

**THE RUSSIAN ORTHODOX CHURCH  
"ST NICHOLAS" FUND LIMITED**

REPORT AND FINANCIAL STATEMENTS  
31 December 2014

# **THE RUSSIAN ORTHODOX CHURCH "ST NICHOLAS" FUND LIMITED**

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## **REPORT AND FINANCIAL STATEMENTS**

31 December 2014

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# THE RUSSIAN ORTHODOX CHURCH "ST NICHOLAS" FUND LIMITED

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## EXECUTIVE COMMITTEE AND OTHER OFFICES

**Executive Committee:**

Oleg Lapoushkin  
Yuriy Pianykh  
Petros Valko  
Valery Gusev  
Valery Zhigarev

**Secretary:**

Cyproservus Co. Ltd  
284 Arch. Makarios III Avenue  
3rd floor, flat 32  
Limassol, Cyprus

**Independent Auditors:**

Cube Audit Limited  
Certified Public Accountants and Registered Auditors  
Tsigarides Building  
Office 203  
P.O. Box 28092, 2090 Strovolos  
Nicosia, Cyprus

**Registered office:**

284, Arch. Makariou III Ave.  
Fortuna Court, Block B  
3105, Limassol  
Cyprus

**Registration number:**

88190

# THE RUSSIAN ORTHODOX CHURCH "ST NICHOLAS" FUND LIMITED

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## REPORT OF THE EXECUTIVE COMMITTEE

The Executive Committee presents its report and audited financial statements of the Fund for the year ended 31 December 2014.

### **Principal activities**

The principal activity of the Russian Orthodox Church St Nicolas Fund, which is unchanged from the previous year, is the construction and maintenance of the Russian Orthodox Church "St Nicolas" in Limassol.

### **Review of current position, future developments and significant risks**

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

The main risks and uncertainties faced by the Fund and the steps taken to manage these risks, are described in note 3 of the financial statements.

### **Results**

The Fund's results for the year are set out on page 3.

### **Share capital**

The fund is limited by guarantee without share capital up to the amount of €1.710.

### **Executive Committee**

The members of the Fund's Executive Committee as at 31 December 2014 and at the date of this report are presented on page 1. All of them were members of the Executive Committee throughout the year ended 31 December 2014.

In accordance with the Fund's Articles of Association all present members of the Committee continue in office.

There were no significant changes in the assignment of responsibilities and remuneration of the Executive Committee.

### **Events after the reporting period**

Any significant events that occurred after the end of the reporting period are described in note 19 to the financial statements.

### **Independent Auditors**

The Independent Auditors, Cube Audit Limited, who were appointed on 26 August 2015 have expressed their willingness to continue in office and a resolution giving authority to the Executive Committee to fix their remuneration will be proposed at the Annual General Meeting.

By order of the Executive Committee,

Member of Executive Committee

Limassol, 17 November 2015

# THE RUSSIAN ORTHODOX CHURCH "ST NICHOLAS" FUND LIMITED

## STATEMENT OF INCOME AND EXPENSES

Year ended 31 December 2014

	2014	2013
	€	€
<b>INCOME</b>		
Members' subscriptions	408	342
Donations	5.652	107.030
Finance income	49.645	17.058
<b>Total revenue</b>	<b>55.705</b>	<b>124.430</b>
<b>EXPENSES</b>		
Staff salaries	24.000	24.000
Social insurance etc.	408	408
Social cohesion fund	480	480
Rent	8.400	8.400
Common expenses	-	876
Sewage expenses	-	450
Annual levy	1.500	-
Repairs and maintenance	-	591
Sundry expenses	430	422
Subscriptions and contributions	11.238	10.775
Auditors' remuneration for the statutory audit of annual accounts	4.165	4.165
Other professional fees	360	-
Travelling	6.000	6.000
Private motor vehicle expenses	1.965	1.436
Impairment charge - available-for-sale financial assets	-	232.678
Finance expenses	769	19.643
<b>Total expenses</b>	<b>59.715</b>	<b>310.324</b>
<b>Deficit for the year</b>	<b>(4.010)</b>	<b>(185.894)</b>

The notes on pages 6 to 17 form an integral part of these financial statements.

