classifying those assets which in the next period can easily be transformed into monetary form. Those are money and money equivalents, receivables and inventories.

3.2.1. Cash and cash equivalents

As cash and cash equivalents are considered money in the banks and in the treasury. Cash and cash equivalents, in the Balance Sheet are valuated according their nominal value, as of denars and foreign assets transferred in denars on the date of the Balance Sheet.

3.2.2. Receivables

In receivables are classified the claims on the basis of sales, receivables from the state based on taxes and other public fees, claims from employees and claims for loans. The receivables are valuated according their invoice value on the date of the Balance Sheet. The receivables older than 3 years are written-off on the burden of the expenses in the Income Statement equal to the total amount of uncollected receivables.

For the written off amount of receivables, with exemption of the receivables from court liquidated buyers, the tax base is increased in the Tax Balance.

As doubtful receivables are considered all uncollected receivables older than 3 years.

The company doesn't make any reservations of expenses related with doubtful receivables.

3.2.3. Inventories

In the Balance Sheet the inventories are evidenced according the International Accounting Standards at acquisition value or net realization value, depending on which one of the is lower. The acquisition value includes all the expenses of bringing the inventories in their present condition and location.

Net realization value includes the estimated selling price, decreased for the estimated expenses for their finishing and estimated expenses for preparation for their sale. The decrease of the value of the inventories is recorded on the burden of the expenses for that period.

The accounting policies for expenditure of the inventories are calculated against the method of average prices.

3.3. Non-current liabilities

In the Balance Sheet as non-current liabilities are classified liabilities which are due to be paid up to one year from the date of the balance. All non-current liabilities from previous periods which are due to be paid in the next accounting period are re-classified as current liabilities.

In non-current liabilities are classified the following: long-term liabilities for loans in the country and abroad and other long-term liabilities: trade liabilities, liabilities toward investors and other financial institutions.

MIRKAT Ltd, Skopje
NOTES TO THE FINANCIAL STATEMENTS

3.4 Current liabilities

As current liabilities are classified all the liabilities that are due to be paid within 12 months after the date of the Balance Sheet as following:

- Liabilities toward suppliers in the country and abroad;
- Liabilities toward banks and other financial institutions;
- Liabilities from participation in profit;
- Liabilities towards employees;
- Liabilities toward the state for taxes and contributions.

These liabilities are valued in the amount of received documents after transactions are performed (invoices, contracts, interest lists).

Old liabilities are written-off in the favor of operating incomes in the Income Balance.

As old liabilities are considered liabilities older than 3 years, and for which there are not any prosecutions and there is no contract reached.

3.5. Financial instruments and management with risks

The financial instruments include both assets and liabilities and equity in accordance with the substance of the contractual provisions of the instrument.

Financial instruments are initially recognized at acquisition value. Subsequent measurement of financial instruments is made in accordance with the individual policies for each specific item.

The approach of the company in risk management is aimed at assessing the unpredictability of financial markets when they are trying to find a way to minimize potential adverse effects.

3.6. Capital

In total capital the Company classifies the following:

- Invested assets (monetary and non-monetary deposit) of the founder written in the Central registry of Republic of Macedonia;
- Own shares that are decreased from the total capital until they are sold;
- Revaluated reserves on the basis of gains (losses) from tangible assets and financial assets held for sale;
- Legal reserves, as allocation of 15% of the gain for the current year and in accordance with the Law for trade companies. This allocation stops when the reserves reach up to 20% of the written capital;
- The current gain (loss) is the gain (loss) from the Income Statement after taxation;
- Accumulated gain (loss) includes the retained profits (uncovered losses) from previous years.

In compliance with the regulations in Republic of Macedonia, each company must have minimum registered equity in the amount of 5.000 Euros.

3.7 Incomes from sales

In the Income Statement they are classified as following:

- Incomes from sales of goods related to the basic activity of the company;
- Operational incomes;
- Financial incomes.

MIRKAT Ltd, Skopje
NOTES TO THE FINANCIAL STATEMENTS

Generally the incomes from sale of goods are recognized when the following conditions are reached cumulatively:

- All significant risks and benefits from the ownership of the delivered goods are transferred to the buyer;
- The company does not have real control of the sold goods;
- Incomes can be truthfully measured;
- It is probable inflow of assets will be received;
- The expenses that are connected with the sales can be truthfully measured;
- There are evidences that the sale transaction has been performed.

