

**Limited Liability Partnership «MOI insurance broker»**  
**Independent Auditor's audit report**  
**And consolidated financial statements for the year,**  
**Month period ended 31 December 2018**

Prepared in accordance with  
International Financial Reporting Standards

**Almaty**  
**The Republic of Kazakhstan**



ТОО «Евразийская финансовая служба»  
член международной аудиторской сети  
«Kreston International»



г. Алматы, ул. Сатпаева 30А/3, ЖК «Тенгиз Тауэрс»-2, офис 159  
БИН: 940740001622, РНН: 600900059383, ИИК: KZ499470398006467403  
в АО ДБ «Альфа Банк», г. Алматы БИК: ALFAKZKA Код 17  
Тел.: +7 (727) 250-47-83, 250-47-84, Тел./факс: 250-47-85  
e-mail: audit@efs.kz, too.efs.audit@gmail.com, www.efs.kz

APPROVED:

Director

Eurasian Financial Service LLP

YeshniyazovaZh.T



State license to engage in Auditing  
Activity in the territory of the Republic of Kazakhstan  
No. 0000026 series of MF RK dated December 27, 1999

## AUDIT REPORT OF THE INDEPENDENT AUDITOR

*To participants of LLP "MOI insurance broker"*

### Conclusion on the audit of consolidated financial statements

#### Opinion

We conducted an audit of the consolidated financial statements of MOI Insurance Broker ("the Organization"), which consisted of the balance sheet as of December 31, 2018, the profit and loss account, the cash flow statement, the statement of changes in equity and explanatory note, including a brief overview of the main provisions of accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Organization as at 31 December 2018, and its financial results, cash flows and changes in equity for the year ended on the given day in accordance with International Standards (IFRS), with the exception of the effect of the aspect described in the explanatory paragraph.

#### Grounds for expressing opinion

We conducted our audit in accordance with the International Standards on Auditing (ISA). Our responsibilities in accordance with these standards are described further in the section "Auditor's responsibility for the audit of consolidated financial statements" of our opinion.

We are independent from the Organization in accordance with the Code of Ethics for Professional Accountants of the Council on International Standards of Ethics for Accountants (the Code of the CMSEB) and we have fulfilled other ethical duties in accordance with the Code of the CMSE. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



### **Responsibility of management and persons responsible for corporate management and consolidated financial statements**

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with IFRS and for the internal control system that management considers necessary to prepare consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the ability of the Organization to continue to operate ceaseless, to disclose, as appropriate, information relating to business continuity and for reporting on the basis of the assumption of continuing operations, unless the management intends to liquidate the Organization, to cease its activities or when it lacks any other real alternative, except for the liquidation or termination of activities.

Those responsible for corporate governance are responsible for overseeing the preparation of the financial statements of the Organization.

### **Auditor's responsibility for the audit of consolidated financial statements**

Our goal is to obtain reasonable assurance that the consolidated financial statements do not contain material misstatement due to fraud or error, and in the issuance of an audit opinion containing our opinion. Reasonable confidence is a high degree of certainty, but it is not a guarantee that an audit conducted in accordance with International Standards on Auditing always reveals significant distortions if they exist. Distortions can be the result of unfair acts or mistakes and are considered as significant if it can reasonably be assumed that individually or in combination they can affect the economic decisions of users made on the basis of these consolidated financial statements.

As part of an audit conducted in accordance with International Standards on Auditing, we apply professional judgment and maintain professional skepticism throughout the audit. In addition, we perform the following:

- identify and assess the risks of material misstatement of financial statements due to fraud or error; we develop and conduct audit procedures in response to these risks; we obtain audit evidence that is sufficient and appropriate to serve as a basis for expressing our opinion. The risk of not detecting a material misstatement as a result of unfair acts is higher than the risk of not detecting a significant distortion as a result of an error, since unfair acts may include collusion, fraud, intentional omission, misrepresentation or circumvention of the internal control system;
- we get an understanding of the internal control system that is relevant to the audit in order to develop audit procedures appropriate to the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control system;
- we assess the appropriate nature of the accounting policies applied and the reasonableness of accounting estimates and the corresponding disclosure of information prepared by management;
- we conclude that the management has accepted the assumption of continuity of business, and on the basis of the audit evidence obtained - the conclusion is whether there is significant uncertainty in relation to events or conditions that could give rise to significant doubts about the Organization's ability to continue to operate ceaseless. If we conclude that there is significant uncertainty, we must draw attention to our disclosure in the financial statements, or, if such disclosure is inappropriate, modify our opinion. Our conclusions are based on the audit evidence obtained before the date of our audit report. However, future events or conditions may lead to the Organization's loss of ability to continue to operate continuously;
- we evaluate the presentation of the financial statements as a whole, its structure and content, including disclosure of information, as well as whether the financial statements



present the underlying operations and events in a manner that ensures their reliable representation.

We carry out informational interaction with persons responsible for corporate governance, including information on the planned scope and timing of the audit, as well as significant comments on the audit results, including significant deficiencies in the internal control system that we identify in the course of the audit.

We also provide those responsible for corporate governance with a statement that we have complied with all relevant ethical requirements for independence and have informed these individuals of all relationships and other issues that can reasonably be considered influencing the independence of the auditor and, where necessary, on appropriate precautions.

Of those issues that we brought to the attention of those responsible for corporate governance, we identify the issues that were most significant for auditing consolidated financial statements for the current period and, therefore, are key audit issues. We describe these issues in our audit opinion, except in cases where public disclosure of information on these issues is prohibited by law or regulation or when in very rare cases we come to the conclusion that information about a matter should not be communicated in our conclusion, since it can reasonably be assumed that the negative consequences of the communication of such information will exceed the socially significant benefit from its communication.

Head of Audit,

On the basis of which the present

Independent auditor's report

Kobylkina V.I. \_\_\_\_\_



MF-000124 issued by the Ministry of Finance of the Republic of Kazakhstan on 22.01.2013.

City of Almaty, the Republic of Kazakhstan

"26" March 2019.

«МОИ (МОЙ) страховой брокер» ЖШС  
БСН 050740002486  
Индекс: 050059  
Алматы қаласы, Н. Назарбаев даңғылы, 248  
Тел/факс: +7(727)313-77-13, 313-77-11, 313-77-33  
e-mail: info@moibroker.kz



ТОО «МОИ (МОЙ) страховой брокер»  
БИН 050740002486  
Индекс: 050059  
Город Алматы, пр. Н. Назарбаев, 248  
Тел/факс: +7(727)313-77-13, 313-77-11, 313-77-33  
e-mail: info@moibroker.kz

## MANAGEMENT CONFIRMATION OF RESPONSIBILITY

### FOR PREPARATION AND APPROVAL OF CONSOLIDATED FINANCIAL REPORT FOR 2018

The following statement, which should be read in conjunction with description of auditors' duties contained in the report submitted by independent auditors, was made with the aim of distinguishing between the responsibilities of auditors and management regarding financial statement of the Limited Liability Partnership MOI Insurance Broker.

Management is responsible for the preparation of consolidated financial statement that faithfully reflect financial position of the Partnership as at December 31, 2018 in all material aspects. Results of the Partnership, cash flow and changes in equity for the year ended on the same date, as well as a summary of the main principles of accounting policies and other notes in accordance with International Financial Reporting Standards (IFRS).

In course of preparing financial statement, management is responsible for:

- choosing appropriate accounting principles and applying them consistently;
- application of IFRS requirements, or disclosure of all significant deviations from IFRS in financial statement; and
- preparation of consolidated financial statement, based on the assumption that the Partnership will continue its activities in the foreseeable future, except in cases where this assumption is incorrect.

Management is also responsible for:

- development, implementation and maintenance of an effective and reliable internal control system in Partnership;
- maintaining accounting system that allows at any time to prepare, with a sufficient degree of accuracy, information on financial position of Partnership and ensure that financial statement comply with IFRS;
- accounting in accordance with the law;
- taking measures within its competence to protect assets of the Partnership; and
- detection and prevention of fraud and other irregularities.

Attached consolidated financial statement for 2018 was approved by management of the Partnership for release on March 26, 2018.

On behalf of management of the Partnership:

Gaukhar Kassymkanova

Dinara Turlybekova

Managing Director

Chief accountant

March 26, 2018

March 26, 2018





Consolidated Balance sheet  
for the reporting period of 2018

Index: № 1 - Б (Balance)

Periodicity: annual

Represents: public interest organisations based on fiscal year results

Where it is submitted: to the financial statements depositary in electronic format through software

Submission deadline: annually, not later than August 31 of the year following the reporting

Note: explanation how to fill the report is given in the appendix to the form intended for the collection of administrative data "Balance sheet"

