



To Shareholder of RUE "Minskavtodor-Center"

# Independent Auditors' Report

**on the financial statements of  
RUE "Minskavtodor-Center"  
for 2017**



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## Independent Auditors' Report

To the Shareholder and general director of RUE "Minskavtodor-Center"

### **Qualified Opinion**

We have audited the financial statements of RUE "Minskavtodor-Center" (37 Kalvariiskaya str., 220073, Minsk, Republic of Belarus, registered by Minsk City Executive Committee's decision dated 14 July 2005, №600921909), which comprise the balance sheet as at 31 December 2017, statements of profits and losses, changes in equity, cash flows for 2017, and notes to the financial statements as required by the laws of the Republic of Belarus.

In our opinion, except for the effects of the matters described in the first paragraph of *Basis for Qualified Opinion* section of our report, and except for the possible effects of the matters described in the second paragraph of *Basis for Qualified Opinion* section of our report the accompanying annual financial statements present fairly in all material respects, the financial position of audited entity, as at 31 December 2017, its financial performance and changes in its financial position, including its cash flows for 2017, in accordance with the laws of the Republic of Belarus.

### **Basis for Qualified Opinion**

As at 31 December 2017 and 31 December 2016 audited entity has not maintained adequate accounting records regarding illiquid inventories in the part of the cost of work in progress recognized in previous periods in accounting records of separate subdivisions of the Company (road operation offices). These costs will not be reimbursed in the coming years by means of targeted financing as a cost recovery. In accordance with the Instruction No. 133 on accounting of inventories of the Ministry of Finance of the Republic of Belarus dated 12 November 2010 ("Instruction") the creation of an allowance for impairment of such inventories is required. Data of audited entity indicated that, had management reflected inventories in accordance with Instruction, the value of inventories would have reduced by BYN 7 470 thousand as at 31 December 2017 and by BYN 5 841 thousand as at 31 December 2016. Accordingly, other operating expense would have increased by BYN 1 629 thousand for 2017, and other operating income would have increased by BYN 22 thousand for 2016.

We were engaged as auditors of RUE "Minskavtodor-Center" on 28 March 2017, so we did not observe the counting of inventories in the beginning of the reporting period. We were unable to satisfy ourselves as to those inventory quantities by alternative means as at 31 December 2016. As a result, we were unable to determine whether adjustments might have been found necessary in respect of net profit recognized in the statement of profits and losses.

Audited entity: Republican unitary enterprise "Minskavtodor-Center".  
Registered by Minsk City Executive Committee based on decision of 14.07.2005; Registration No 600921909.  
220073 Minsk Belarus, Kalvariiskaya str., 37

Independent auditor LLC KPMG, a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

State Registration Certificate is issued by Minsk City Executive Committee based on decision of 10.02.2011.

Registration No. in the Unified State Register of entities and individual entrepreneurs 191434140.



We conducted our audit in accordance with the Law of the Republic of Belarus on "Auditing activities" dated 12 July 2013 and national auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the audited entity in accordance with the laws and professional ethics standards. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

#### **Other matters**

The information on pages from 15 to 17 about historical cost of property, plant and equipment broken down by sections of road, payments to contractors from the republican budget and about bank guarantees is not a part of financial statements. Audit of this information was not performed.

#### **Responsibilities of the Entity for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Law of the Republic of Belarus and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

#### **Auditors' Responsibilities for the Audit of the Financial Statements**

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

As part of an audit in accordance with the national auditing standards we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud, generally, assumes specifically designed measures aimed at its conceal;
- Obtain an understanding of internal control relevant to the audit 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;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on



the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern;

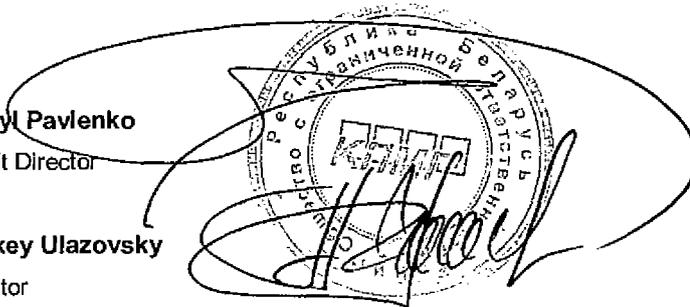
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

**Vasyl Pavlenko**  
Audit Director

**Alexey Ulazovsky**  
Auditor



28 June 2018  
Minsk, Republic of Belarus  
LLC "KPMG"

This report is the English translation of the original Russian. In the event of discrepancies between the two reports, the Russian version prevails.