In **operational incomes** are included incomes that are not related with the basic activity of the company, but they occur frequently and can be important item such as: incomes from rent, write off of liabilities, incomes from collected written off receivables, incomes from sale of basic assets.

In **financial incomes** are included incomes from financial transactions (interests from deposits, exchange course differences).

For not-recorded incomes from previous years the accumulated gain is increased or the accumulated loss decreased.

3.8. Recognition of expenses

Expenditures are recognized according the principle of opposition to revenues.

Expenditure in the current year is not recognized if the same is in relation with some already recognized incomes from the previous periods and in these cases the accumulated gain (loss) is corrected.

If some expenditure which originates from previous period can not be opposite (identified) with some income, then the expenditure is fully recognized in the current period.

Expenditures are measured according:

- * Acquisition value of sold trade goods;
- * Net amount of compensation paid for services from others;
- * Expenditures of trade goods in the amount of the acquisition value;
- * Writing off of basic assets in the amount of non-depreciated value of the asset.

3.9. Provisions

Provisions are recognized when the companies have liability for payment as a result of some past event, that is when it is quite probable that from the company will be asked that liability to be paid, and with great certainty can be predicted.

The recognized amount as provision is representing the best estimation of the expenditure estimated for payment of the liability on the date of the Balance Sheet.

The company does not make provisions for costs for bringing the rented office space in the original shape, because considers that the provision requested has no significant material impact on the financial statements.

3.10. Taxes

3.10.1. Tax of gain

The tax of gain is calculated on the tax base presented in the Tax Balance that represents sum of the financial result for the current year and the unrecognized expenses for tax purposes. The tax basis is decreased for:

- Amount of collected receivables and for returned part of given loans, for which in the previous period the tax basis was increased;
- Incomes from dividends that have been taxed with the payer;
- Part of the loss transferred from previous years;
- Amount of investments from the gain (reinvested gain).

3.10.2. Value Added Tax

Value Added Tax is paid on monthly tax basis: sale value in which the tax is not included, according the general tax rate 18% and preferential tax rate of 5%.

3.11. Calculation of foreign assets for payment and accounting treatment of exchange course differences

All receivables and liabilities in foreign currencies are calculated in their denars recompense, according the middle exchange rate valid on the date of the Balance Sheet.

The positive and negative exchange course differences that occurred with calculation of the receivables and liabilities in foreign currencies in their denars recompense are expressed in the Income Balance as incomes that is expenditures in the year that they refer to.

3.12. Salaries and other contribution of employees

Gross salaries of the employees are paid in the amount specified in the contract signed with the employer. The contributions from the gross salaries (pension, health insurance, and employment) in the rate of 27% from the gross salary, and are paid in the name of the employee to the adequate state institutions.

The personal tax in the rate of 10% is paid on the amount of the gross salary decreased for the amount of the contribution and the yearly personal tax relief. The net salary is paid on the transaction account of every employee, after all contributions and personal tax are paid from the gross salary.

4. Financial statements

In 2014 year the company prepared:

- Balance Sheet
- Income Statement
- Cash Flow Report
- Report for Changes in Equity
- Notes to the financial statements

Beside the above mentioned financial statements the company also prepared reports that are requested by the Macedonian regulative such as:

- Tax Balance

MIRKAT Ltd, Skopje
NOTES TO THE FINANCIAL STATEMENTS

- Special data for state records
- Report for structure of incomes according the activity

5. Explanatory Notes to the Balance Sheet (in 1.000 denars)

5.1. Property, plant and equipment

Description	Plant and equipment	Total
Purchased Value on 31.12.2013	13,772	13,772
Accumulated depreciation on 31.12.2013	-7,280	-7,280
Balance on 31.12.2013	6,492	6,492
Changes in 2014		
Purchased Value on 01.01.2014	13,772	13,772
New supplies in 2014	-768	-768
Alienated, Scrapped assets in 2014	0	0
Balance on 31.12.2014	13,005	13,005
Accumulated depreciation		
Balance on 01.01.2014	-7,280	-7,280
Current depreciation 2014	-2,091	-2,091
Alienated, Scrapped assets	916	916
Balance on 31.12.2014	-8,456	-8,456
Book value		
Balance on 31.12.2014	4,548	4,548

