

AUDIT COMMITTEE REPORT
of financial and economic activity
of JSC “**WIEDMANN-MPM**” for 2012”

To check authenticity of financial reports and to evaluate results of financial and economic activity of JSC “**WIEDMANN-MPM**” for 2012 it was made the analysis of financial reports of the company which were made according to the International Accounting Standards.

Analysis subject:

- Company balance sheet (f.#1);
- Report on financial results (f.#2);
- Cash flow report (f.#3);
- Report on equity capital (f.#4);
- Notes to financial report (f.#5).

Balance (for 31.12.2012)

For 31.12.2012 JSC “**WEIDMANN-MPM**” balance was fixed in the next amounts:

ASSET	2011	2012
I. Noncurrent assets	168 795	169 546
Intangible assets	222	115
Assets under construction	8 036	4 369
Fixed assets	154 898	156 737
Long term accounts receivable		
Investment buildings	5 639	8 325
Deferred tax assets	0	0
Other non-current assets		
II. Current assets	61 739	61 657
Inventories	24 404	22 813
Received bills		
Trade receivables for goods, works and services	16 631	21 926
Trade receivables according to calculations	11 516	9 782
Other receivables	163	165
Current financial investments		
Cash and cash equivalents	8 721	6 308
Other current assets	304	663
III. Future period expenses	0	0
IV. Noncurrent assets and departure group	0	0
Balance	230 534	231 203

Assets

Noncurrent assets – 169 546 TUAH

including:

- Intangible assets (depreciated cost) – 115 TUAH;
- Assets under construction – 4 369 TUAH;
- Fixed assets (depreciated cost) – 156 737 TUAH;

Investment buildings – 8 325 TUAH.

Current assets – 61 657 TUAH

including:

inventories – 14 116 TUAH;

Work in process – 1 762 TUAH;

Finished goods – 6 935 TUAH;

Trade receivables for goods, works and services – 21 926 TUAH;

Trade receivables by calculations with the budget – 4 918 TUAH;

Trade receivables by issued advances – 4 864 TUAH;

Other current trade receivables – 165 TUAH;

Cash and cash equivalents in the national currency – 4 085 TUAH;

Cash and cash equivalents in the foreign currency – 2 223 TUAH;

Other current assets – 663 TUAH.

Total assets – 231 203 TUAH

In general during 2012 the company assets almost did not change for 31.12.12 and made 231 203 TUAH.

No changes in the assets structure, namely: share of non-current and current assets.

The structure of current assets has changed. Thus, inventories, work in process and finished goods reduced by 1 591 TUAH (6,5%). At the same time, trade account receivables increased by 5 295 TUAH (+31,8%), and trade receivables by calculations decreased by 1 734 TUAH (-15,1%).

The amount of cash and cash equivalents decreased by 2 413 TUAH (-27,7%).

Liabilities

Share capital – 133 264 TUAH

including:

Equity capital - 333 TUAH;

Additional paid in capital – 27 564 TUAH;

Capital reserves – 361 TUAH;

Retained earnings – 105 006 TUAH;

Provisions – 6 015 TUAH

including:

Personnel payment provisions – 5 838 TUAH;

Other provisions – 177 TUAH;

Long term liabilities – 32 856 TUAH

including:

Other long term financial liabilities – 30 340 TUAH;

Deferred taxes – 1 407 TUAH;

Other long term liabilities – 1 109 TUAH.

Current liabilities – 59 068 TUAH

including:

Current part of long term liabilities – 42 475 TUAH;

Trade payables for goods, works and services – 2 996 TUAH;

Trade payables for received advances– 438 TUAH;

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Trade payables with the budget – 102 TUAH;
 Trade payables with non-budget funds – 127 TUAH;
 Trade payables from insurance – 343 TUAH;
 Trade payables from salaries and wages – 757 TUAH;
 Trade payables from internal calculations – 7 609 TUAH;
 Other current liabilities – 4 221 TUAH

Total shareholders' equity and liabilities — 231 203 TUAH

LIABILITY	2011	2012
I. Shareholders' equity	122 995	133 264
Share capital	333	333
Additional laid-down capital		
Other additional capital	28 534	27 564
Capital reserves	361	361
Retained earnings (uncovered losses)	93 767	105 006
II. Provisions	6 157	6 015
Personnel payment provisions	5 838	5 838
Other provisions	319	177
Target financing		
III. Long term liabilities	87 913	63 331
Long term bank credits		
Other long term financial liabilities	59 480	30 340
Deferred taxes	991	1 407
Other long term liabilities	1 359	1 109
IV. Current liabilities	27 999	59 068
Short term bank credits	0	0
Current part of long term liabilities	22 194	42 475
Trade payables for goods, works and services	9 362	2 996
Current liability by calculations		
received advances	1 185	438
budget	229	102
non budget payments	4	127
insurance	482	343
salaries and wages	972	757
internal calculations	917	7 609
Other current liabilities	4 207	4 221
V. Future period incomes	0	0
Balance	230 534	231 203

During the year the structure of liabilities has changed: the share of long term liabilities has decreased and the share of current liabilities has increased.

Thus other long term liabilities decreased by 29 140 TUAH. (49,0%), and current part of long term liabilities increased by 20 281 TUAH (+91,4 %), trade payables reduced by 6366 TUAH (-68,0 %).

Current liabilities from internal calculations increased by 6 692 TUAH (+729,8%).

The enterprise did not have any banks credits at the end of the year.

Report on financial results for 2012

Net sales Y2012 made 243 744 TUAH.

Gross profit fixed in the amount of 53 666 TUAH or 22,0 % from net sales. Other operating income made 4 257 TUAH.

The total amount of administrative expenses, selling expenses and other operating income made 35 754 TUAH.

The financial result from operating activity - profit in the amount of 22 169 TUAH.

The financial result before tax – 14 693 TUAH

Income tax made 4 392 TUAH.

Net income is 10 301 TUAH.

Conclusion

The financial statements of JSC "**WEIDMANN-MPM**" accurately and fairly represent the financial status of the company as of 31.12.12.

12.03.2013

Head of Audit Committee

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