Name of the organization: **MOI Insurance Broker, LLP**

for the year ending **December 31, 2018**

		thousand tenge		
Assets	note	line code	for the reporting period	for the previous period
<b>I. Short-term assets:</b>				
Cash and cash equivalents	5	010	11 327,75	830,70
Available-for-sale financial assets		011	-	-
Derivative financial instruments		012	-	-
Financial assets at fair value through profit or loss		013	-	-
Financial assets held to maturity		014	-	-
Other short-term financial assets	6	015	30 970,18	12 911,09
Short-term trade and other receivables	7	016	320 373,07	78 986,38
Current Income Tax		017	-	-
Stocks	8	018	1 373,66	899,26
Other current assets	9	019	1 784,14	3 201,31
<b>Total short-term assets (sum of lines from 010 to 019)</b>		<b>100</b>	<b>365 828,80</b>	<b>96 828,74</b>
Assets (or disposal groups) held for sale		101	-	-
<b>II. Long-term assets</b>				
Available-for-sale financial assets		110	-	-
Derivative financial instruments		111	-	-
Financial assets at fair value through profit or loss		112	-	-
Financial assets held to maturity		113	-	-
Other long-term financial assets	10	114	212 149,82	338 647,36
Long-term trade and other receivables		115	-	-
Investments accounted for by the equity method		116	-	-
Investment property		117	-	-
Fixed assets	11	118	105 451,78	102 953,15
Apological assets		119	-	-
Exploration and appraisal assets		120	-	-
Intangible assets	12	121	6 151,65	4 786,83
Deferred tax assets	13	122	-	-
Other long-term assets		123	-	-
<b>Total long-term assets (sum of lines 110 to 123)</b>		<b>200</b>	<b>323 753,25</b>	<b>446 387,34</b>
<b>Balance (line 100 + line 101 + line 200)</b>			<b>689 582,04</b>	<b>543 216,07</b>
Liabilities	note	line code	for the reporting period	for the previous period
<b>III. Short-term liabilities</b>				
Loans		210	-	-
Derivative financial instruments		211	-	-
Other current financial liabilities	14	212	-	-
Short-term trading and other payables	15	213	269 004,15	84 199,77
Short term reserves	16	214	7 653,25	5 086,07
Current income tax liabilities	17	215	14 983,54	22 581,96
Employee benefits	18	216	4 140,55	35 342,34
Other current liabilities		217	-	-
<b>Total short-term liabilities (sum of lines 210 through 217)</b>		<b>300</b>	<b>295 781,50</b>	<b>147 210,14</b>
Obligations of retiring groups held for sale		301	-	-
<b>IV. Long-term liabilities</b>				
Loans	19	310	-	-
Derivative financial instruments		311	-	-
Other long-term financial liabilities		312	-	-
Long-term trade and other payables		313	-	-
Long-term reserves		314	-	-
Deferred tax liabilities	13	315	8 131,77	6 928,28
Other long-term liabilities		316	-	-
<b>Total long-term liabilities (sum of lines 310 to 316)</b>		<b>400</b>	<b>8 131,77</b>	<b>6 928,28</b>
<b>V. Capital</b>				
Authorized (share) capital	20	410	10 000,00	10 000,00
Share premium		411	-	-
Repurchased own equity instruments		412	-	-
Reserves	21	413	13 656,15	9 958,04
Retained earnings (uncovered loss)	22	414	361 722,78	369 119,62
<b>Total capital attributable to the owners of the parent organization (the sum of lines from 410 to 414)</b>		<b>420</b>	<b>385 378,93</b>	<b>389 077,66</b>
Share of non-controlling owners		421	289,84	-
<b>Total capital (line 420 +/- line 421)</b>		<b>500</b>	<b>385 668,77</b>	<b>389 077,66</b>
<b>Balance (line 300 + line 301 + line 400 +/- line 500)</b>			<b>689 582,04</b>	<b>543 216,08</b>

Gaukhar Kassymkanova Managing Director

Dinara Turlybekova Chief accountant

<b>The calculation of the net asset value of subsidiaries</b>			
Authorized (share) capital			7 376,00
Retained earnings (uncovered loss)		-	1 579,16
Net assets			5 796,84
Share of non-controlling owners- 5%			289,84



**Consolidated Income Statement  
for the reporting period of 2018**

**Index:** № 2 -P&L

**Periodicity:** annual

**Represents:** public interest organisations based on fiscal year results

**Where it is submitted:** to the financial statements depository in electronic format through software

**Submission deadline:** annually, not later than August 31 of the year following the reporting

Note: explanation how to fill the report is given in the appendix to the form intended for the collection of administrative data "Profit and Losses Report"

Name of the organization **MOI Insurance Broker, LLP**

for the year ending **December 31, 2018**

thousand tenge

Name of the indicator	note	line code	for the reporting period	for the previous period
Revenue	23	10	261 124,21	362 039,24
Cost of goods and services sold		11		
<b>Gross profit (line 010 - line 011)</b>		<b>12</b>	<b>261 124,21</b>	<b>362 039,24</b>
Sales Costs	24	13	13 487,86	7 444,43
Administrative expenses	25	14	200 941,52	237 353,16
Other expenses	26	15	69 400,94	67 049,32
Other income	27	16	92 419,06	72 109,55
<b>Total operating profit (loss) (+/- lines from 012 to 016)</b>		<b>20</b>	<b>69 712,96</b>	<b>122 301,88</b>
Finance Revenues	28	21	2 749,74	6 486,36
Finance Costs	29	22		
Share of organization in profit (loss) of associates and joint activities accounted for using the equity method		23		
Other non-operating income		24		
Other non-operating expenses		25		
<b>Profit (loss) before tax (+/- lines from 020 to 025)</b>	<b>30</b>	<b>100</b>	<b>72 462,70</b>	<b>128 788,23</b>
Income tax expense	31	101	15 269,36	18 350,98
<b>Profit (loss) after tax from continuing operations (line 100 - line 101)</b>	<b>32</b>	<b>200</b>	<b>57 193,34</b>	<b>110 437,25</b>
Profit (loss) after tax from discontinued operations		201		
<b>Profit for the year (line 200 + line 201), attributable to:</b>		<b>300</b>	<b>57 193,34</b>	<b>110 437,25</b>
owners of the parent organization			57 114,39	
share of non-controlling owners			-78,96	





Name of the indicator	line code	for the reporting period	for the previous period
<b>Total gross profit, total (sum of lines from 410 to 420):</b>	<b>400</b>	<b>3 698,11</b>	<b>(2 538,66)</b>
<i>including:</i>			
Revaluation of fixed assets	410	5 011,04	8 332,22
Revaluation of financial assets available for sale	411		
Share in other comprehensive income (loss) of associates and joint ventures accounted for using the equity method	412		
Actuarial gains (losses) on pension liabilities	413		
The effect of changes in the rate of income tax on deferred tax subsidiaries	414		
Cash flow hedge	415		
Exchange difference on investments in foreign organizations	416		
Hedging net investment in foreign operations	417		
Other components of other comprehensive income	418		
Adjustment for reclassification in profit (loss)	419		
Tax effect of other comprehensive income components	420	(1 312,93)	(10 870,88)
<b>Total comprehensive profit (line 300 + line 400)</b>	<b>500</b>	<b>60 891,45</b>	<b>107 898,59</b>
Total comprehensive income attributable to:			
owners of the parent organization			
share of non-controlling owners			
<b>Earnings per share:</b>	<b>600</b>		
<i>including:</i>			
Basic earnings per share:			
from ongoing activities			
from discontinued operations			
Diluted EPS:			
from ongoing activities			
from discontinued operations			

Gaukhar Kassymkanova Managing Director

Dinara Turlybekova Chief accountant





**Consolidated Cash Flow Statement (indirect method)  
for the reporting period of 2018**

**Index:** № 4 - Cash flow

**Periodicity:** annual

**Represents:** public interest organisations based on fiscal year results

**Where it is submitted:** to the financial statements depository in electronic format through software

**Submission deadline:** annually, not later than August 31 of the year following the reporting

**Note:** explanation how to fill the report is given in the appendix to the form intended for the collection of administrative data "Cash flow statement (indirect method)"

**Name of the organization** **MOI Insurance Broker, LLP**

**for the year ending December 31, 2018**

thousand tenge

Name of the indicator	note	line code	for the reporting period	for the previous period
<b>1. Cash flow from operating activities</b>				
Profit (loss) before tax		10	72 462,70	128 788,24
Adjustments for non-cash items				
Depreciation and impairment of fixed assets and intangible assets		11	5 438,81	4 684,87
Goodwill impairment		12		
Impairment of trade and other receivables		13		
Other adjustments for non-cash items		14	(65 000,00)	(120 325,72)
Loss (profit) on retirement of fixed assets		15		
Loss (profit) from investment property		16		
Loss (profit) from early repayment of loans		17		
Loss (profit) from other financial assets at fair value adjusted through income statement		18		
Expenses (income) for financing		19		
Employee benefits		20		
Equity Reward Expenses		21		
Income (expense) for deferred taxes		22		
Outstanding positive (negative) exchange rate difference		23		
Share of organization in profits of associates and joint ventures accounted for using the equity method		24		
Other non-cash transaction adjustments in total comprehensive income (loss)		25	(1 312,93)	(10 870,88)
<b>Total adjustment of total comprehensive profit (loss), total (+/- lines from 011 to 025)</b>		<b>30</b>	<b>(60 874,12)</b>	<b>(126 511,74)</b>
Stock changes		31	(474,40)	(542,88)
Reserve changes		32		
Changes in trade and other receivables		33	-131 531,06	190 825,99
Changes in trade and other payables		34	158 017,93	(152 386,16)
Changes on tax debt and other obligatory payments to the budget		35	(7 598,42)	-17 329,55
Changes in other current liabilities		36		
<b>Total movement of operating assets and liabilities, total (+/- lines from 031 to 036)</b>		<b>40</b>	<b>18 414,05</b>	<b>20 567,40</b>
Paid rewards		41		
Income tax paid		42	15 269,36	18 350,98
<b>Net cash from operating activities (line 010 +/- line 030 +/- line 040 +/- line 041 +/- line 042)</b>		<b>100</b>	<b>14 733,27</b>	<b>4 492,93</b>
<b>2. Cash flow from investing activities</b>		<b>200</b>	<b>(4 236,23)</b>	<b>(4 927,36)</b>
<b>3. Cash flow from financial activities</b>		<b>300</b>	<b>-</b>	<b>-</b>
<b>4. The effect of currency exchange rates to KZT</b>		<b>400</b>	<b>-</b>	<b>-</b>
<b>5. Increase +/- decrease in cash (line 100 +/- line 200 +/- line 300)</b>		<b>500</b>	<b>10 497,05</b>	<b>(434,42)</b>
<b>6. Cash and cash equivalents at the beginning of the reporting period</b>	5		<b>830,70</b>	<b>1 265,13</b>
<b>7. Cash and cash equivalents at the end of the reporting period</b>	5	<b>700</b>	<b>11 327,75</b>	<b>830,70</b>

Gaukhar Kassymkanova Managing Director

Dinara Turlybekova Chief accountant



*[Handwritten signature]*



# Consolidated Statement of Changes in Equity for the reporting period of 2018

Index: № - 5

Periodicity: annual

Represents: public interest organisations based on fiscal year results

Where it is submitted: to the financial statements depository in electronic format through software

Submission deadline: annually, not later than August 31 of the year following the reporting

Note: explanation how to fill the report is given in the appendix to the form intended for the collection of administrative data "Changes in Equity"

Name of the organization **MOI Insurance Broker, LLP**

for the year ending **December 31, 2018**

Component Name	note	Line code	Parent Organization Capital					Share of non-controlling owners	Total equity
			Authorized (share) capital	Share premium	Repurchased own equity instruments	Reserves	Retained earnings		
Balance on January 1 of the previous year	17	10	10 000,00	0,00	0,00	12 496,70	363 682,36	0,00	386 179,05
Change in accounting policy		11							
Recalculated balance (line 010 +/- line 011)		100	10 000,00			12 496,70	363 682,36		386 179,05
Total gross profit, total (line 210 + line 220):		200				(2 538,66)	110 437,25		107 898,59
Profit (loss) for the year	25	210					110 437,25		110 437,25
Total gross profit, total (sum of lines from 221 to 229):		220							0,00
including:									0,00
Gain from revaluation of fixed assets (minus the tax effect)		221				(2 538,66)			-2 538,66
Transfer of depreciation from the revaluation of fixed assets (minus the tax effect)		222							0,00
Revaluation of financial assets available for sale (minus the tax effect)		223					0,00		0,00
Share in other comprehensive income (loss) of associates and joint ventures accounted for using the equity method		224							0,00
Actuarial gains (losses) on pension liabilities		225							0,00
Effect of changes in the rate of income tax on deferred tax subsidiaries		226							0,00
Cash flow hedge (minus tax effect)		227							0,00
Exchange difference on investments in foreign organizations		228							0,00
Hedging net investment in foreign operations		229							0,00
Operations with owners, total (the sum of lines from 310 to 318):		300					(105 000,00)		-105 000,00
including:									0,00
Employee share incentives		310							0,00
cost of employee services									0,00
including:									0,00