5.2. Cash and cash equivalent

No.	Description	2014	2013
1	Money on bank accounts	5,925	337
2	Cash at hand	0	0
3	Money on foreign accounts	105	35
4	Cash at hand - foreign currency	0	0
5	Other cash	8	0
TOTAL		6,038	372

5.3. Trade Receivables

No.	Description	2014	2013
1	Trade receivables - domestic	4,018	4,827
2	Trade receivables - foreign	1,045	0
3	Receivables for overpaid value-added tax	0	293
4	Receivables for overpaid income tax	17	0
5	Receivables from employees	3	8
6	Prepaid expenses	413	178
TOTAL		5,496	5,306

MIRKAT Ltd, Skopje
NOTES TO THE FINANCIAL STATEMENTS

5.4. Short term Investments

No.	Description	2014	2013
	Other short term financials assets	0	2,504
	TOTAL	0	2,504

5.5. Inventories

No.	Description	2014	2013
1	Goods in stores on 31.12.	10,681	13,334
2	Goods in another warehouses	3,618	1,702
3	Included price difference	4,368	0
4	Included price differences in stores	-604	0
	TOTAL	18,062	15,036

5.6. Current liabilities

No.	Description	2014	2013
1	Trade payables - domestic	939	357
2	Trade payables – foreign related	56,736	48,198
3	Liabilities for taxes	166	4
4	Unearned incomes	2,157	891
	TOTAL	59,999	49,449

The Liabilities toward related parties are toward the founder Sfakianakis - Athens, Greece

6. Explanatory Notes to the Income statement (in 1.000 denars)

6.1 Revenue from sales

No.	Description	2014	2013
1	Revenue from sales of products and services on domestic market	862	837
2	Revenue from sales of goods on domestic market	37,746	51,302
3	Revenue from sales of products, goods and services on foreign market	0	554
5	Other revenues from sales (commission)	3,908	0
	TOTAL	42,516	52,693

6.2 Operational incomes

No.	Description	2014	2013
1	Incomes from sales of own products	50	0
2	Incomes from value adjustments	0	0
3	Incomes from sold tangible and intangible assets	501	933
4	Other operational incomes	239	14
	TOTAL	790	946

MIRKAT Ltd, Skopje
NOTES TO THE FINANCIAL STATEMENTS

6.3 Operational expenses			
No.	Description	2014	2013
1	Gross Salaries	4,892	4,966
2	Other cost for employers	135	148
3	Post expenses (phone, internet)	127	158
4	Spent energy	705	797
5	Spent materials	0	0
6	Transport services	137	95
7	Maintenance services	570	1,190
8	Rental costs	2,238	2,240
9	Public utilities	76	76
10	Services under contract for deed	476	411
11	Other services	0	0
12	Reconciliation of financial investments	0	0
13	Written off trade receivables	0	0
14	Writing off of fixtures and figures	19	40
15	Reconciliations of stocks	0	0
16	Other reconciliations	0	0
17	Office and other administrative expenses	122	114
18	Expenses for employees according general labour agreement	0	0
19	Expenses for representation and advertising	1,502	1,909
20	Insurance premium costs	313	303
21	Other taxes	21	21
22	Bank provisions and services	145	190
23	Other non-material expenses	586	488
24	Additionally determined expenses	190	375
25	Capital loss	0	0
26	Depreciation	2,091	1,395
TOTAL		14,345	14,917

6.4 Financial income			
No.	Description	2014	2013
1	Incomes from interest from nonrelated parties	23	43
2	Incomes from course differences from nonrelated parties	65	91
3	Other financial incomes	1,049	0
TOTAL		1.137	133

6.5 Financial costs			
No.	Description	2014	2013
	Exchange rate differences from non-related parties	26	68
TOTAL		26	68

MIRKAT Ltd, Skopje
NOTES TO THE FINANCIAL STATEMENTS

7. Transactions with related parties

As transactions with related parties are considered the one way transactions, purchase of trade goods, with the founder Sfakianakis from Greece:

(In 1.000 denars)

Year	Supplies	Liabilities
2014	51.522	56.736

8. Post Balance Sheet events

In the period from December 31, 2014 year until the day of issuing of the audit report events, which by their significance would have caused a necessary change in the financial statements, have not occurred.