**BALANCE SHEET**

As at 31 December 2017

Organization	RUE "Minskavtodor-Center"
Taxpayer's Registration Number	190638747
Activity type	Consolidated
Organizational legal form	
Governing body	Ministry of Transport and Communications
Measurement unit	BYN thsd
Address	37 Kalvariiskaya str., Minsk

Date of approval	
Date of submission	
Date of acceptance	

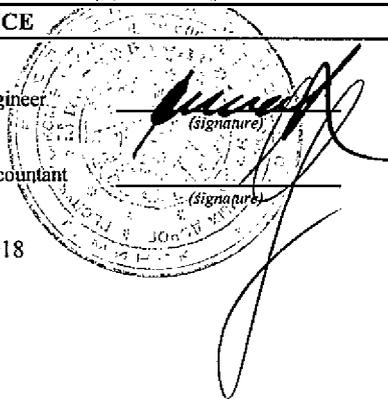
Assets	Item code	As at 31 December 2017	As at 31 December 2016
1	2	3	4
<b>I. NON-CURRENT ASSETS</b>			
Fixed assets	110	3 419 718	3 394 502
Intangible assets	120	148	149
Income-bearing investments into tangible assets	130	-	-
Including:			
investment property	131	-	-
finance lease items	132	-	-
other income-bearing investments into tangible assets	133	-	-
Investments into non-current assets	140	215 758	52 229
Long-term financial investments	150	-	-
Deferred tax assets	160	3	-
Non-current receivables	170	12	15
Other non-current assets	180	4 751	3 016
<b>TOTAL for Section I</b>	<b>190</b>	<b>3 640 390</b>	<b>3 449 911</b>
<b>II. CURRENT ASSETS</b>			
Inventories	210	22 870	19 514
Including:			
materials	211	8 498	6 160
domestic animals being grown and fed	212	-	-
work in progress	213	14 370	13 352
finished goods and goods for sale	214	2	2
shipped goods	215	-	-
other inventories	216	-	-
Non-current assets held for sale	220	-	-
Deferred expenses	230	190	257
Input value-added tax	240	14 397	5 825
Short-term accounts receivable	250	68 823	42 881
Short-term financial investments	260	-	-
Cash and cash equivalents	270	677	177
Other current assets	280	248	2 182
<b>TOTAL for Section II</b>	<b>290</b>	<b>107 205</b>	<b>70 836</b>
<b>BALANCE</b>	<b>300</b>	<b>3 747 595</b>	<b>3 520 747</b>

Equity and liabilities	Item code	As at 31 December 2017	As at 31 December 2016
1	2	3	4
<b>III. EQUITY</b>			
Share capital	410	31 647	31 647
Unpaid share capital	420	-	-
Treasury stock	430	-	-
Reserve capital	440	118	111
Additional paid-in capital	450	3 026 076	2 960 226
Retained earnings (accumulated losses)	460	2 400	1 658
Including profit used for financing capital investments and repaying related loans (borrowings) in the reporting year	461	-	-
Including profit used for financing capital investments and repaying related loans (borrowings) in the previous year	462	-	-
Net profit (loss) for the reporting period	470	-	-
Special-purpose financing	480	268 271	72 379
<b>TOTAL for Section III</b>	<b>490</b>	<b>3 328 512</b>	<b>3 066 021</b>
<b>IV. LONG-TERM LIABILITIES</b>			
Long-term loans and borrowings	510	-	-
Long-term liabilities on lease payments	520	-	-
Deferred tax liabilities	530	-	-
Deferred income	540	381 566	433 955
Provision	550	7 241	618
Other long-term liabilities	560	-	-
<b>TOTAL for Section IV</b>	<b>590</b>	<b>388 807</b>	<b>434 573</b>
<b>V. SHORT-TERM LIABILITIES</b>			
Short-term loans and borrowings	610	1 545	2 003
Short-term part of long-term liabilities	620	-	-
Short-term accounts payable	630	28 731	18 145
Including:			
to suppliers, contractors and executors	631	24 354	14 433
received advances	632	193	24
taxes and duties	633	1 188	1 020
social security payable	634	591	616
salary accruals	635	1 589	1 707
lease payments	636	41	24
to owners (founders, participants)	637	58	-
to other creditors	638	717	321
Liabilities held for sale	640	-	-
Deferred income	650	-	5
Provision	660	-	-
Other short-term liabilities	670	-	-
<b>TOTAL for Section V</b>	<b>690</b>	<b>30 276</b>	<b>20 153</b>
<b>BALANCE</b>	<b>700</b>	<b>3 747 595</b>	<b>3 520 747</b>

Chief Engineer

Chief Accountant

21.03.2018



S.S. Isakov

(name)

A.V. Labkovich

(name)

**STATEMENT OF PROFITS AND LOSSES**  
For January-December 2017

Organisation	RUE "Minskavtodor-Center"
Taxpayer's Registration Number	190638747
Activity type	Consolidated
Organizational legal form	
Governing body	Ministry of Transport and Communications
Measurement unit	BYN thsd
Address	37 Kalvariiskaya str., Minsk

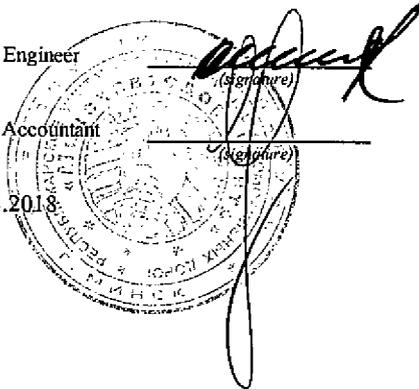
Item	Item code	For January-December 2017	For January-December 2016
1	2	3	4
Revenue from sales of goods, products, works, services	010	61 519	53 781
Cost of sales	020	(55 278)	(47 144)
Gross profit	030	6 241	6 637
Administrative expenses	040	(4 177)	(4 154)
Selling expenses	050	-	-
<b>Profit (loss) from sales of goods, products, works, services</b>	<b>060</b>	<b>2 064</b>	<b>2 483</b>
Other operating income	070	133 644	49 917
Other operating expenses	080	(135 042)	(50 988)
<b>Operating profit (loss)</b>	<b>090</b>	<b>666</b>	<b>1 412</b>
Investment income	100	13 304	8 013
Including:			
income from disposal of fixed assets, intangible assets and other non-current assets	101	18	121
income from participation in other organisations	102	-	-
interest receivable	103	1	2
other investment income	104	13 285	7 890
Investment expenses	110	(12 552)	(7 271)
Including:			
expenses from disposal of fixed assets, intangible assets and other non-current assets	111	(6)	(82)
other investment expenses	112	(12 546)	(7 189)
Finance income	120	6	19
Including:			
foreign exchange differences from translation of assets and liabilities	121	5	19
other finance income	122	1	-
Finance expenses	130	(268)	(1 284)
Including:			
interest payable	131	(157)	(233)
exchange differences from translation of assets and liabilities	132	(58)	(926)
other finance expenses	133	(53)	(125)
<b>Profit (loss) from investing and financing activities</b>	<b>140</b>	<b>490</b>	<b>(523)</b>