## Explanatory note to consolidated financial statement of MOI Insurance Broker, LLP for 2018

### TABLE OF CONTENTS

1. Nature of activity .....	2
2. Basics of financial reporting .....	3
<b>For annual periods starting from January 1, 2018 or after this date.....</b>	<b>5</b>
3. Basic Accepted Accounting Principles .....	5
4. Key accounting policies .....	5
Balance sheet .....	9
5. Cash and cash equivalents .....	9
Cash and cash equivalents as of December 31 are as follows: .....	9
6. 10. Other short-term, long-term financial assets .....	10
7. Short-term trade and other receivables .....	10
8. Inventories .....	12
9. Other current assets .....	13
11. Fixed assets .....	13
12. Intangible assets .....	15
13. Deferred tax asset and deferred tax liability .....	15
15. Short-term trading and other payables .....	16
16. Short term reserves .....	17
17. Current income tax liabilities .....	17
18. Employee benefits .....	17
13. Deferred tax liabilities .....	17
20. Authorized capital .....	18
21. Reserves .....	18
22. Retained earnings (uncovered loss) .....	19
Profits and Losses Report .....	19
23. Revenues from insurance activity .....	19
24. Sales Costs .....	19
26. Other expenses .....	20
27. Other income .....	20
28. Finance Revenues .....	21
29. Financing costs .....	21
31. Corporate income tax .....	21
Cash flow statement .....	22
Statement of Changes in Owner's Equity .....	23
Financial tools .....	23
Fair value of financial tools .....	23
Categories of financial tools .....	23
Contingent liabilities .....	25





## 1. Nature of activity

### General information

Limited Liability Partnership MOI Insurance Broker is a legal entity - a medium-sized business entity, established for an indefinite period. The certificate of state re-registration was issued by Department of Justice of Almaty of the Ministry of Justice of the Republic of Kazakhstan on April 25, 2017. Date of first registration: 07/08/2005.

Location of the legal entity: 050059, Republic of Kazakhstan, Almaty, Medeu district, Nazarbayev Ave., 248.

Average annual number of employees of the Group as of December 31, 2018 is 19 people and as of December 31, 2017 is 14 people.

This financial statement on a consolidated basis represents financial results of the Partnership and its subsidiary (jointly - Group) for the year ended December 31, 2018 and its financial position as of the specified date.

**As of December 31, 2018, the Group has the following subsidiaries:**

№	Subsidiaries	Participation share	Location
1	MOI Insurance Brokers Asia, LLC	95%	Republic of Uzbekistan, Tashkent, index 100059, Akkasaray region, street 3, Dzhambul passage, 35

According to the Charter, Group performs the following types of brokerage:

1) intermediary activity in concluding insurance contracts on its own behalf and on behalf of the insured or reinsurance contracts on its own behalf and on behalf of the cedant;

2) consulting activities on insurance (reinsurance);

3) search and attraction of individuals and legal entities to insurance (reinsurance);

4) conducting a comparative analysis of the services and financial condition of insurance (reinsurance) organizations;

5) collecting information on insurance objects in order to conduct a comparative analysis of services provided by insurance (reinsurance) organizations;

6) development of insurance (reinsurance) conditions on behalf of clients, criteria for selecting insurers (reinsurers), providing expert services for identifying insurance risks;

7) preparation and (or) execution on behalf of the insurer (cedant) of documents necessary for entering into an insurance (reinsurance) agreement, collecting information on insurance issues;

8) executing insurance (reinsurance) agreements on behalf of the insured (cedant);

9) collecting insurance claims from insurers (cedants) under insurance (reinsurance) agreements for their subsequent transfer to insurance (reinsurance) organizations with an appropriate agreement with the insured (cedant);

10) placing insurance risks under insurance (reinsurance) agreements or co-insurance on behalf of clients;

11) ensuring the correct and timely execution of documents at the conclusion of the insurance contract (reinsurance), administration of insurance payments, consideration of claims upon occurrence of the insured event, as well as other documents related to the concluded insurance (reinsurance) agreements;

12) consultation and assistance in obtaining by the insurer (cedant), beneficiary of the insurance payment in the event of an insured event;

13) processing, in accordance with the powers granted, the necessary documents for receiving the insurance payment;

14) collecting insurance claims from insurance (reinsurance) organizations for their subsequent transfer to the insured (cedant), beneficiary on behalf of the insured (cedant);

15) preparation of documents for the consideration and settlement of losses in the event of an insured event on behalf of interested parties;





16) organization of services of experts in assessing damage and determining the amount of insurance payment.

The main activities of Group are based on the License for the right to operate as an insurance broker No. 2.3.33 dated February 8, 2019, issued by the National Bank of the Republic of Kazakhstan.

In its activities, the insurance broker is supervised by the authorized body - the National Bank of the Republic of Kazakhstan, whose powers, in addition to other functions stipulated by the current legislation of the Republic of Kazakhstan, include:

- determination, taking into account the requirements of the Law, of the procedure for issuing a license to carry out insurance broker activities;
- issuance of consent to the election (appointment) of insurance brokers leading employees;
- imposing sanctions on professional participants of the insurance market;
- making decisions on suspending licenses and revoking licenses issued to professional participants of the insurance market;
- implementation of other functions, powers and rights in accordance with the current legislative acts of the Republic of Kazakhstan.

Financial and production activities of Group are carried out on the basis of economic independence.

Group has its own balance, bank accounts, emblem, determines the structure, completes its staff.

Parent Company is registered as a taxpayer in the budget and outside the budget funds of the Republic of Kazakhstan in the Tax Committee of the city of Almaty in the Medeu district. Taxpayer Certificate Series 60 No. 0096816 confirms state registration as a taxpayer from July 11, 2005, BIN 050 740 002 486, re-registration on April 25, 2017

#### **Authorized capital**

The authorized capital of Group is set at 10,000 thousand tenge.

**Last controlling party** for the Group is an individual citizen of the Republic of Kazakhstan Gaukhar Kassymkanova (owner 40% of the share capital).

The owners of non-controlling shares are:

- Company «GEORGE YARD INVESTMENT LIMITED» (25% of authorized capital) registration certificate No. Company 49291 16 issued in the House of Companies, Cardiff, October 10, 2003;
- Yerbol Smanov citizen of the Republic of Kazakhstan (25% of the share capital);
- Dinara Turlybekova citizen of the Republic of Kazakhstan (10% of the share capital).

#### **Management bodies of Group are:**

- |                       |                                    |
|-----------------------|------------------------------------|
| • supreme body        | – General meeting of participants; |
| • sole executive body | – Managing Director;               |
| • supervisory body    | – Audit Commission or Auditor.     |

## **2. Basics of financial reporting**

This consolidated financial statement of Group were prepared in accordance with International Financial Reporting Standards (hereinafter referred to as IFRS) and interpretations of the Committee for International Financial Reporting Standards ("CIFRS").

The reporting period is the calendar year.

#### **Use of professional judgment, estimates and assumptions**

In preparing this consolidated financial statement in accordance with IFRS, management used professional judgments, assumptions and estimates relating to the recognition of assets and liabilities and the disclosure of contingent assets and liabilities. The most significant estimates relate to the determination of the fair value of





financial assets and the creation of a reserve for the impairment of investments. Actual results may differ from these estimates.

Assumptions and calculated estimates based on them are constantly being analyzed to determine whether they need to be changed. Changes in estimates are recognized in the reporting period when these estimates were revised and in all subsequent periods affected by the estimates.

Judgments that have the most significant effect on the indicators reflected in these financial statements and estimates that may lead to the need for a significant adjustment to the carrying value of assets and liabilities during the next reporting period of the financial year.

When preparing consolidated financial statements, there are two fundamental assumptions - the use of the accrual method and method of business continuity.

#### **Method of Business Continuity**

This consolidated financial statement have been prepared taking into account that Group is functioning and will conduct operations in the foreseeable future. Thus, it is assumed that Group has no intention or need to liquidate or substantially reduce the scope of its activities.

#### **Accrual method**

Accounting for financial and business operations is based on the accrual method, i.e. results of transactions and other events are recognized when they occur, are taken into account in that reporting period and are recognized in the financial statements of the reporting periods in which they occurred. Consolidated financial statement prepared on an accrual basis inform users not only about past transactions related to the payment and receipt of funds, but also about obligations to pay money in the future and resources represented by cash that will be received in the future.

**Basis of consolidation** - Consolidated financial statement includes financial statement of MOI Insurance Broker LLP and controlled Company (subsidiary). Control is achieved when the parent company has the right to determine the financial and operational policies of the invested enterprise in order to obtain benefits from its activities.

All transactions between companies within the Group, balances on such operations, income and expenses, including unrealized profits in inventories and fixed assets sold within the Group, are excluded from consolidation.

Minority interest in the net assets of a subsidiary is determined separately from the Group's equity. A minority share consists of the amount of such a share as of the date of the initial merger of the companies and the minority interest in changes in equity since the merger. Losses relating to a minority interest in excess of the minority interest in the equity of a subsidiary company are written off against the Group's interest.

#### **Changes in accounting policies and disclosure principles**

Accepted accounting policy corresponds to the accounting policy applied in the previous reporting year.

The following amendments and interpretations that come into force in 2017 were considered by the IFRS Committee:

- (IAS) 7: changes in financial liabilities. IFRS (IAS) 7 "Cash Flow Statement" supplemented by requirements for the disclosure of material information on changes in liabilities related to the financial activities of the company (item 44A of IFRS (IAS) 7)
- (IAS) 12: changes in the recognition of deferred tax assets. IAS 12 "Income taxes" amended the recognition of deferred tax assets in respect of unrealized losses (paragraph 29A IAS 12).
- IFRS 12: disclosure of participation in other organizations is expanded. IFRS 12 "Disclosing information about participation in other entities" obliges to disclose in the notes to the financial statements information about subsidiaries and associates, joint ventures and operations, as well as unconsolidated structured entities.
- IAS 28: changed the fair value measurement procedure. The earlier version of IAS 28 "Investments in Associates" gave reason to believe that an organization should make a decision on accounting at fair value for each investment or by class of investment.