# THE RUSSIAN ORTHODOX CHURCH "ST NICHOLAS" FUND LIMITED

## STATEMENT OF FINANCIAL POSITION

31 December 2014

	Note	2014 €	2013 €
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	10	<b>417.679</b>	377.854
Available-for-sale financial assets	11	<b>51.189</b>	-
		<b>468.868</b>	<b>377.854</b>
<b>Current assets</b>			
Receivables	12	<b>6.311</b>	6.461
Cash at bank and in hand	13	<b>695.932</b>	738.619
		<b>702.243</b>	<b>745.080</b>
<b>Total assets</b>		<b>1.171.111</b>	<b>1.122.934</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Other reserves	14	<b>51.189</b>	-
Accumulated surplus		<b>1.106.311</b>	1.110.321
<b>Total equity</b>		<b>1.157.500</b>	<b>1.110.321</b>
<b>Current liabilities</b>			
Trade and other payables	15	<b>13.611</b>	12.613
		<b>13.611</b>	<b>12.613</b>
<b>Total equity and liabilities</b>		<b>1.171.111</b>	<b>1.122.934</b>

On 17 November 2015 the Executive Committee of The Russian Orthodox Church "St. Nicholas" Fund Limited authorised these financial statements for issue.

.....  
Member of Executive Committee

.....  
Member of Executive Committee

The notes on pages 6 to 17 form an integral part of these financial statements.

# THE RUSSIAN ORTHODOX CHURCH "ST NICHOLAS" FUND LIMITED

## CASH FLOW STATEMENT

Year ended 31 December 2014

	Note	2014 €	2013 €
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Deficit for the year</b>		<b>(4.010)</b>	(185.894)
Adjustments for:			
Impairment charge - available-for-sale financial assets	11	-	232.678
Interest income	9	<b>(2.172)</b>	(14.977)
		<b>(6.182)</b>	31.807
<b>Changes in working capital:</b>			
Decrease/(increase) in receivables		<b>150</b>	(1.318)
Increase in trade and other payables		<b>998</b>	7.781
<b>Cash (used in)/generated from operations</b>		<b>(5.034)</b>	38.270
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payment for purchase of property, plant and equipment	10	<b>(39.825)</b>	(51.115)
Payment for purchase of available-for-sale financial assets		-	(232.678)
Interest received		<b>2.172</b>	14.977
<b>Net cash used in investing activities</b>		<b>(37.653)</b>	(268.816)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>Net decrease in cash and cash equivalents</b>		<b>(42.687)</b>	(230.546)
Cash and cash equivalents at beginning of the year		<b>738.619</b>	969.165
<b>Cash and cash equivalents at end of the year</b>	13	<b>695.932</b>	738.619

The notes on pages 6 to 17 form an integral part of these financial statements.

# THE RUSSIAN ORTHODOX CHURCH "ST NICHOLAS" FUND LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

### 1. Incorporation and principal activities

#### Country of incorporation

The Russian Orthodox Church "St. Nicholas" Fund Limited (the "Fund") was incorporated in Cyprus on 12 August 1997 as a private limited liability company under the Cyprus Companies Law, Cap. 113. Its registered office is at 284, Arch. Makariou III Ave., Fortuna Court, Block B, 3105, Limassol, Cyprus.

#### Principal activities

The principal activity of the Russian Orthodox Church St Nicolas Fund, which is unchanged from the previous year, is the construction and maintenance of the Russian Orthodox Church "St Nicolas" in Limassol.

### 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) and the requirements of the Cyprus Companies Law, Cap.113. The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires Management to exercise its judgment in the process of applying the Fund's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on Management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

#### Adoption of new and revised IFRSs

During the current year the Fund 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 2014. This adoption did not have a material effect on the accounting policies of the Fund.

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 Executive Committee expects that the adoption of these accounting standards in future periods will not have a material effect on the financial statements of the Fund.

#### Revenue recognition

Donations is credited to the Statement of Income and Expenses in the year in which they are received.goods and services net of Value Added Tax, rebates and discounts. Other revenues earned by the Fund are recognised on the following bases:

- **Income from subscriptions**

Income from subscriptions is recognised on an accrual basis in the accounting period in which the subscriptions are earned.



# THE RUSSIAN ORTHODOX CHURCH "ST NICHOLAS" FUND LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

### 2. Accounting policies (continued)

#### Revenue recognition (continued)

- **Interest income**

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

#### Employee benefits

The Fund and its employees contribute to the Government Social Insurance Fund based on employees' salaries. The Fund's contributions are expensed as incurred and are included in staff costs. The Fund has no legal or constructive obligations to pay further contributions if the scheme does not hold sufficient assets to pay all employees benefits relating to employee service in the current and prior periods.

#### Finance income

Finance income includes interest income which is recognised based on an accrual basis.