Item	Item code	For January-December 2017	For January-December 2016
I	2	3	4
Profit (loss) before tax	150	1 156	889
Income tax	160	(386)	(480)
Change in deferred tax assets	170	3	-
Change in deferred tax liabilities	180	-	-
Other taxes, duties from profit (income)	190	-	-
Other payments from profit (income)	200	(85)	(26)
<b>Net profit (loss)</b>	<b>210</b>	<b>688</b>	<b>383</b>
Result from revaluation of non-current assets not included in net profit (loss)	220	-	-
Result from other operations not included in net profit (loss)	230	(121)	-
Comprehensive income (loss)	240	567	383
Including comprehensive income from the revaluation of roads	241	-	-
Basic earnings (loss) per share	250	-	-
Diluted earnings (loss) per share	260	-	-

Chief Engineer

Chief Accountant

21.03.2018



S.S. Isakov

(name)

A.V. Labkovich

(name)



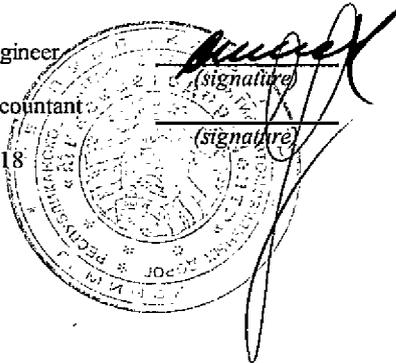


Item	Item code	Share capital	Unpaid share capital	Treasury stock	Reserve capital	Additional paid-in capital	Retained earnings (Accumulated losses)	Net profit (loss)	Total
1	2	3	4	5	6	7	8	9	10
repurchase of shares (interest in share capital)	165	-	-	-	-	-	-	-	-
dividends and other income from participation in share capital of organization	166	-	-	-	-	-	-	-	-
reorganization	167	-	-	-	-	-	-	-	-
other	168	-	-	-	-	24 948	354	-	25 302
including social security payments	169	-	-	-	-	-	-	-	-
Change in share capital	170	-	-	-	-	-	-	-	-
Change in reserve capital	180	-	-	-	5	-	(5)	-	-
Change in additional paid-in capital	190	-	-	-	-	(406)	406	-	-
<b>Balance as at 31.12.2017</b>	<b>200</b>	<b>31 647</b>	<b>-</b>	<b>-</b>	<b>118</b>	<b>3 026 076</b>	<b>2 400</b>	<b>-</b>	<b>3 060 241</b>

Chief Engineer

Chief Accountant

21.03.2018



S.S. Isakov

(name)

A.V. Labkovich

(name)

**CASH FLOW STATEMENT**  
For January-December 2017

Organization	RUE "Minskavtodor-Center"
Taxpayer's Registration Number	190638747
Activity type	Consolidated
Organizational legal form	
Governing body	Ministry of Transport and Communications
Measurement unit	BYN thsd
Address	37 Kalvariiskaya str., Minsk

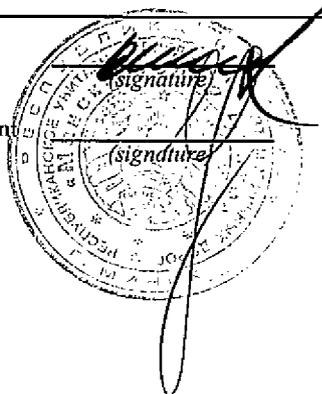
Item	Item code	For January-December 2017	For January-December 2016
1	2	3	4
<b>Cash flows from operating activities</b>			
Cash inflow - total	020	73 534	62 157
Including:			
from customers of goods, products, works, services	021	71 309	57 122
from customers of materials and other inventories	022	358	50
royalty	023	-	-
other receipts	024	1 867	4 985
Cash outflow - total	030	(72 166)	(62 407)
Including:			
acquisition of inventories, works, services	031	(42 371)	(36 482)
salary payments	032	(14 410)	(13 229)
taxes and duties	033	(8 590)	(5 752)
other payments	034	(6 795)	(6 944)
Net cash flows from/(used in) operating activities	040	1 368	(250)
<b>Cash flows from investing activities</b>			
Cash inflow - total	050	265 233	98 768
Including:			
from customers of fixed assets, intangible assets and other non-current assets	051	-	674
repayment of granted loans	052	3	2
income from participation in share capital of other organizations	053	-	-
interest	054	-	-
other receipts	055	265 230	98 092
Cash outflow - total	060	(264 603)	(97 844)
Including:			
acquisition and creation of fixed assets, intangible assets and other non-current assets	061	(678)	(1 089)
loans granted	062	-	-
contributions to share capital of other organizations	063	-	-
other payments	064	(263 925)	(96 755)
Net cash flows from investing activities	070	630	924