The amendments apply retrospectively.





**For annual periods starting from January 1, 2018 or after this date**

New and revised International Financial Reporting Standards (IFRS):

- IFRS 9 "Financial Tools"
- IFRS 15 "Revenue from contracts with customers" (and Amendments to IFRS 15)
- Amendments to IFRS 2 "Classification and Evaluation of Share-based Payment Transactions"
- IAS 40 "Transfers of investment real estate"
- IFRIC 22 "Transactions in foreign currency and prepayment of reimbursement"
- Amendments to IFRS 4 "Application of IFRS 9 "Financial Tools", together with IFRS 4 "Insurance Contracts";

Group has not applied new or revised Standards and IFRIC Interpretations. New requirements do not affect the financial statements of Group.

**3. Basic Accepted Accounting Principles**

**Functional and reporting currency**

The functional currency of Group, which reflects the economic nature of their operations, is tenge. The presentation currency of the attached consolidated financial statement of Group is also the thousand tenge.

**Foreign Currencies**

Transactions in foreign currencies are initially recorded in the functional currency of Group at exchange rates at the date of the transaction. At each balance sheet date, monetary assets and liabilities presented in foreign currencies are translated to the functional currency at the exchange rate at the balance sheet date.

Gains and losses on exchange differences arising from translation at the exchange rate at the date of the transaction, as well as from translation of monetary assets and liabilities at the exchange rate at the reporting date are reflected in the income statement.

Non-monetary assets and liabilities that are carried at fair value in a foreign currency are translated to the functional currency at the exchange rate at the date when the fair value was determined. Non-monetary assets and liabilities that are carried at historical cost are translated at the exchange rate at the date of the transaction.

on December 31, 2018:

- Russian Rubles - at the rate of 5.77 tenge per 1 RUR,
- EUR dollars - at the rate of 398.23 tenge per 1 dollar EUR;
- US dollars - at the rate of 332.33 tenge for 1 US dollar;

on December 31, 2017:

- Russian Rubles - at the rate of 5.77 tenge per 1 RUR,
- EUR dollars - at the rate of 398.23 tenge per 1 dollar EUR;
- US dollars - at the rate of 332.33 tenge for 1 US dollar;

**4. Key accounting policies**

**Cash and cash equivalents**

Cash includes cash at banks and on hand and short-term demand deposits or with maturities of less than three months.

Carrying value of cash and cash equivalents is equal to their fair value due to the short-term repayment nature of these financial tools.

All non-cash money transactions are carried out through authorized banks.

The cash flow statement is generated indirectly.

Cash flow discounting occurs when the repayment period exceeds 12 months.

Cash with a restriction on withdrawal of more than three months is included in other short-term or long-term assets.





### **Term deposits**

Term deposits include deposits with a maturity of more than three months. Such deposits are classified as other current assets, as the management of Group intends to hold deposits for more than three months, rather than to use them to meet short-term cash needs.

### **Short-term receivables**

Receivables are estimated at historical cost minus adjustments for doubtful debts, discounts and returns of services rendered.

- doubtful debts are considered to be not repaid within the terms established by the contract and not secured by the relevant: pledge, surety, bank guarantee;
- a hopeless debt is recognized for which the limitation period established by applicable law has expired, or the receipt of which is deemed impossible due to the court's refusal to satisfy the claim or the debtor's insolvency. The fact of recognition of a debt as uncollectible should be confirmed by the relevant documents: the data of the inventory of mutual settlements and the order of the Guide to write off bad debts, a court decision, and other documents.

If the service is provided to the customer, but the ownership and risks to the customer have not been transferred under the terms of the contract, then this service is recorded as deferred income.

Revenues are measured at the fair value of the consideration received or expected, taking into account the amount of any trade discounts offered by Group.

### **Inventories**

Estimation of the cost of inventories of raw materials, materials, fuel, spare parts and other stocks, and goods for industrial consumption is carried out in accordance with the weighted average method.

Group evaluates inventories at the lowest estimate of the cost and net realizable value by item-by-item method.

### **Fixed assets**

Fixed assets are initially recognized at cost, which includes the purchase price of the asset, including import duties and non-refundable purchase taxes, less trade discounts, direct costs of bringing the asset to working condition for its intended use, as well as estimated costs of dismantling and disposal of the asset.

Subsequent valuation of fixed assets is carried out using the revaluation method, in which real estate, buildings are recorded at revalued cost, which is their fair value at the date of revaluation minus depreciation and impairment losses accumulated after revaluation. For long-term assets revaluation is carried out 1 time in 3-5 years.

Depreciation of fixed assets is calculated using a straight-line write-off method using the following useful lives:

Depreciation group	Useful life (years)	Annual depreciation rate (%)
Land	Unlimited time	Not depreciated
Building	50	2
Cars and equipment	10	10
Computers	4	25
Copiers	5	20
Furniture	15	6,67
Other types of fixed assets	10	10

### **Intangible assets**

Intangible asset is recorded at cost. Group uses a model for the subsequent valuation of an intangible asset - at cost.

At each reporting date, Group conducts a test for the presence of signs of impairment of intangible assets.





To distribute the depreciable amount of an asset on a systematic basis over its useful life, Group uses the method of equal depreciation.

Useful life of an intangible asset is determined by the Commission of Group, depending on the type of intangible assets.

The recoverable amount, as well as the period and method of depreciation are reviewed annually. Intangible assets are depreciated using the following useful lives:

Depreciation group	Useful life (years)	Annual depreciation rate (%)
Other intangible assets	Unlimited time	Not depreciated
Other intangible assets	3-20	10-33,3

### Revenue recognition

To determine the moment of transfer of control, Group applies professional judgment and one of the indicators of transfer of control is the transfer of risks and rewards. This takes into account other indicators that are being considered to decide on the moment of transfer of control: the right to pay, physical use rights, the fact of acceptance of the service by the client.

Revenue recognition model is a mandatory five step:

- Step 1. Determination of the relevant contract with the client
- Step 2. Definition of individual obligations for the execution of the contract
- Step 3. Determination of transaction price
- Step 4. Distribution of transaction costs
- Step 5. Recognition of revenue at the time of execution (or as far as fulfillment) of the obligation to fulfill the contract

### Borrowing costs

Loans are initially recognized at cost equal to the fair value of the funds received (which is determined using market interest rates) less transaction costs amortized using the effective interest method over the life of such debt financial tools.

Borrowing costs, including debt issuance costs, are recognized as expenses in the period in which they arise.

Borrowing costs for financing the construction of qualified assets are capitalized during the period required to complete the construction and prepare the asset for the proposed use. If funds are borrowed for general purposes and are also used to finance construction, the amount of borrowing costs allowed for capitalization is determined by using the capitalization rate for the cost of the asset. Exchange differences on loans in foreign currency attracted to finance the construction of qualifying assets are capitalized to the extent that they adjust interest costs. All other borrowing costs are expensed..

Capitalization of borrowing costs is suspended for extended periods when construction and preparation of a qualified asset for use are interrupted (unless such interruptions are a necessary part of preparing the asset for use). Such costs are not capitalized by Group and are included in financial expenses.

### Reserves

Reserves are recorded when Group has current liabilities (as determined by law or implied) resulting from past events, for repayment of which are likely to require the outflow of resources containing economic benefits; moreover, the size of such obligations can be estimated with a sufficient degree of accuracy.

To reflect the loss of doubtful receivables, Group uses the method of accounting for receivables for payment terms. In case of failure to pay receivables in time under the contract, after 365 days from the moment of its occurrence, the reserve for doubtful debts in the amount of 100% of receivables is charged.

Reserve for doubtful claims is created for trade receivables.





Reserve for the upcoming vacation pay is determined on the basis of the amount of the vacation debt, the annual planned amount of the payroll and the leave schedule.

#### **Labor costs and related deductions**

Salary costs, social tax, social insurance contributions, paid annual leave and sick leave, bonuses are accrued as relevant work is carried out by employees of Group.

For years 2018 and 2017, expenses of Group for Social Tax and Social Contributions amounted to:

Period	Social tax	Social Security contributions	Health insurance	Taxes and Payments of Subsidiary	Total
2018	10 208	1 533	877	605	13 223
2017	14 743	1 773	0	0	16 516

Group does not bear any costs associated with the payment of pension benefits to its employees. In accordance with the requirements of the legislation of the Republic of Kazakhstan, Group withholds pension contributions from employees' salaries and transfers them to the pension fund. When employees retire, all payments are made by the above pension funds.

#### **Taxation**

Income tax is calculated in accordance with the legislation of the Republic of Kazakhstan and represents the sum of current and deferred tax. Tax is recognized in the income statement, unless it is to be recognized in equity.

#### **Current tax**

The amount of income tax expense in the current period is determined based on the amount of taxable income received for the year. Taxable income differs from net income reflected in the statement of income and expenditure because it does not include items of income or expenses subject to taxation or deduction for tax purposes in other years, and also excludes non-taxable and non-deductible items. The expenses of Group for income tax in the current year are accrued using tax rates introduced in full or substantially on the date of the balance sheet.

#### **Deferred tax**

Deferred tax is a tax claim or income tax liability and is recorded on a balance sheet basis for recording liabilities in respect of temporary differences between tax accounting data and data included in the financial statements, as well as the corresponding tax accounting data used to calculate taxable income.

Deferred tax assets and liabilities are recorded at tax rates that are expected to apply during the period of asset retirement or repayment of liabilities at tax rates (or in accordance with tax legislation) that were introduced or mainly entered at the reporting date. The assessment of deferred tax liabilities and assets reflects the tax consequences of how the Group expects at the reporting date to recover or pay off the book value of its assets and liabilities.

#### **Dividends**

Dividends to shareholders of Group are recorded as a liability in the financial statements in the period in which they were approved for payment to the participant of Group.

#### **Changes in accounting policies, estimates and errors**

Changes in accounting policies are applied retrospectively, unless the amount of the corresponding adjustment relating to prior periods cannot be reasonably determined. Any adjustment received should be reported as an adjustment to the balance of retained earnings at the beginning of the period. Comparative information should be restated as long as practicable.

Adjustment of past period errors is excluded from profit or loss for the period in which the error was detected. Any information provided in respect of past periods, including any consolidated financial data, is subject to recalculation to the earliest possible period.