#### 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 Fund'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 Fund'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. Translation differences on available-for-sale financial assets are recognised in other comprehensive income and then included in the fair value reserve in equity.

#### Property, plant and equipment

Property, plant and equipment are stated at historical cost. The church chappel is a prefabricated wooden building which has been imported from Russia and set up on land donated by the Archbishop of Cyprus. The chapel is not depreciated.

Properties in the course of construction for production, rental or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Fund's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Where the carrying amount of an asset is greater than its estimated recoverable amount, the asset is written down immediately to its recoverable amount.

# THE RUSSIAN ORTHODOX CHURCH "ST NICHOLAS" FUND LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

### 2. Accounting policies (continued)

#### Property, plant and equipment (continued)

Expenditure for repairs and maintenance of property, plant and equipment is charged to profit or loss of the year in which it is incurred. The cost of major renovations and other subsequent expenditure are included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Fund. Major renovations are depreciated over the remaining useful life of the related asset.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

#### Financial instruments

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

##### Financial assets

###### *(1) Classification*

The Fund classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of financial assets at initial recognition.

- Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets, unless management intends to dispose of the investment within twelve months of the reporting date.

###### *(2) Recognition and measurement*

Regular way purchases and sales of financial assets are recognised on trade-date which is the date on which the Fund commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in profit or loss. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are carried at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of the "financial assets at fair value through profit or loss" category are presented in profit or loss in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the profit or loss when the Fund's right to receive payments is established.

# THE RUSSIAN ORTHODOX CHURCH "ST NICHOLAS" FUND LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

### 2. Accounting policies (continued)

#### Financial instruments (continued)

##### Financial assets (continued)

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Fund establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same and discounted cash flow analysis, making maximum use of market inputs and relying as little as possible on entity specific inputs. Equity investments for which fair values cannot be measured reliably are recognised at cost less impairment.

Changes in the fair value of monetary securities denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. The translation differences on monetary securities are recognised in profit or loss, while translation differences on non-monetary securities are recognised in other comprehensive income. Changes in the fair value of monetary and non-monetary securities classified as available-for-sale are recognised in other comprehensive income.

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in other comprehensive income are included in profit or loss as gains and losses on available-for-sale financial assets.

Interest on available-for-sale securities calculated using the effective interest method is recognised in the profit or loss. Dividends on available-for-sale equity instruments are recognised in profit or loss when the Fund's right to receive payments is established.

The Fund assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets the cumulative loss which is measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss, is removed from equity and recognised in profit or loss.

For financial assets measured at amortised cost, if in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of available for sale equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. In respect of available for sale debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

##### Cash and cash equivalents

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

# THE RUSSIAN ORTHODOX CHURCH "ST NICHOLAS" FUND LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

### 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 Fund 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 Fund 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.

#### Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

#### 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.

### 3. Financial risk management

#### Financial risk factors

The Fund is exposed to market price risk, interest rate risk, credit risk, liquidity risk and currency risk arising from the financial instruments it holds. The risk management policies employed by the Fund to manage these risks are discussed below:

##### 3.1 Market price risk

Market price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices. The Fund's available-for-sale financial assets and financial assets at fair value through profit or loss are susceptible to market price risk arising from uncertainties about future prices of the investments. The Fund's market price risk is managed through diversification of the investment portfolio.

# THE RUSSIAN ORTHODOX CHURCH "ST NICHOLAS" FUND LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

### 3. Financial risk management (continued)

#### 3.2 Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. Borrowings issued at variable rates expose the Fund to cash flow interest rate risk. Borrowings issued at fixed rates expose the Fund to fair value interest rate risk. The Fund's management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

At the reporting date the interest rate profile of interest-bearing financial instruments was:

	2014 €	2013 €
<b>Fixed rate instruments</b>		
Financial assets	61.424	185.403
<b>Variable rate instruments</b>		
Financial assets	<u>625.457</u>	<u>552.146</u>
	<u><b>686.881</b></u>	<u>737.549</u>

#### Sensitivity analysis

An increase of 100 basis points in interest rates at 31 December 2014 would have increased/(decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. For a decrease of 100 basis points there would be an equal and opposite impact on the profit.

	<b>Profit or loss</b>	
	2014 €	2013 €
Variable rate instruments	<u>6.255</u>	<u>5.521</u>
	<u><b>6.255</b></u>	<u>5.521</u>

#### 3.3 Credit risk

Credit risk arises when a failure by counter parties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the reporting date. The Fund has no significant concentration of credit risk. The Fund has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history and monitors on a continuous basis the ageing profile of its receivables.