Item	Item code	For January-December 2017	For January-December 2016
1	2	3	4
<b>Cash flows from financing activities</b>			
Cash inflow - total	080	9 182	5 520
Including:			
loans and borrowings	081	9 176	5 500
issue of shares	082	-	-
contributions from owner (founders, participants)	083	-	-
other receipts	084	6	20
Cash outflow - total	090	(10 680)	(6 640)
Including:			
repayment of loans and borrowings	091	(9 631)	(4 900)
payment of dividends and other income from participation in share capital of other organizations	092	(223)	(567)
interest payment	093	(185)	(217)
lease payment	094	-	-
other payments	095	(641)	(956)
Net cash flows used in financing activities	100	(1 498)	(1 120)
Net cash flows for the reporting period	110	500	(446)
Balance of cash and cash equivalents As at 31 December 2016	120	177	623
Balance of cash and cash equivalents As at 31 December 2017	130	677	177
Effect of exchange rate change	140	(620)	(907)

Chief Engineer

Chief Accountant

21.03.2018



S.S. Isakov  
(name)

A.V. Labkovich  
(name)

## Notes to the financial statements

1. Minskavtodor-Center RUE consists of 13 divisions (Road Operation Office (ROO) 5, 6, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69 and SD-1 (Specialized Department-1) which are not legal entities, serviced by local banks and have separate bank accounts and taxpayer's registration numbers.

The Company's objective is the maintenance of an appropriate operational condition of the republican highways network carried on the balance sheet of the Company. The Company's scope of operation is the maintenance and repairs of the highways carried on the balance sheet of the Company, as well as buildings and facilities located on them.

Under Minskavtodor-Center RUE accounting policy for 2017 and according to Form 2 "Statements of Profits and Losses" the revenue of the entity from the sale of products, goods, services in 2017 amounted to BYN 61 519 thousand.

Cost of sold goods, products, works and services amounted to BYN 55 278 thousand. Administrative expenses amounted to BYN 4 177 thousand.

Profit from sales of products, goods, works, services amounted to BYN 2 064 thousand.

Profit margin from sales of products, goods, works, and services amounted to 3,7 %.

Net profit for 2017 amounted to BYN 688 thousand, including (by branch offices):

ROO-5	-	0 thousand roubles
ROO-6	-	72 thousand roubles
ROO-60	-	24 thousand roubles
ROO-61	-	169 thousand roubles
ROO-62	-	0 thousand roubles
ROO-63	-	0 thousand roubles
ROO-64	-	154 thousand roubles.
ROO-65	-	32 thousand roubles
ROO-66	-	8 thousand roubles
ROO-67	-	3 thousand roubles
ROO-68	-	14 thousand roubles
ROO-69	-	52 thousand roubles
SD-1	-	50 thousand roubles
Administration	-	110 thousand roubles

Revenue of the entity from the sale of goods, products, works and services (line 010) for 2017 as per Form No.2 "Statements of Profits or Losses" amounts to BYN 61 519 thousand, revenue from the sale of goods, products, works and services (line 01) as per Form 12-f (profit) "Statement of Financial Performance" amounts to BYN 67 888 thousand, including value added tax (line 15) – BYN 11 282 thousand. The difference on revenue amounts to BYN 4 913 thousand – works performed by subcontractors.

In the reporting period the accounting records were kept in accordance with the accounting policy approved by the Company. The accounting records are automated by means of accounting software.

Due to the Decree of the President of the Republic of Belarus No. 284 "On disposal of property" dated 15.08.2017, an annex was included into the Section 20 "Accounting for losses from the sale or free transfer of certain types of assets" of the Statement on the Company's accounting Policy for 2017 by means of an administrative order No. 301 dated 21.08.2017.

According to the Decree of the President of the Republic of Belarus No. 284 "On disposal of property" dated 15.08.2017, the following items were written-off against additional paid-in capital for 2017:

In ROO-60, the residual value of Parus SHC (Sports and Health Complex) amounting to BYN 84 thousand, expenses related to Parus SHC liquidation amounting to BYN 26 thousand;

In ROO-62, the residual value of sand-salt spreader ORS-21 damaged in a road accident amounting to BYN 11 thousand.

The initial value of property, plant and equipment as at 31 December 2017 amounted to BYN 3 477 026 thousand (Appendix 1).

2. The depreciation is accrued using the straight-line method based on depreciable (carrying) value of fixed assets, determined useful lives of items involved in business activity, or standard useful lives of items which are not involved in business activity, set by the Classifier of Fixed Assets approved by Decree No. 161 of the Ministry of Economy of the Republic of Belarus dated 30 September 2011.

The useful lives are determined by the Commission for depreciation policy within the range stated in Annex No. 3 to Instruction No. 37/18/6 (as per revised version No. 162/101/45 dated 30.09.2011).

The useful lives are determined by the Commission taking into account the influence of aggressive environment, rotation, and other deviations from basic modes of operation.