Group independently chooses materiality criteria for calculating a material error depending on the type of activity, the structure of the balance sheet and the income statement.

A significant error is an amount of 1% of the income from the main activity of the previous reporting period.

#### **Settlements and transactions with related parties**

In this financial statement, related parties are considered to be parties, one of which has the ability to control or exercise significant influence on the operational or financial decisions of the other party, in accordance with IAS 24 "Related Party Disclosures". In deciding whether the parties are related, the content of the relationship of the parties, and not only their legal form, is taken into account.

Transactions between related parties represent a transfer of resources or obligations between related parties, regardless of charging.

In determining pricing for transactions between related parties, it applies a comparable, uncontrolled price method, which sets a price relative to comparable goods sold on an economically comparable market to a buyer not connected with the seller. This method is used by Group, since the conditions for transactions between related parties are similar to those for normal trading operations.

Related parties for Group are:

George Yard Investment Limited	Group Member
Gaukhar Kassymkanova	Group Member
Yerbol Smanov	Group Member
Dinara Turlybekova	Group Member

In 2018, Group had no trading operations with major shareholders.

#### **Key management personnel payments**

Compensation of key management personnel is established by the meeting of shareholders and the senior management of Group in accordance with personnel policy, staffing, individual employment contracts, decisions of shareholders, orders for the rewards, etc.

All compensations paid to the key management of the Group during 2018 and 2017 were short-term payments:

	<b>2018</b>	<b>2017</b>
Wages	76 054,83	65 357,24
Vacation	4 555,32	15 381,41
Other taxable income	1 656,42	1 529,38
Rewards	6 722,90	34 182,23
<b>Total</b>	<b>88 989,47</b>	<b>116 450,26</b>

#### **Balance sheet**

##### **5. Cash and cash equivalents**

Cash and cash equivalents as of December 31 are as follows:

	<b>note</b>	<b>2018</b>	<b>2017</b>
Cash on current accounts in banks *		11 327,75	830,70
Cash on hand		0	0
<b>Total</b>	<b>5</b>	<b>11 327,75</b>	<b>830,70</b>

All cash as of December 31, 2018 and December 31, 2017 is available for use and meets the criteria for the recognition of cash equivalent IAS 1, IAS 7.





#### 6. 10. Other short-term, long-term financial assets

Other short-term financial assets are represented by deposits placed on savings accounts in second-tier banks as well as investments in a foreign subsidiary company.

<b>Bank accounts</b>	<b>Note</b>	<b>2018</b>	<b>2017</b>
Short Term Savings Accounts		30 970,18	12 911,09
<b>Total short term</b>		<b>30 970,18</b>	<b>12 911,09</b>
Long-term savings accounts		0	0
<b>Total long term</b>	<b>10</b>	<b>212 149,82</b>	<b>338 647,36</b>
		<b>212 149,82</b>	<b>338 647,36</b>

Term deposits are opened in BankCenterCredit JSC.

Money on savings accounts:

Short-term in the amount of 30,970.18 thousand tenge as of December 31, 2018 (2017: 12,911.09 thousand tenge). In accordance with the bank deposit agreement the amount of the minimum balance is 100,000 (one hundred thousand tenge).

Long-term in the amount of 212,149.82 thousand tenge as of December 31, 2018 (2017: 338,647.36 thousand tenge). In accordance with the bank deposit agreement, the amount of the minimum balance is 5,000 USD (five thousand US dollars 00 cents) and is not restricted for use until the expiration date of the agreement.

Money in deposit accounts is represented by term deposits:

<u>Short-term</u>	<b>Note</b>	<b>Rate of interest (%)</b>	<b>Closing date</b>	<b>2018</b>	<b>2017</b>
bank deposit agreement №00118418 dd 19.07.2018		7%	19.07.2019	30 970,18	0
bank deposit agreement №00067204 dd 19.07.2017		7%	19.07.2017	0	12 911,09
<b>Total</b>	<b>6</b>			<b>30 970,18</b>	<b>12 911,09</b>
<u>Long-term</u>					
Endorsement dd 16.07.2018 to the bank deposit agreement №00084286 dd 20.12.2017		1%	20.12.2020	212 149,82	
bank deposit agreement №00084286 dd 20.12.2017		0,3%	20.12.2017		338 647,36
<b>Total</b>	<b>10</b>			<b>212 149,82</b>	<b>338 647,36</b>
<b>In all</b>				<b>243 120,00</b>	<b>351 558,45</b>

For using the deposit, the bank pays a remuneration of 1% and 7% per annum.

Total revenues related to receipt of interest on term deposits for 2018 amounted to 2,749.74 thousand tenge (2017: 6,486.36 thousand tenge). Note 28.

#### 7. Short-term trade and other receivables

Short-term trade and other receivables include: accrued commission incomes to insurance brokers, employees' debts, other short-term debts, taking into account the allowance for doubtful requirements of IAS 39, including:

	<b>Note</b>	<b>2018</b>	<b>2017</b>
Short-term receivables of employees		2 850,00	2 200,00
Short Term Rewards Receivable *		64 265,62	5 937,20



Other short-term receivables \*\*

		253 257,45	70 849,18
<b>Total</b>		<b>320 373,07</b>	<b>78 986,38</b>
Reserve for doubtful claims ***		0	0
<b>Total accounts receivable (net)</b>	<b>7</b>	<b>320 373,07</b>	<b>78 986,38</b>

The management of Group believes that the book value at short-term remuneration and other short-term receivables approximately equals its fair value.

Short-term receivables of employees include debts for loans granted to employees. The loan is short-term in the amount of KZT1,100.00 thousand, granted for 1 year, the repayment period of December 31, 2019, and in the amount of KZT1,750.00 thousand - long-term with maturity of December 31, 2021. Interest-free and repayable loans. The long-term employee loan in the financial statements is reflected without discount.

\* Short-term remuneration receivables consist of:

	Note	2018	2017
Accrued income in the form of interest on term deposits		329,28	185,22
Accrued commission income of insurance brokers		63 936,34	5 751,98
<b>Total</b>	<b>7</b>	<b>64 265,62</b>	<b>5 937,20</b>

\*\* Other short-term receivables consist of:

	Note	2018	2017
Insurance premiums receivable from reinsurers *		253 257,45	70 849,18
Requirements for reinsurers **			
Claim arrears ***			
<b>Total</b>	<b>7</b>	<b>253 257,45</b>	<b>70 849,18</b>

The presented table discloses the financial requirements of Group, specified depending on the maturity date based on the remaining term from the balance sheet date to the maturity date in accordance with the terms of the contract. The amounts disclosed in the table represent undiscounted cash flows for 2018 and 2017:

2017	Up to 3 months	More than 3 months	Total
Short Term Rewards Receivable *	5 935,82	1,38	5 937,20
Insurance premiums receivable from reinsurers **	70 152,23	696,95	70 849,18
Claims to reinsurers **			
<b>Total</b>	<b>76 088,05</b>	<b>698,33</b>	<b>76 786,38</b>

2018

	Up to 3 months	More than 3 months	Total
--	----------------	--------------------	-------





Short Term Rewards Receivable *	62 058,17	2 207,45	64 265,62
Insurance premiums receivable from reinsurers **	142 749,37	110 508,08	253 257,45
Claims to reinsurers **			
<b>Total</b>	<b>204 807,54</b>	<b>112 715,53</b>	<b>317 523,07</b>

\*\*\*\* Reserve for doubtful claims.

The amount of the provision for doubtful claims is determined using the method of accounting for invoices for payment terms based on the results of the inventory of receivables. During 2017, doubtful receivables were written off from the previously accrued reserve in the amount of 2,000.0 thousand tenge, there were no additional charges in 2018, including:

	Note	Reserve sum
<b>For the end of 2016</b>		<b>2 000,00</b>
Accrual		
Reserve adjustment	26	(2000,00)
<b>For the end of 2017</b>	<b>7</b>	<b>0</b>
Accrual		
Reserve adjustment	26	(0)
<b>For the end of 2018</b>	<b>7</b>	<b>0</b>

## 8. Inventories

Accounting of inventory in Group is carried out in accordance with IFRS 2 "Inventories".

Group inventories consist of raw materials.

All inventories in physical inventory are recorded at cost in accordance with the Accounting Policy, represent real and reasonable amounts, supported by relevant documents, and are reflected in the correct reporting period. The balance of stocks is confirmed by inventory carried out by Group on the basis of Order No. 17-II dated 25.12.2018.

Inventory confirms the physical availability of inventories reflected in accounting records, ensures that all available inventories are reflected in accounting records, checks the completeness of accounting records.

For 2017, the movement of stocks is presented:

	Note	Raw materials	Total
<b>Balance as of January 1, 2016</b>		<b>356,38</b>	<b>356,38</b>
Income		2 457,92	2 457,92
Impairment		0	0
Retirement	25	(1 915,04)	(1 915,04)
<b>Balance as of January 1, 2017</b>		<b>899,26</b>	<b>899,26</b>
Income		2 404,44	2 404,44
Impairment		0	0
Retirement	25	1 930,04	1 930,04
<b>Balance at December 31, 2018</b>	<b>8</b>	<b>1 373,66</b>	<b>1 373,66</b>

The cost of raw materials and materials is evaluated on a continuous basis.

The raw materials and materials of Group are taken into account in storage locations in physical terms, and in accounting for the operational accounting method of accounting - in quantitative terms for those responsible.



In 2018, there was no impairment of inventories.  
As of the reporting date, no reserves are pledged.

#### 9. Other current assets

Other current assets consist of: current tax assets, short-term advances issued, deferred expenses, including:

	Note	2018	2017
Current tax assets *		30,86	204,52
Short-term advances issued **		1 512,70	2 656,56
Future spending ***		240,58	340,23
<b>Total</b>	<b>9</b>	<b>1 784,14</b>	<b>3 201,31</b>

\* Current tax is the amount of income paid in respect of taxable income. If the amount paid in respect of current and previous periods exceeds the amount due for these periods, Group recognizes the excess amount as an asset in accordance with IAS 12.