#### 3.4 Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The Fund has procedures with the object of minimising such losses such as maintaining sufficient cash and other highly liquid current assets and by having available an adequate amount of committed credit facilities.

The following tables detail the Fund's remaining contractual maturity for its financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Fund can be required to pay. The table includes both interest and principal cash flows.

<b>31 December 2014</b>	Carrying amounts €	Contractual cash flows €	3 months or less €	Between 3-12 months €	Between 1-5 years €	More than 5 years €
Trade and other payables	<u>13.611</u>	<u>13.611</u>	<u>125</u>	<u>13.486</u>	<u>-</u>	<u>-</u>
	<u><b>13.611</b></u>	<u><b>13.611</b></u>	<u><b>125</b></u>	<u><b>13.486</b></u>	<u>-</u>	<u>-</u>

# THE RUSSIAN ORTHODOX CHURCH "ST NICHOLAS" FUND LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

### 3. Financial risk management (continued)

#### 3.4 Liquidity risk (continued)

31 December 2013	Carrying amounts	Contractual cash flows	3 months or less	Between 3-12 months	Between 1-5 years	More than 5 years
	€	€	€	€	€	€
Trade and other payables	12.614	12.614	293	12.321	-	-
	<b>12.614</b>	<b>12.614</b>	<b>293</b>	<b>12.321</b>	<b>-</b>	<b>-</b>

#### 3.5 Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Fund's measurement currency. The Fund is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the US Dollar. The Fund's management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

The carrying amounts of the Fund's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

	Assets	
	2014	2013
	€	€
United States Dollars	<b>401.796</b>	368.775
	<b>401.796</b>	<b>368.775</b>

#### Sensitivity analysis

A 10% strengthening of the Euro against the following currencies at 31 December 2014 would have increased (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. For a 10% weakening of the Euro against the relevant currency, there would be an equal and opposite impact on the profit.

	Profit or loss	
	2014	2013
	€	€
United States Dollars	<b>(36.527)</b>	(33.525)
	<b>(36.527)</b>	<b>(33.525)</b>

### 4. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

# THE RUSSIAN ORTHODOX CHURCH "ST NICHOLAS" FUND LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

### 4. Critical accounting estimates and judgements (continued)

The Fund makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

- **Impairment of available-for-sale financial assets**

The Fund follows the guidance of IAS 39 in determining when an investment is other-than-temporarily impaired. This determination requires significant judgment. In making this judgment, the Fund evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost and the financial health and near-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

- **Impairment of non-financial assets**

The impairment test is performed using the discounted cash flows expected to be generated through the use of non-financial assets, using a discount rate that reflects the current market estimations and the risks associated with the asset. When it is impractical to estimate the recoverable amount of an asset, the Fund estimates the recoverable amount of the cash generating unit in which the asset belongs to.

### 5. Revenue

	2014	2013
	€	€
Members' subscriptions	408	342
Donations	5.652	107.030
	<u>6.060</u>	<u>107.372</u>

### 6. Other expenses

	2014	2013
	€	€
Impairment charge on available-for-sale financial assets	-	232.678
	<u>-</u>	<u>232.678</u>

Based on a decision made by the Eurogroup on 25 March 2013, the bank deposits of the Fund in Bank of Cyprus have been impaired by €232.678. Based on a decree issued by the Central bank of Cyprus, 232.678 shares of Bank of Cyprus of a nominal value of €1 each have been issued to the Fund. These shares are not traded in any Stock Exchange. In addition, there are no sufficient indications of the fair value of those shares as well as of the feasibility to realise them. As a result, the Executive Committee has fully impaired the financial assets held by the Fund in Bank of Cyprus as at 31 December 2013.