The amount of accumulated depreciation was:

As at 31 December 2016 (BYN thousand)	As at 31 December 2017 (BYN thousand)
44 217	57 308

In the reporting period the initial cost of fixed assets changed:

- M-14 "Second Ring Road around the city of Minsk" highway construction works amounting to BYN 30 962 thousand were performed;

- P-40 Borovlyany – Logoisk 0,00 km – 6,5 km road (III line) major repairs amounting to BYN 1 207 thousand were performed;

- major repairs of the pedestrian crosswalk in different levels at the 310<sup>th</sup> km of M-1/E30 Brest (Kozlovichi) – Minsk – RF border (Redki) road amounting to BYN 62 thousand were performed;

- major repairs of the bridge over the Berezina River, 438,93 km of M-1/E30 Brest (Kozlovichi) – Minsk – RF border (Redki) road amounting to BYN 2580 thousand were performed;

- P-23 Minsk – Mikashevichi 92,0 km – 102,0 km reconstruction works (works postponed to a suitable time) amounting to BYN 123 thousand were performed;

- machinery and equipment amounting to BYN 999 thousand and vehicles amounting to BYN 3252 thousand were acquired using loan facilities obtained from Development Bank OJSC for M-14 «Second Ring Road around the city of Minsk» highway purposes;

- vehicles amounting to BYN 133 thousand and bus stop light fixtures amounting to BYN 65 thousand were received for free from legal entities;

- garage reconstruction works amounting to BYN 109 thousand and fence reconstruction works amounting to BYN 3 thousand were performed;

- works related to operating repairs and maintenance of roads amounting to BYN 19 584 thousand were performed;

- acquired using own funds in the amount of BYN 1 083 thousand.

As at 31 December 2017 fixed assets amounting to BYN 3 898 thousand were pledged.

The initial (revalued) value of fully depreciated fixed assets in service amounted to BYN 14 743 thousand as at the end of the reporting period.

3. As at 31 December 2017 the initial (revalued) value of intangible assets amounted to 180 thousand (Appendix 2).

Amortization is charged using the straight-line method based on the amortized cost of an item.

As at 31 December 2016 the accumulated amortization amounted to BYN 14 thousand, the accrued amortization for the reporting period amounted to BYN 18 thousand.

During the reporting period no impairment amounts recovered in income and (or) additional paid-in capital were recorded as expenses.

4. No investment property has been leased out during the reporting period.

No disposals of investment property have occurred in the reporting period.

There is no investment property transferred to inventories or operating property.

5. Upon receipt, materials are evaluated at book prices using account 16 "Deviation in prices of materials".

Supplier's price (purchase price) is applied as book price.

Inventory was not written down during the reporting period. Inventories were not pledged as collateral.

6. Accounts receivable to be settled within 12 months after the reporting date as at 31 December 2016 amounted to BYN 42 881 thousand, as at 31 December 2017 – BYN 68 823 thousand.

Accounts receivable, including loans for housing construction, to be settled in more than 12 months as at the end of the previous year amounted to BYN 15 thousand, as at the end of the reporting period – BYN 12 thousand, including: BYN 12 thousand - loans for housing construction. As at the beginning of the reporting period:

Figure	Item 170 (of balance sheet)	Item 250 (of balance sheet)
Customers and clients	0	1 806
Suppliers and contractors	0	39 590
Taxes and duties	0	549
Settlements with employees	0	69
Different debtors	0	563
Other accounts receivable	15	304

As at the end of the reporting period:

Customers and clients	Item 170 (of balance sheet)	Item 250 (of balance sheet)
Suppliers and contractors	0	1 669
Taxes and duties	0	66 349
Settlements with employees	0	157
Different debtors	0	67
Other accounts receivable	0	299
Customers and clients	12	282

Amount of allowance for doubtful debts as at the end of the previous year was BYN 15 thousand, the allowance for doubtful debts as at the end of the reporting period is BYN 10 thousand. An allowance for doubtful debts amounting to BYN 2 thousand was created and accounts receivable amounting to BYN 7 thousand were written off against doubtful debt allowance during the reporting period.

As at 31 December 2017 accounts receivable amounted to BYN 68 835 thousand, as at 31 December 2016 – BYN 42 896 thousand, the increase amounted to BYN 25 939 thousand. Additionally, overdue accounts receivable as at 31 December 2017 amounted to BYN 1146 thousand, as at 31 December 2016 – BYN 889 thousand, the increase amounted to 257 thousand.

The increase of current accounts receivable is due to advance payments to contractors amounting to BYN 6238 thousand for performing works related to P-23 Minsk-Mikashevichi road, works related to M-6 Minsk-Grodno road amounting to BYN 20 731 thousand. A letter of credit on P-23 Minsk-Mikashevichi road amounting to BYN 4 999 thousand was secured with Belinvestbank OJSC, on P-58 Minsk-Kalachi-Myadel road – in the amount of BYN 6 398 thousand.

As at 31 December 2017 overdue accounts receivable of Zabudova – Stroykompleks PUE amounting to BYN 360 thousand was not settled.

As at 31 December 2017 accounts receivable amounted to BYN 28731 thousand, as at 31 December 2016 – BYN 18 145 thousand, the increase amounted to BYN 10 586 thousand. Additionally, overdue accounts receivable as at 31 December 2017 amounted to BYN 3 292

thousand, as at 31 December 2016 – BYN 3 133 thousand, the increase amounted to BYN 159 thousand.