Current tax assets include advance payments to the Budget. The actual overpayment to the budget is represented by the following types of taxes and payments:

	Note	2017	2017
Social tax		16,41	201,65
Land tax		2,87	2,87
Property tax		11,58	0
<b>Total</b>	<b>9</b>	<b>30,86</b>	<b>204,52</b>

\*\* Presented table discloses advances paid by Group, indicated depending on the maturity date on the basis of the remaining term from the balance sheet date to the maturity date in accordance with the terms of the contract. The amounts disclosed in the table represent undiscounted cash flows for 2018 and 2017:

	Up to 3 months	More than 3 months	Total
<b>2017</b>			
Short-term advances issued	1 803,26	853,30	2 656,56
<b>2018</b>			
Short-term advances issued	1 455,18	57,52	1 512,70

\*\*\* Future costs include the following items:

- insurance of civil liability of the employer for causing harm to the life and health of employees in the performance of labor (official) duties;
- other expenses.

Future expenses are as follows:

	Note	2018	2017
Insurance premiums paid to insurance companies		161,78	138,99
Other prepaid expenses		78,80	201,24
<b>Total</b>	<b>9</b>	<b>240,58</b>	<b>340,23</b>

#### 11. Fixed assets

Upon initial recognition, the property, buildings and equipment are valued at actual cost and include all actual costs incurred for the construction or acquisition of an asset.

In accordance with the accounting policy, Group applies a model at a revalued value for buildings and office space, and a model for actual fixed assets for other fixed assets.





For long-term assets revaluation is carried out 1 time in 3-5 years.

The actual value of fixed assets includes the cost of acquisition plus all costs of transportation, packaging, shipping and insurance, customs duties and fees, costs of commission services and other costs incurred during the purchase and transportation of the asset and bringing it to a state of readiness for operation and any non-refundable taxes (payments to the budget).

Group applies a depreciation method to evenly write off the cost over the estimated useful life. Land plots have unlimited useful life, they are not depreciated. Group determined the liquidation value of the insignificant and insignificant to determine.

The cost is fully depreciated but still used fixed assets as of December 31, 2018 is 9 414.55 thousand tenge (2017: 2 441.84 thousand tenge).

As of December 31, 2018, fixed assets are as follows:

	Note	Buildings and constructions	Land plot	Other	TOTAL
<b>Initial cost</b>					
Balance as of January 1, 2017		161 717,24	120,00	15 566,36	177 403,60
Income				500,29	500,29
Impairment		14 594,74			14 594,74
Retirement				-	-
				135,60	135,60
<b>Balance on January 1, 2018</b>		<b>176 311,98</b>	<b>120,00</b>	<b>15 931,05</b>	<b>192 363,03</b>
Income				2 335,65	2 335,65
Impairment		9 124,72			9 124,72
Retirement				-	-
				392,36	392,36
<b>Balance at December 31, 2018</b>		<b>185 436,70</b>	<b>120,00</b>	<b>17 874,34</b>	<b>203 431,04</b>
<b>Accumulated wear</b>					
Balance as of January 1, 2017		65 983,01	-	13 101,11	79 084,12
Yearly charges	25	3 206,45		979,27	4 185,72
Impairment		6 262,52			6 262,52
Retirement				-	-
				122,48	122,48
<b>Balance on January 1, 2018</b>		<b>75 451,98</b>	<b>-</b>	<b>13 957,90</b>	<b>89 409,88</b>
Yearly charges	25	4 034,40		813,67	4 848,07
Impairment		4 113,67			4 113,67
Retirement				(392,36)	(392,36)
<b>Balance at December 31, 2018</b>		<b>83 600,05</b>	<b>-</b>	<b>14 379,21</b>	<b>97 979,26</b>
Impairment at December 31, 2017					
Impairment at December 31, 2018	26				
<b>Residual value as of December 31, 2017</b>	11	<b>100 860,00</b>	<b>120,00</b>	<b>1 973,15</b>	<b>102 953,15</b>
<b>Residual value as of December 31, 2018</b>	11	<b>101 836,65</b>	<b>120,00</b>	<b>3 495,13</b>	<b>105 451,78</b>

December 11, 2018 Group revalued real estate. Revaluation made by the Company "Independent Expert Evaluation" LLP - Certificate of State Registration of a Legal Entity 3273-1910-01-TOO dated November 27, 2012, State license to engage in property valuation activity No. 12019892 dated December 26, 2012, State license to engage in activity on the evaluation of intellectual property, value of intangible assets No. 12019896 dated December 26, 2012.



Impairment of an asset to calculate the carrying value is determined according to the rules of IAS No. 36. The amount of compensation is taken as the largest of the following values: fair value minus selling expenses and value in use.

At the reporting date, Group has determined that there are signs of a possible impairment of assets on real estate (non-residential premises with a land plot). To calculate the value of use, the projected future cash flows are discounted to their present value using a discount rate of 9% per annum. Estimated cash flows were limited to an expiration date of use until 2057.

The amount of compensation obtained by calculation turned out to be more than the book value, Group decided not to depreciate the property.

As of the reporting date, fixed assets are not pledged.

## 12. Intangible assets

Intangible assets are represented by software. Group has determined the residual value immaterial to determine.

The classification of intangible assets is consistent with the Accounting Policy.

The cost of a fully depreciated, but still used intangible assets as of December 31, 2017 is 492.00 thousand tenge.

The presence and movement of intangible assets for 2018 is given in the table:

	Note	Software	TOTAL
<b>Initial cost</b>			
<b>Balance as of January 1, 2017</b>		<b>1 648,59</b>	<b>1 648,59</b>
Income		4 440,19	4 440,19
Revaluation			
Retirement			
<b>Balance as of January 1, 2018</b>		<b>6 088,78</b>	<b>6 088,78</b>
Income		1 955,56	1 955,56
Revaluation			
Retirement			
<b>Balance at December 31, 2018</b>		<b>8 044,34</b>	<b>8 044,34</b>
<b>Accumulated wear</b>			
<b>Balance as of January 1, 2017</b>		<b>802,80</b>	<b>802,80</b>
Yearly charges	25	499,15	499,15
Retirement			
<b>Balance on January 1, 2018</b>		<b>1 301,95</b>	<b>1 301,95</b>
Yearly charges	25	590,74	590,74
Retirement			
<b>Balance at December 31, 2018</b>		<b>1 892,69</b>	<b>1 892,69</b>
Impairment at 31 December 2015		0	0
Impairment at 31 December 2016		0	0
<b>Residual value as of December 31, 2017</b>	12	<b>4 786,83</b>	<b>4 786,83</b>
<b>Residual value as of December 31, 2018</b>	12	<b>6 151,65</b>	<b>6 151,65</b>

As of the reporting date, intangible assets are not pledged.

## 13. Deferred tax asset and deferred tax liability

At each reporting date, Group reevaluates unrecognized deferred tax assets and recognizes a previously unrecognized deferred tax asset to obtain future taxable profit, which allows you to recover the deferred tax asset of IAS 12.

Balance in the balance sheet item "deferred tax asset" at the beginning of the reporting year is 0 thousand tenge. The deferred income tax of the reporting year was recognized in the reserve for the revaluation of fixed assets in the amount of 0 thousand tenge, in the statement of profit and loss in the amount of 0 thousand tenge. The balance of deferred tax asset as of December 31, 2018 is 0 thousand tenge. (Note 31).





# 15. Short-term trading and other payables

Short-term payables include payables to suppliers and contractors, other payables. The largest share in short-term debt at the end of 2018 is the debt on settlements with reinsurers.

Basic data on the availability and movement of short-term payables:

	2018	2017
Short-term debt to suppliers and contractors	254,42	224,89
Other short-term payables *	263 381,86	77 494,25
Tax liabilities **	2 417,27	4 666,35
Obligations for other mandatory and voluntary payments ***	1 891,60	1 814,28
<b>Total</b>	<b>267 945,15</b>	<b>84 199,77</b>

\* Other short-term payables consist of the following creditors:

	2018	2017
Settlements with intermediaries for insurance (reinsurance) activities	7 393,27	6 645,07
Calculations with reinsurers	255 988,59	70 849,18
Calculations with insureds		0
<b>Total</b>	<b>263 381,86</b>	<b>77 494,25</b>

\*\* Tax liabilities consist of the following types of taxes:

	2018	2017
Individual income tax	2 003,40	4 657,58
Property tax		7,79
Social tax		0
Fee for emission to the environment	413,88	0,98
Corporate income tax on non-resident legal entities withheld at source		
<b>Total</b>	<b>2 417,27</b>	<b>4 666,35</b>

Group was not subject to verification by the tax authorities, that is, the specified balance of payments was not confirmed by a tax audit report. According to the Tax Code of the Republic of Kazakhstan, tax authorities have the right to revise the accrued amount of taxes and other obligatory payments to the budget within five years after the end of the tax period (ie, from 2013). If Group submits additional tax reports for the period for which the above limitation period expires in less than one calendar year, the limitation period is extended in terms of accrual and (or) revision of the accrued taxes and other mandatory payments to the budget for one calendar year.

Group did not create a reserve for probable additional tax liabilities, fines and penalties from the tax authorities.

Estimated change in rates for 2018 corporate income tax did not occur, the rate remained the same at 20%.

\*\*\* Obligations for other mandatory and voluntary payments consist of:

	2018	2017
Social Security Obligations	165,31	162,95
Liabilities for pension deductions	1 631,00	1 604,27
Obligations for social health insurance contributions	95,29	47,06



Indebtedness Insurance Affiliated Company	273,60	
<b>Total</b>	<b>2 165,20</b>	<b>1 814,28</b>

#### 16. Short term reserves

Short-term reserves include unpaid amounts for accrued liabilities including arrears on unused vacations, the payment of which has not come.

The amount of unused reserve of forthcoming expenses for vacation pay is that part of the reserve that is not payable as holiday pay to employees, the right to leave that occurred in the current year.

According to paragraph 17 of IAS 19, liabilities for short-term employee benefits are measured by Group on an undiscounted basis:

	Note	employee leave reserve
<b>At the beginning of 2017</b>		<b>3 022,64</b>
Reserve adjustment	26	2 063,43
<b>At the end of 2017</b>		<b>5 086,07</b>
Reserve adjustment	26	2 567,18
<b>At the end of 2018</b>		<b>7 653,25</b>

As of the end of the reporting period, Group takes an inventory of unused vacation days for each employee, determines the amount of accumulated leave and reflects the obligation.

The recognition of accrued obligations is consistent with the definition of the obligation and the principle of conformity.

#### 17. Current income tax liabilities

Current tax is the amount of income paid in respect of taxable income. If the amount paid in respect of current and previous periods exceeds the amount due for these periods, Group recognizes the excess amount as an asset in accordance with IAS 12.

The current income tax at the end of 2018 in the amount of 14 983,54 thousand tenge (2017: 22 581,96 thousand tenge).