### 7. Deficit for the year

	2014	2013
	€	€
Deficit for the year is stated after charging the following items:		
Staff costs (Note 8)	24.888	24.888
Auditors' remuneration for the statutory audit of annual accounts	4.165	4.165
	<u>4.165</u>	<u>4.165</u>

# THE RUSSIAN ORTHODOX CHURCH "ST NICHOLAS" FUND LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

### 8. Staff costs

	2014	2013
	€	€
Wages and salaries	24.000	24.000
Social insurance costs and other funds	408	408
Social cohesion fund	480	480
	<u>24.888</u>	<u>24.888</u>
Average number of employees	<u>1</u>	<u>1</u>

### 9. Finance income/cost

	2014	2013
	€	€
Interest income	2.172	14.977
Exchange profit	47.473	2.081
<b>Finance income</b>	<u>49.645</u>	<u>17.058</u>
Net foreign exchange transaction losses	(14)	(18.626)
Other finance expenses	(755)	(1.017)
<b>Finance costs</b>	<u>(769)</u>	<u>(19.643)</u>
<b>Net finance income/(cost)</b>	<u>48.876</u>	<u>(2.585)</u>

Interest income is analysed as follows:

	2014	2013
	€	€
Bank deposits	2.172	14.977
	<u>2.172</u>	<u>14.977</u>



# THE RUSSIAN ORTHODOX CHURCH "ST NICHOLAS" FUND LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

### 10. Property, plant and equipment

	Wooden chapel €	Church under construction €	Total €
<b>Cost</b>			
Balance at 1 January 2013	45.517	281.222	326.739
Additions	-	51.115	51.115
<b>Balance at 31 December 2013/ 1 January 2014</b>	<b>45.517</b>	<b>332.337</b>	<b>377.854</b>
Additions	-	39.825	39.825
<b>Balance at 31 December 2014</b>	<b>45.517</b>	<b>372.162</b>	<b>417.679</b>
<b>Net book amount</b>			
<b>Balance at 31 December 2014</b>	<b>45.517</b>	<b>372.162</b>	<b>417.679</b>
<b>Balance at 31 December 2013</b>	<b>45.517</b>	<b>332.337</b>	<b>377.854</b>

An agreement was signed on 14 May 1997 between Archbishop Chrysostomos acting in the capacity of the Archbishop of Cyprus and Patriarch Sergey acting in the capacity of the Patriarch of the Russian Orthodox Church for the transfer, by a way of gift, of the land from the Church of Cyprus to the Russian Orthodox Church. Under this agreement, the Church of Cyprus donated to the Russian Orthodox Church the plots of land numbered 572, 573, 574, 575 and 576 of Φ/Σχ LIV44 which are situated at Yermasogia, Limassol, under the condition that these would be used for the construction on them of a church and ancillary buildings to be used by the Russian Orthodox people. The donated plots of land were registered in the name of the Russian Orthodox Church by the Lands and Surveys Department on 17 November 2010.

### 11. Available-for-sale financial assets

	2014 €	2013 €
Balance at 1 January	-	-
Additions	-	232.678
Impairment charge	-	(232.678)
Revaluation gain	51.189	-
<b>Balance at 31 December</b>	<b>51.189</b>	-
Less non-current portion	(51.189)	-
Current portion	-	-

Based on a decision made by the Eurogroup on 25 March 2013, the bank deposits of the Fund in Bank of Cyprus have been impaired by €232.678. Based on a decree issued by the Central bank of Cyprus, 232.678 shares of Bank of Cyprus of a nominal value of €1 each have been issued to the Fund. These shares are not traded in any Stock Exchange. In addition, there are no sufficient indications of the fair value of those shares as well as of the feasibility to realise them. As a result, the Executive Committee has fully impaired the financial assets held by the Fund in Bank of Cyprus as at 31 December 2013.

	Fair values 2014 €	Cost 2014 €	Fair values 2013 €	Cost 2013 €
Securities listed on a Stock Exchange	51.189	-	-	-
	<b>51.189</b>	-	-	-

# THE RUSSIAN ORTHODOX CHURCH "ST NICHOLAS" FUND LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

### 11. Available-for-sale financial assets (continued)

Available-for-sale financial assets, comprising principally marketable equity securities, are fair valued annually at the close of business on 31 December. For investments traded in active markets, fair value is determined by reference to Stock Exchange quoted bid prices. For other investments, fair value is estimated by reference to the current market value of similar instruments or by reference to the discounted cash flows of the underlying assets. Equity investments for which fair values cannot be measured reliably are recognised at cost less impairment.

### 12. Receivables

	2014	2013
	€	€
Annual subscriptions by members receivable (Note 16.1)	5.193	4.785
Deposits and prepayments	700	700
Accrued income	418	976
	<u>6.311</u>	<u>6.461</u>

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

The exposure of the Fund to credit risk and impairment losses in relation to trade and other receivables is reported in note 3 of the financial statements.