As at 31 December 2017 payments from the state budget to contractors for major repair works amounting to BYN 1 587 thousand, for operating repair works amounting to BYN 664 thousand, for reconstruction and construction works amounting to BYN 1 428 thousand performed in 2017 have not been made.

7. Investments in securities of ASB Belarusbank OJSC in the form of cash as at the end of the previous year amounted to BYN 0,3 thousand, as at the end of the reporting period – BYN 0,3 thousand.

Financial investments in cash into Belagroprombank OJSC securities as at the end of the previous year amounted to BYN 0,005 thousand, as at the end of the reporting period – BYN 0,005 thousand.

8. During the reporting period the Company did not attract long-term loans and borrowings.

As at the end of the reporting period the Company has an outstanding loan amounting to BYN 1545 thousand which was received in December 2017 for salary payments.

Interest amounting to BYN 157 thousand was accrued and interest in the amount of BYN 185 thousand was repaid in the reporting period.

As at 1 January 2017 ROO-69 branch had an outstanding commodity loan amounting to BYN 3 thousand. The loan is fully repaid as at the end of the reporting period.

Bank guarantees were provided in the reporting period by BSC (Banking Service Center) No. 526 of Belagroprombank OJSC Regional Office for Minsk Region located in Nesvizh:

- to Minsk Automobile Plant Open Joint-Stock Company, the holding company of Belavtomaz, in the amount of BYN 114 107,76 (One hundred fourteen thousand one hundred and seven roubles and 76 kopecks) for the acquisition of MAZ-650136-420-001;

- to Minsk Tractor Works Open Joint-Stock Company amounting to BYN 29 267,10 (Twenty nine thousand two hundred and sixty seven Belarusian roubles and ten kopecks) for the acquisition of «Belarus-892.2».

A bank guarantee was provided in the reporting period by Belinvestbank Belarusian Development and Reconstruction Bank in Minsk to Minsk Automobile Plant Open Joint-Stock Company, the holding company of Belavtomaz, amounting to BYN 175 666,32 (One hundred seventy five thousand six hundred and sixty six Belarusian roubles and 32 kopecks) for the acquisition of MAZ-551605-271-750 (2 vehicles).

Remuneration for the bank guarantees support in the reporting period amounted to BYN 3 636,05.

9. Other income from operating activity in the reporting period amounted to BYN 133 644 thousand, including:

	Income	Amount, BYN thousand
	<b>Item 070 "Other operating income"</b>	<b>133 644</b>
1	Income from the sale of inventories, free acquisition of inventories	1 750
2	Income from real estate lease, lease of movable property that is not engaged into the entity's business activity	79
3	Services of boiler-house for water heating	55
4	Sale of foreign currency	131 668
5	Doubtful debt allowance recovery	1
6	Insurance compensation	35
7	Communication services, other expenses	15
8	Compensation of utility expenses	41

Other operating expenses for the reporting period amounted to BYN 135042 thousand, including:

Expenses		Amount, BYN thousand
	<b>Item 080 "Other operating expenses"</b>	<b>135 042</b>
1	Pecuniary aid	61
2	One-time bonus for work achievements	526
3	One-time bonuses for anniversaries, in connection with retirement, for young professionals, other.	53
4	Social leave, additional leave, payment at the average	32
5	Mass cultural events, sport events, transfers to labor union committee	256
6	Expenses on real estate lease, lease of movable property that is not engaged into the entity's business activity	14
7	25% of payments related to real estate lease, lease of movable property that is not engaged into the entity's business activity	20
8	Social Security Contributions, BGS	184
9	Doubtful debt allowance	2
10	Maintenance of housing stock	2
11	Write off of accounts receivable	5
12	Expenses related to sale of inventories	1 577
13	Voluntary insurance of medical expenses	20
14	Depreciation of fixed assets not involved in business activities	22
15	Mobile communication services	9
16	Reimbursement of loss, damage	12
17	Depreciation of fixed assets received for free that are not involved in business activities	7
18	Reimbursement of utilities expenses	25
19	Expenses not related to business activity	59
20	Services of machinery under collective agreement	1
21	Penalties for breach of contracts, state duty, legal proceedings expenses	69
22	Fines and indexation of payments for electricity	74
23	Maintenance of Parus site	204
24	Administrative fine on toll roads	10
25	Services of boiler-house for water heating	55
26	Entertainment costs	3
27	Housing and utilities services	26
28	Voluntary sale of foreign currency	131 668
29	Civil defense expenses	2
30	Sponsorship	43
31	Door phone systems maintenance	1

Investment income in the reporting period amounted to BYN 13304 thousand, including:

Income		Amount, BYN thousand
	<b>Item 100 "Investment income"</b>	<b>13 304</b>
	<b>including:</b>	
1	<b>Item 101 "Income from disposal of fixed assets"</b>	<b>18</b>
	Write-off of fixed assets	18
2	<b>Item 103 "Interest receivable"</b>	<b>1</b>
	Interest receivable	1
3	<b>Item 104 "Other investment income"</b>	<b>13 285</b>
	Insurance compensation for road accidents	5
	Depreciation of fixed assets received for free	740
	Depreciation of highways	12 540

Investment expenses for the reporting period amounted to BYN 12552 thousand, including:

Expenses		Amount, BYN thousand
	<b>Item 110 "Investment expenses"</b>	<b>12 552</b>
	<b>including:</b>	
1	<b>Item 111 "Expenses from disposal of fixed assets"</b>	<b>6</b>
	Expenses from disposal of fixed assets	6
2	<b>Item 112 "Other investment expenses"</b>	<b>12 546</b>
	Depreciation of fixed assets received for free	6
	Depreciation of highways received for free	12 540

Finance income for the reporting period amounted to BYN 6 thousand.