In 2018, taxable income was received in the amount of 75,134.81 thousand tenge and corporate income tax at the rate of 20% was charged in the amount of 15,026.96 thousand tenge (2017: 23,676.86 thousand tenge). (Note 31).

#### 18. Employee benefits

Employee benefits consist of short-term wage arrears, including:

	2018	2017
Short-term payroll in the Parent company	3 877,46	35 342,34
Short-term payroll in the Subsidiary	263,09	
<b>Total</b>	<b>4 140,55</b>	<b>35 342,34</b>

#### 13. Deferred tax liabilities

Deferred tax is calculated at tax rates that are presumably applied during the period when liabilities are paid or an asset is sold. Deferred tax is accrued or charged to the account in the income statement, except when it relates to items charged or recorded directly to equity, in which case the deferred tax is also considered as equity of IAS 12.

The balance in the balance sheet item "Deferred tax liabilities" at the end of the reporting year amounted to 8,131.77 tenge (2017: 6,628.28 tenge).





	Note	2018	2017
<b>Deferred tax assets:</b>		<b>1 536,82</b>	<b>1 058,11</b>
Taxes assessed, but not paid		6,17	40,90
Reserve for doubtful claims			
Holiday reserves		1 530,65	1 017,21
<b>Deferred tax liabilities:</b>		<b>(9 668,59)</b>	<b>(7 986,40)</b>
The difference in the carrying value of fixed assets and intangible assets in profit and loss statement		640,32	1 009,58
The difference in the book value of the fixed assets in the capital		(10 308,91)	(8 995,98)
<b>Net deferred tax asset / liability</b>	<b>13</b>	<b>(8 131,77)</b>	<b>(6 928,28)</b>

## 20. Authorized capital

The size of the authorized capital is 10 000 thousand tenge

	2018	2017
Authorized capital	10 000,00	10 000,00

Members of the Group are:

Members	Share capital (amount)	Share in authorized capital (%)
Company «GEORGE YARD INVESTMENT LIMITED»	2 500,00	25
Individuals	7 500,00	75
<b>Total</b>	<b>10 000,00</b>	<b>100</b>

In 2018, there were no changes in the share capital.

According to the decision of the general meeting on the payment of dividends of March 15, 2018, it was decided to distribute part of the accumulated profit and pay dividends. Total dividends accrued in the amount of 65 000 thousand tenge.

Dividend Payment and Accrual Movement:

	Note	2018	2017
Accrued		65 000,00	105 000,00
Tax withheld		(3 250,00)	(5 250,00)
Paid		(61 750,00)	(99 750,00)
<b>Balance at the end</b>		<b>0</b>	<b>0</b>

## 21. Reserves

Reserve capital consists of a reserve for the revaluation of fixed assets:



	2018	2017
Provision for revaluation of fixed assets	13 656,15	9 958,04
<b>Total</b>	<b>13 656,15</b>	<b>9 958,04</b>

Increase in the reserve (3 698.11) thousand including:

- accrual of deferred tax liabilities directly in the capital (1 312.93) thousand tenge.
- revaluation of fixed assets 5,011.04 thousand tenge

## 22. Retained earnings (uncovered loss)

Retained earnings (loss) as of December 31, 2018 and 2017 amounted to:

	Note	2018	2017
Profit (loss) for the year	32	57 193,34	110 437,26
Dividends	34	(65 000,00)	(105 000,00)
Translation depreciation from fixed assets revaluation		409,82	0
<b>Accumulated profit at the reporting date</b>	<b>22</b>	<b>361 722,78</b>	<b>369 119,62</b>
Share of non-controlling owners		289,84	

## Profits and Losses Report

### 23. Revenues from insurance activity

The main activity of Group is insurance and reinsurance brokerage services:

	Note	2018	2017
Reinsurance brokerage revenues		174 147,48	127 019,36
Revenues from insurance brokerage		15 591,86	9 478,78
Revenues from insurance and reinsurance consulting services		70 355,96	225 541,10
Subsidiary's revenue		1 028,91	
<b>Total</b>	<b>23</b>	<b>261 124,21</b>	<b>362 039,24</b>

Revenue is measured at the fair value of the consideration received or receivable. IFRS (IAS) 1, IFRS (IAS) 18.

### 24. Sales Costs

The costs for the sale of products and services are as follows:

Expenditure	Note	2018	2017
Reinsurance co-services		13 487,86	7 444,43
<b>Total</b>	<b>24</b>	<b>13 487,86</b>	<b>7 444,43</b>





## 25. Administrative expenses

Administrative expenses at the end of the reporting year are:

Expenditure	Note	2018	2017
Depreciation deductions of Intangible Assets	12	590,74	499,15
Depreciation deductions of Fixed Assets	11	4 848,07	4 185,72
Travel expenses		12 154,31	2 818,78
Utilities		838,64	802,17
Notary		29,45	318,88
Translations		552,44	160,06
Payment for communication services		98,28	1 283,66
Subscription		1 505,91	1 180,17
Postage and courier costs		707,50	558,16
Other		2 768,25	1 011,03
The cost of auditing, consulting and information costs		4 652,77	21 161,73
Labor costs		132 922,06	161 493,96
Expenses for staff development		2 385,00	100
Insurance costs		357,04	333,82
Computer maintenance costs		6 782,08	5 186,46
Repair costs, operating costs		455,96	568,57
Current rental expenses		3 995,21	3 564,28
Writing off office supplies and fuels and lubricants	8	1 781,29	1 828,89
Current taxes and other obligatory payments to the budget		14 116,21	17 997,73
Indoor cleaning		1 284,00	1 262,15
Banking services and asset management expenses		4 076,22	6 348,75
Services for the production of multimedia products		949,36	3 251,51
Participation in the conference		295,97	824,76
Membership fee		872,70	612,79
Legal services		1 922,05	0
<b>Total</b>	<b>25</b>	<b>200 941,52</b>	<b>237 353,16</b>

## 26. Other expenses

Other expenses include:

	Note	2018	2017
Expenses from retirement and impairment of assets	11	0	13,12
Foreign exchange costs		63 156,21	61 777,99
Expenses for adjusting the vacation allowance	16	2 567,18	2 063,43
Costs for creating a reserve and writing off hopeless claims		0	0
Expenses for currency exchange		1 647,43	2 091,77
Other expenses		1 658,73	1 103,01
Other expenses of subsidiary		371,38	
<b>Total</b>	<b>26</b>	<b>69 400,94</b>	<b>67 049,32</b>

## 27. Other income

Other income includes:



	Note	2018	2017
Income from the retirement of assets		0	30,00
Exchange rate gains		81 472,16	56 472,47
Income from writing off liabilities			
Revenues from currency exchange		49,18	214,82
Revenues from revaluation of non-current assets			15 325,72
Income from training		10 840,00	0
Other income		20,52	66,54
Subsidiary's exchange gains		37,20	
<b>Total</b>	<b>27</b>	<b>92 419,06</b>	<b>72 109,55</b>

## 28. Finance Revenues

Revenues for 2018 amounted to:

	Note	2018	2017
Revenues associated with the receipt of interest on term deposits		2 749,74	6 486,36
<b>Total</b>	<b>28</b>	<b>2 749,74</b>	<b>6 486,36</b>

## 29. Financing costs

Expenses for remuneration at the reporting date amounted to:

	Note	2018	2017
Expenses related to the payment of interest on loans received	15	0	0
Other expenses related to the payment of remuneration		0	0
<b>Total</b>	<b>29</b>	<b>0</b>	<b>0</b>

## 31. Corporate income tax

Group makes calculations for tax for the current period on the basis of tax accounting data, carried out in accordance with the requirements of the tax legislation of the Republic of Kazakhstan and which may differ from International Financial Reporting Standards.

Deferred tax reflects the net tax effect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amount determined for tax purposes IAS 12:

Expenditure	Note	2018	2017
Corporate tax payable		15 026,96	23 676,86
Single Tax Payment to Subsidiary		351,84	
Deferred taxes		(109,44)	(5 325,88)
<b>Total</b>	<b>31</b>	<b>15 269,36</b>	<b>18 350,98</b>

Reconciliation of expenses on income tax reflected in the financial statements and the income of Group before tax:

Name of indicators	Note	2018	2017
Net income (loss) before tax	30	72 462,70	128 788,23
Net income (loss) before tax minus subsidiary		73 690,03	128 788,23
Officially set income tax rate		20%	20%
Conventional income tax expense		14 738,01	25 757,64





*Note to the consolidated financial statement of MOI Insurance Broker, LLP for 2018 (thousand tenge, unless otherwise indicated)*

Tax effect of permanent differences		288,95	(2 080,78)
Tax effect of temporary differences *		(109,44)	(5 325,88)
Current corporate income tax expense	31	<b>14 917,52</b>	<b>18 350,98</b>

Movement of temporary differences throughout the year:

2018	Note	January 1, 2018	Recognized in Profit and Loss	Recognized in other comprehensive income	December 31, 2018
Taxes accrued but not paid		40,90	34,73		6,17
Receivables reserve		0	0		0
Vacation reserves		1 017,21	(513,44)		1 530,65
Difference of book value of fixed assets		1 009,58	369,26		640,32
Difference of book value of fixed assets in capital		(8 995,98)		1 312,93	(10 308,91)
<b>Net deferred tax asset / liability</b>	<b>13, 31</b>	<b>(6 928,28)</b>	<b>(109,44)</b>	<b>1 312,93</b>	<b>(8 131,77)</b>
2017	Note	January 1, 2017	Recognized in Profit and Loss	Recognized in other comprehensive income	December 31, 2017
Taxes accrued but not paid		43,27	2,37		40,90
Receivables reserve		400	400,00		0
Vacation reserves		604,53	(412,68)		1 017,21
Difference of book value of fixed assets		(4 305,98)	(5 315,56)		1 009,58
Difference of book value of fixed assets in capital		1 874,90		(10 870,88)	(8 995,98)
<b>Net deferred tax asset / liability</b>	<b>13, 31</b>	<b>(1 383,28)</b>	<b>(5 325,88)</b>	<b>(10 870,88)</b>	<b>(6 928,28)</b>

Group deducts a deferred tax asset against a deferred tax liability of the same taxpayer as they relate to income taxes levied by the same tax authority, and the enterprise has a legally enforceable right to offset current tax assets against current tax liabilities. Paragraph 75 (IAS) 12 "Income taxes".

Group offset a deferred tax asset against a deferred tax liability and as of the end of 2018, deferred tax liabilities amounted to 8,131.77 thousand tenge.

