

Sagamar CJSC

Financial Statements
for the year ended 31 December 2018

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'000 AMD	31 December 2018	31 December 2017
Assets		
Property, plant and equipment	8,386,510	9,226,612
Intangible assets	35,730	35,730
Mining property	1,276,858	1,282,203
Prepayments for non-current assets	-	-
Exploration and evaluation assets	-	-
Current tax asset	-	-
Trade and other receivables	-	-
Non-current assets	9,699,098	10,544,545
Inventories	1,687,995	1,698,483
Current tax asset	376,577	399,058
Prepayments for current assets	364	219
Trade and other receivables	122,480	125,770
Cash and cash equivalents	4,998	20,556
Current assets	2,192,414	2,244,086
Total assets	11,891,512	12,788,631
Equity		
Share capital	976,915	976,915
Additional paid-in capital	10,895,216	10,895,216
Accumulated losses	(39,858,840)	(39,090,700)
Total equity	(27,986,709)	(27,218,569)
Liabilities		
Loans and borrowings	34,118,006	34,017,290
Deferred tax liabilities	-	-
Non-current liabilities	34,118,006	34,017,290
Loans and borrowings	5,721,505	5,948,116
Trade and other payables	38,710	41,794
Current liabilities	5,760,215	5,989,910
Total liabilities	39,878,221	40,007,200
Total equity and liabilities	11,891,512	12,788,631

'000 AMD	2018	2017
Revenue	35,301	33,622
Cost of sales	(11,823)	(23,233)
Gross profit	23,478	10,389
Distribution expenses	(1,518)	(10,491)
Administrative expenses	(161,460)	(133,924)
Other expenses	(766,405)	(2,673,358)
Results from operating activities	(905,905)	(2,807,384)
Finance costs	-	-
Loss before income tax	(905,905)	(2,807,384)
Income tax benefit/(expense)	-	-
Loss and total comprehensive loss for the year	(905,905)	(2,807,384)

These financial statements were approved by management on 20 June 2019 and were signed on its behalf by:


 Samvel Chobanyan
 General Director


 Naira Davtyan
 Accounting qualification
 certificate N 1174

'000 AMD	Share capital	Additional paid-in capital	Accumulated losses	Total
Balance at 1 January 2017	976,915	10,959,740	(32,361,691)	(20,425,036)
Clarify			(3,921,625)	(3,921,625)
Total comprehensive loss for the year				
Loss and total comprehensive loss for the year	-	-	(2,807,384)	(2,807,384)
Transactions with owners of the Company				
Contributions and distributions				
Initial discount on zero and low interest loans received from related parties	-	(64,254)	-	(64,254)
Total transactions with owners of the Company	-	(64,254)	-	(64,254)
Balance at 1 January 2018	976,915	10,895,216	(39,090,700)	(27,218,569)
Balance at 1 January 2018	976,915	10,895,216	(39,090,700)	(27,218,569)
Clarify			137,765	137,765
Total comprehensive loss for the year	976,915	10,895,216	(38,952,935)	(27,080,804)
Loss and total comprehensive loss for the year	-	-	(905,905)	(905,905)
Transactions with owners of the Company				
Contributions and distributions				
Difference on substantial modification of loan terms and revers of initial discount on zero and low interest loans received from related parties	-	-	-	-
Total transactions with owners of the Company	-	-	-	-
Balance at 1 January 2019	976,915	10,895,216	(39,858,840)	(27,986,709)

'000 AMD	2018	2017
Cash flows from operating activities		
Cash received from customers, inclusive VAT	122,327	39,831
Cash paid to suppliers, inclusive VAT	(134,521)	(113,958)
Cash paid to employees	(115,988)	(89,195)
Income tax paid	(230)	-
VAT received back from tax authorities	4,607	94,454
ROYALTY received back from tax authorities	-	36,000
Payment of taxes other than income tax	(54,177)	(30,964)
Other	(8,306)	(9,153)
Net cash used in operating activities	(186,288)	(72,985)
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	60,883	157,456
Acquisition of assets for the exploration and evaluation of mineral resources	-	-
Acquisition of mining property	-	-
Acquisition of property, plant and equipment	(6,233)	(887)
Net cash used in investing activities	54,650	156,569
Cash flows from financing activities		
Proceeds from borrowings	268,421	-
Repayment of borrowings	(152,070)	(85,960)
Interest paid	-	-
Advances received from related parties	-	-
Net cash from financing activities	116,351	(85,960)
Net decrease in cash and cash equivalents	(15,287)	(2,376)
Cash and cash equivalents at 1 January 2018	20,556	22,850
Effect of exchange rate fluctuations on cash and cash equivalents	(271)	82
Cash and cash equivalents at 31 December 2018	4,998	20,556