Income		Amount, BYN thousand
	<b>Item 120 "Finance income"</b>	<b>6</b>
1	Foreign exchange translation differences	5
2	Other finance income	1

Finance expenses for the reporting period amounted to BYN 268 thousand, including:

Expenses		Amount, BYN thousand
	<b>Item 130 " Finance expenses "</b>	<b>268</b>
	<b>including:</b>	
1	<b>Item 131 "Interest payable "</b>	<b>157</b>
	Interest for using short-term loans	157
2	<b>Item 132 "Foreign exchange differences"</b>	<b>58</b>
	Foreign exchange translation differences	58
3	<b>Item 133 "Other finance expenses"</b>	<b>53</b>
	Interest on commercial loans	50
	Remuneration for bank guarantees support	3

10. Temporary differences that entailed an income tax adjustment arose in the reporting period. Expenses on the voluntary insurance of medical costs for the reporting period are recognized in accounting on an one-time basis. Deferred tax assets amounting to BYN 3 thousand was accrued.

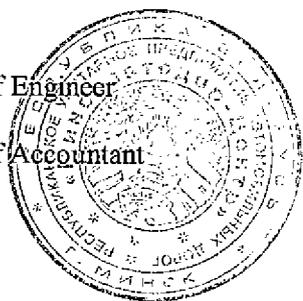
There were no other income and expenses in the reporting period.

There were no income and expenses related to commodities exchange transactions in the reporting period.

Form No. 1 "Balance Sheet", Form No. 2 "Statements of Profits or Losses", Form No. 3 "Statement of Changes in Equity", Statistical form No. 4-f (assets) Statement of Assets and Liabilities, Appendix 1 "Existence and movement of fixed assets" were amended (explanation attached).

Chief Engineer

Chief Accountant



S.S. Isakov

A.V. Labkovich

Notes to separate lines of forms to the financial statements:

**Form No. 1 "Balance Sheet"** was changed on 31 December 2016 due to correction of errors:

No.	Line code of the form	Name	Adjustments to column 4	
			Amount, thousand roubles	Contents
1	110	Property, plant and equipment	-29	Adjustment of revaluation of the carrying amount of PPE
2	190	Total for section I	-29	Adjustment
3	211	Inventories, including materials	-6	Untimely write off of materials
4	213	Work-in-progress	-4	Adjustment of cost for expenses of the laboratory
5	250	Short-term accounts receivable	11	Untimely recording of short-term accounts receivable
6	290	Total for section II	1	Adjustment
7	300	Balance	-28	Adjustment
8	450	Additional paid-in capital	-29	Decrease in additional paid-in capital due to correction of revaluation of PPE in prior years
9	460	Retained earnings,	-46	Decrease in profit
10	490	Total for section III	-75	Adjustment
11	630	Short-term accounts payable	47	Untimely recording of short-term accounts payable
11.1	631	including to suppliers, contractors and executors	11	Increase of accounts payable to suppliers
11.2	633	taxes and duties	33	Adjustment is made in the amount of recalculated income tax, real estate tax
11.3	638	to other creditors	3	The amount payable to other creditors on account 76
12	690	Total for section V	47	Adjustment
13	700	Balance	-28	Adjustment

**Form No. 2 “Statement of profits and losses”** for January-December 2016 was adjusted due to correction of errors:

No.	Line code of the form	Name	Adjustments to column 4	
			Amount, thousand roubles	Contents
1	20	Cost of products, goods, work and services sold	19	Adjustment of cost for expenses of the laboratory
2	30	Gross profit	-19	Adjustment due to errors found
3	060	Profit from products, goods, work and services sold	-19	Adjustment due to errors found
4	070	Other income from current operations	-66	Adjustment for the services rendered by the laboratory, sale of materials to branches
5	080	Other expenses on current operations	-62	Adjustment of cost for expenses of the laboratory, sale of materials. Tax on excess construction-in-progress, real estate tax is written off to other expenses.
6	090	Operating profit	-23	Adjustment due to errors found
7	150	Profit before tax	-23	Adjustment due to errors found
8	160	Income tax	-7	Recalculation of income tax
9	200	Other charges accrued on profit	1	Recalculation of investment fund
10	210	Net profit	-17	Decrease in net profit due to errors found
11	240	Comprehensive income	-17	Adjustment due to errors found

**Form No. 3 “Statement of Changes in Equity”:**

on line 010 “Balance as at 31.12.2015” of column 8 – BYN 1 450 thousand must be recorded due to correction of errors;

on line 030 “Adjustment due to correction of errors” of column 7 “additional paid-in capital” due to correction of errors for 2015 BYN 29 thousand and of column 8 “Retained earnings” - BYN 122 thousand must be recorded;

on line 040 “Adjusted balance as at 31.12.2015” of column 7 “additional paid-in capital”, of column 8 “Retained earnings” BYN 2 916 781 thousand, BYN 1 328 thousand must be recorded.

on line 100, 110 “Balance as at 31.12.2016” of column 7 “additional paid-in capital”, of column 8 “Retained earnings” BYN 2 960 226 thousand, BYN 1 666 thousand must be recorded.

on line 130 “Adjustment due to correction of errors” of column 8 “Retained earnings” due to correction of errors for 2016 BYN 8 thousand were recorded;

on line 140 “Adjusted balance as at 31.12.2016” of column 7 “additional paid-in capital”, of column 8 “Retained earnings” BYN 2 960 226 thousand, BYN 1 658 thousand must be recorded.