#### Cash flow statement

Group for the report on the movement of money uses an indirect method. The "cash flow statement" is governed by IAS 7 and represents cash flows for the reporting period, classifying them by:

- operational activities – main revenue-producing from company's activity
- investment activities - the acquisition and sale of long-term assets and other investments not related to cash equivalents;
- financial activity - an activity that leads to changes in the size and composition of the company's own capital and borrowed funds.

Adjustments for non-cash operating items for the reporting period amounted to 0 thousand tenge, for the previous period 0 thousand tenge.



Period	2018	2017
Increase or decrease in money from operating activities	14 733,27	4 492,93
Increase or decrease in money from investing activities	(4 236,22)	(4 927,36)
Increase or decrease in money from financial activities	0	0
<b>Total net increase or decrease in money during the reporting period.</b>	<b>10 497,05</b>	<b>(434,43)</b>

#### Statement of Changes in Owner's Equity

Statement of changes in equity discloses changes in net assets during the reporting period. Changes in equity reflect the total amount of other profits and losses arising from the activities of Group.

#### Financial tools

When using financial tools, Group is exposed to credit risk and market risk (interest rate risk and currency risk).

This note contains information on the exposure of Group to each of the above risks, as well as the objectives, policies and procedures of Group for risk assessment and management. Additional disclosures in figures are provided throughout the financial statements.

#### Fair value of financial tools

The fair calculated value of financial tools presented in the financial statement comply with the requirements of IFRS 32 "Financial Tools: Disclosure and Presentation" and IFRS 39 "Financial Tools: Recognition and Measurement" in relation to determining fair value or approximate fair value of such tools.

The following methods and assumptions were used by Group to estimate the fair value of financial tools:

*Cash* - carrying amount of cash is close to their fair value due to the short-term maturity of these financial tools.

*Receivables and payables* - For assets and liabilities with a maturity of less than twelve months, the carrying amount approximates fair value due to the relatively short maturity of these financial tools.

*Loans* - carrying value of loans issued and received is calculated at cost without discounting.

#### Categories of financial tools

Main financial tools of Group are represented by accounts receivable, cash, payables, other payables.

As of December 31, financial tools are presented as follows:

Assets	Note	2018	2017
Cash and cash equivalents	5	11 327,75	830,70
Other short-term financial assets	6	30 970,18	12 911,09
Short-term trade and other receivables	7	320 373,07	78 986,38
Other current assets	9	1 784,14	3 201,31
Other long-term financial assets	10	219 470,82	338 647,36
<b>Total</b>		<b>583 925,96</b>	<b>434 576,84</b>
<b>Liabilities</b>			
Short-term trading and other payables	15	(269 004,15)	(84 199,77)
Employee benefits	19	(4 140,55)	(35 342,34)
Current income tax liabilities		(14 631,70)	(22 581,96)
<b>Total</b>		<b>(287 776,40)</b>	<b>(142 124,07)</b>
<b>Net amount</b>		<b>296 149,56</b>	<b>292 452,77</b>

#### Liquidity risk

Liquidity risk is the risk of difficulty repaying monetary liabilities on time.





Table below discloses the financial obligations of Group indicated depending on the maturity date based on the remaining term from the balance sheet date to the maturity date in accordance with the terms of the contract. The amounts disclosed in the table represent contractual discounted cash flows for 2018 and 2017.

<b>2018</b>	<b>Note</b>	<b>Up to 3 months</b>	<b>More than 3 months</b>	<b>Total</b>
Short-term debt to suppliers and contractors	15	254,42		254,42
Short-term remuneration payable	15	4 140,55		4 140,55
Liabilities for taxes and other obligatory payments		1 579,46		1 579,46
Other short-term payables	15	156 361,08	107 020,48	263 381,56
<b>Total</b>		<b>162 335,51</b>	<b>107 020,48</b>	<b>269 355,99</b>

  

<b>2017</b>	<b>Note</b>	<b>Up to 3 months</b>	<b>More than 3 months</b>	<b>Total</b>
Short-term debt to suppliers and contractors	15	224,89		224,89
Short-term remuneration payable	15	0		0
Liabilities for taxes and other obligatory payments	15	6 480,63		6 480,63
Other short-term payables	15	72 557,59	4 936,66	77 494,25
<b>Total</b>		<b>79 263,11</b>	<b>4 936,66</b>	<b>84 199,77</b>

#### Credit risk

Credit risk is the risk of financial loss for Group in the event that the buyer or financial tools partner is unable to fulfill the obligations assumed. This risk is mainly related to receivables.

Group does not require collateral for receivables. Group manages credit risk by selecting proven counterparties.

Maximum credit risk is shown below.

	<b>Note</b>	<b>2018</b>		<b>2017</b>	
		<b>Book value</b>	<b>Maximum credit risk</b>	<b>Book value</b>	<b>Maximum credit risk</b>
Cash	5	11 327,75	11 327,75	830,70	830,70
Other short-term financial assets	6	30 970,18	30 970,18	12 911,09	12 911,09
Trade and other receivables	7	320 373,07	320 373,07	78 986,38	78 986,38
Other current assets	10	1 784,14	1 784,14	3 201,31	3 201,31
Other long-term financial assets	10	212 149,82	212 149,82	338 647,36	338 647,36
<b>Total</b>		<b>576 604,96</b>	<b>576 604,96</b>	<b>434 576,84</b>	<b>434 576,84</b>

#### Currency risk

Group is subject to currency risk associated with the procurement of goods and services and financing expressed in a currency other than the functional currency of Group. The currency causing this risk is USD, EUR and RUR.

on December 31, 2018:

Russian Rubles - at the rate of 5.77 tenge per 1 RUR,  
 EUR dollars - at the rate of 398.23 tenge per 1 EUR dollar;  
 US dollars - at the rate of 332.33 tenge for 1 US dollar;

on December 31, 2017:

Russian Rubles - at the rate of 5.77 tenge per 1 RUR,  
 EUR dollars - at the rate of 398.23 tenge per 1 EUR dollar;  
 US dollars - at the rate of 332.33 tenge for 1 US dollar;



	Expressed in currency 2018			Expressed in currency 2017	
	USD	EUR	UZS	USD	EUR
<b>Assets</b>					
Cash in current bank accounts	0		0	0,003	0
Short-term receivables and other debt	342,77		0	7,01	0
Short-term advances issued	0		0	0	1,73
Investments in subsidiaries	552,61		0	1 019,01	0
<b>Total</b>	<b>895,38</b>	<b>0</b>	<b>0</b>	<b>1 026,01</b>	<b>1,73</b>
<b>Liabilities</b>					
Other short-term payables	(257,39)	(8,54)		0	(16,69)
<b>Total</b>	<b>(257,39)</b>	<b>(8,54)</b>	<b>(0)</b>	<b>(0)</b>	<b>(16,69)</b>
<b>Net assets (liabilities) in foreign currency</b>	<b>637,99</b>	<b>( 8,54)</b>	<b>0</b>	<b>1 026,01</b>	<b>(14,96)</b>

### Devaluation of tenge

On February 11, 2014, the Government of the Republic of Kazakhstan, represented by the National Bank of the Republic of Kazakhstan (hereinafter referred to as the NBRK), devalued the national currency. The NBK decided to abandon the maintenance of the tenge exchange rate at the same level (155.5 tenge per \$ 1), reduce the volume of foreign exchange interventions and reduce intervention in the process of forming the tenge exchange rate. The new level of the exchange rate is about 185 tenge per USD 1.

From February 11, 2015, the National Bank of the Republic of Kazakhstan introduced the limit of the purchase rate deviation from the selling rate of foreign currency for tenge in currency operations.

The National Bank and the government decided to begin on August 20, 2015, implementation of new monetary policy based on the inflation targeting regime, cancel the currency corridor and switch to a freely floating exchange rate.

The National Bank implements monetary policy in order to ensure price stability.

The exchange rate of the tenge is based on market demand and supply, taking into account the fundamental internal and external macroeconomic factors.

Changes in the exchange rate occur both in the direction of weakening and in the direction of strengthening, which is determined by the situation in the global economy and in the domestic foreign exchange market.

In 2016-2017, target of National Bank was the annual inflation corridor of 6-8%. Starting from 2018, targets are reduced as part of the strategy for achieving the mid-term goal on inflation.

Inflation targets set at the next level:

- 5-7% at the end of 2018,
- 4-6% at the end of 2019,
- lower, but close to 4% at the end of 2020 and subsequent years.

### Contingent liabilities

**Operating environment** – Group conducts its main activities in the territory of the Republic of Kazakhstan. Laws and regulations governing entrepreneurial activities in the Republic of Kazakhstan often change, therefore assets and activities of the Group may be at risk due to changes in the political and business environment.

### Conditional events

At the time of the preparation of the financial statements, Group does not have legal proceedings at the judicial authorities.

The management of Group believes that there is no need to create an estimated liability in the financial statement for 2018.

### Events after the balance sheet date

No events occurred after the balance sheet date requiring separate disclosures in the financial statements.

### Taxation

Kazakhstan tax legislation, in particular, may lead to various interpretations and amendments that may have retroactive effect. In addition, since the interpretation of tax laws by the management of Group may differ



from the interpretation of tax authorities, transactions may be challenged by tax authorities, and this may result in additional taxes, fines and penalties.

Group believes that it has made all tax payments, therefore no provisions have been made in the financial statement. Tax authorities may conduct tax data checks for the past five years.

#### **Pension payments**

In accordance with the Law of the Republic of Kazakhstan "On Pension Security of the Republic of Kazakhstan" of June 21, 2013, No. 105-V. Group transfers employees' pension contributions to accumulative pension funds in the prescribed amount, from the employees' income in due time. As of December 31, 2018, Group had no obligations to its current or former employees for additional pension payments, medical care after retirement, insurance payments or other benefits for retirement.

#### **Fair value of financial tools**

Fair calculated value of financial tools presented in the financial statements comply with the requirements of IFRS 32 "Financial Tools: Disclosure and Presentation" and IFRS 39 "Financial Tools: Recognition and Measurement" in relation to determining fair value or approximate fair value of such tools.

Long-term liabilities on loans and borrowings are reflected in the balance sheet at current value without discount.

#### **Continuous activity**

According to the results of financial activities for 2018, Group received income in the amount of 57 193,35 th.tenge (2017: 110 437,25 th.tenge). Accumulated profit amounted to 361 722,78 th.tenge. Share of uncontrolled shareholders is 289,84 th.tenge.

This financial statement for the year ended December 31, 2018 were prepared on the basis of the assumption that Group will continue its continuing operations.

Managing Director



Chief accountant

Gaukhar Kassymkanova

Dinara Turlybekova