### 13. Cash at bank and in hand

Cash balances are analysed as follows:

	2014	2013
	€	€
Cash at bank and in hand	634.508	554.641
Bank deposits	61.424	183.978
	<u>695.932</u>	<u>738.619</u>

The exposure of the Fund to credit risk and impairment losses in relation to cash and cash equivalents is reported in note 3 of the financial statements.

### 14. Other reserves

	Fair value reserve - available-for-sale financial assets	Total
	€	€
Balance at 1 January 2013	-	-
<b>Balance at 31 December 2013/ 1 January 2014</b>	-	-
Revaluation gain	51.189	51.189
<b>Balance at 31 December 2014</b>	<u>51.189</u>	<u>51.189</u>

The fair value reserve for investments represents accumulated gains and losses arising on the revaluation of available-for-sale financial assets that have been recognised in other comprehensive income, net of amounts reclassified to profit or loss when those assets have been disposed of or are determined to be impaired.

# THE RUSSIAN ORTHODOX CHURCH "ST NICHOLAS" FUND LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

### 15. Trade and other payables

	2014	2013
	€	€
Social insurance and other taxes	674	600
Accruals	12.585	8.587
Other creditors	352	3.426
	<u>13.611</u>	<u>12.613</u>

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

### 16. Related party transactions

The following transactions were carried out with related parties:

#### 16.1 Annual subscriptions by members receivable (Note 12)

	2014	2013
	€	€
Annual subscriptions by members receivable	<u>5.127</u>	4.785
	<u>5.127</u>	<u>4.785</u>

As per Memorandum and Articles of Association of the Fund, each member is obliged to pay the annual subscription amounting to €34.

### 17. Contingent liabilities

The Fund had no contingent liabilities as at 31 December 2014.

### 18. Commitments

The Fund had no capital or other commitments as at 31 December 2014.

### 19. Events after the reporting period

In 2015, as per a decision by the Central Bank of Cyprus, depositors have a maximum weekly access of EUR 1.000 in their funds deposited to FBME Bank Limited.

# THE RUSSIAN ORTHODOX CHURCH "ST NICHOLAS" FUND LIMITED

## DETAILED INCOME STATEMENT

Year ended 31 December 2014

	Page	2014 €	2013 €
<b>Revenue</b>			
Members' subscriptions		<b>408</b>	342
Donations		<b>5.652</b>	107.030
<b>Operating expenses</b>			
Administration expenses	19	<b>(58.946)</b>	(58.003)
		<b>(52.886)</b>	49.369
<b>Other operating expenses</b>			
Impairment charge on available-for-sale financial assets		<b>-</b>	(232.678)
<b>Operating loss</b>		<b>(52.886)</b>	(183.309)
Finance income	20	<b>49.645</b>	17.058
Finance costs	20	<b>(769)</b>	(19.643)
<b>Deficit for the year</b>		<b>(4.010)</b>	(185.894)

# THE RUSSIAN ORTHODOX CHURCH "ST NICHOLAS" FUND LIMITED

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## OPERATING EXPENSES

Year ended 31 December 2014

	2014	2013
	€	€
<b>Administration expenses</b>		
Staff salaries	<b>24.000</b>	24.000
Social insurance etc.	<b>408</b>	408
Social cohesion fund	<b>480</b>	480
Rent	<b>8.400</b>	8.400
Common expenses	-	876
Sewage expenses	-	450
Annual levy	<b>1.500</b>	-
Repairs and maintenance	-	591
Sundry expenses	<b>430</b>	422
Subscriptions and contributions	<b>11.238</b>	10.775
Auditors' remuneration for the statutory audit of annual accounts	<b>4.165</b>	4.165
Other professional fees	<b>360</b>	-
Travelling	<b>6.000</b>	6.000
Private motor vehicle expenses	<b>1.965</b>	1.436
	<b><u>58.946</u></b>	<b><u>58.003</u></b>

# THE RUSSIAN ORTHODOX CHURCH "ST NICHOLAS" FUND LIMITED

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## FINANCE INCOME/COST

Year ended 31 December 2014

	2014 €	2013 €
<b>Finance income</b>		
Interest on bank current accounts	2.172	14.977
Realised exchange profit	-	1.901
Unrealised exchange profit	<u>47.473</u>	<u>180</u>
	<u><b>49.645</b></u>	<u><b>17.058</b></u>
 <b>Finance costs</b>		
<b>Other finance expenses</b>		
Bank charges	755	1.017
<b>Net foreign exchange transaction losses</b>		
Unrealised exchange loss	<u>14</u>	<u>18.626</u>
	<u><b>769</b></u>	<u><b>19.643</b></u>