**Form No.4 “Statement of Cash Flows”:**

on line 021 “from buyers of products, goods, customers of works, services” of column 2 adjustment on account 79 in the amount of BYN 34 058 thousand.

on line 024 “other proceeds” of column 2 adjustment on account 79 in the reversal amount of BYN 34 058 thousand.

**Form No. 4-f (cash) “Statement of Resources Structure”:**

data as at 31 December 2016 was recorded due to correction of errors, including data in column 2 on lines:

Line	Was recorded	To be recorded
line 001 “Non-current assets”	3 449 940	3 449 911
line 002 “Initial value”	3 438 750	3 438 719
line 003 “Carrying value”	3 394 531	3 394 502
line 013 “Current assets”	70 835	70 836
line 014 “Materials”	6 166	6 160
line 016 “Work-in-progress”	3 520 775	3 520 747
line 021 “Assets -Total”	3 520 775	3 520 747
line 022 “Equity”	3 066 096	3 066 021
line 024 “Short-term liabilities”	20 106	20 153

Due to adjustment of the amounts in the Balance Sheet for 2016 (assets and liabilities) the amount of net assets as at 31.12.2016 changed and amounted to BYN 3 066 021 thousand.

**Availability and movement of property, plant and equipment (Appendix 1)**

Due to adjustment of revaluation of the carrying amount of property, plant and equipment, changes in initial value as at 31.12.2016 and depreciation as at 31.12.2016 were made.

Presence and movement of fixed assets

Appendix 1

RUE "Minskavtodor-Center"

(reporting company name)

BYN thousand

№	Item	Original (revalued) cost as at 31 December 2016	Received				Disposed	Original (revalued) cost as at 31 December 2017	Range of estimated useful life (from and to)
			Total amount	Including					
				Purchase (gratuitously transferred and other)	Modernization	Revaluation			
1	2	3	4	5	6	7	8	9	10
1	Fixed assets -- total	3 438 719	70 854	39 657	311 97	-	32 547	3 477 026	
1.1	Including: buildings and	3 392 848	62 666	31 469	31 197	-	28 827	3 426 687	
1.1.1	including: residential	46	-	-	-	-	-	46	
1.1.2	public roads	3 352 681	62 267	31 182	31 085	-	27 059	3 387 889	
1.2	transmission devices	5 890	20	20	-	-	-	5 910	
1.3	machines and	24 854	2 062	2 062	-	-	1 262	25 654	
1.4	transport vehicles	14 795	6 067	6 067	-	-	2 448	18 414	
1.5	tools, inventory, fixture and fittings	332	39	39	-	-	10	361	
1.6	Livestock	-	-	-	-	-	-	-	
1.7	perennial plants	-	-	-	-	-	-	-	
1.8	CAPEX into land improvement	-	-	-	-	-	-	-	
1.9	other fixed assets	-	-	-	-	-	-	-	
		as at 31 December 2016	as at 31 December 2017						
2	Depreciation of fixed assets	44 217	57 308						
3	Loss of fixed assets value	1 472 904	1 568 438						
4	Acquired depreciation for reporting period		15 603						
5	Write-off depreciation of disposal fixed assets in the reporting period		2 729						

Chief Engineer

Chief Accountant



S. S. Isakov

A. V. Labkovich

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**Presence and movement of intangible assets**  
**RUE "Minskavtodor-Center"**  
 (reporting company name)

Appendix 2

BYN thousand

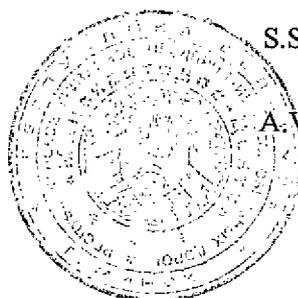
№	Item	Original (revalued) cost as at 31 December 2016	Acquired	Disposed	Original (revalued) cost as at 31 December 2017	Range of estimated useful life (from and to)
1	2	3	4	5	6	7
1	Intangible assets – total	163	17	-	180	
1.1	Including: property rights to industrial properties	-	-	-	-	
1.2	Property rights to scientific, literary and artistic works	-	-	-	-	
1.3	Property rights to objects of related rights	-	-	-	-	
1.4	Property rights to software and computer databases	3	15	-	18	
1.5	Property rights to the use of intellectual property resulting from license and authorship agreements	-	-	-	-	
1.6	Property rights to the use of natural resources, land	158	2	-	160	
1.7	Other	2	-	-	2	
		as at 31 December 2016	as at 31 December 2017			
2	Amortization of intangible assets	14	32			
3	Accrued amortization for reporting period		18			
4	Written off amortization on disposed intangible assets in the reporting period		-			

Chief Engineer

S.S. Isakov

Chief Accountant

A.V. Labkovich



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