

# Financial Statements

**Veniran Petrochemical Company Limited**

**31 December 2014**

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## Income statement

For the year ended 31 December

EUR

	Note	2014	2013	2012
Income for management and other fees		0	0	0
Earnings from associates – after interest and tax		0	0	0
Revenue from currency rates differences		0	0	0
<b>Total revenues</b>		<b>0</b>	<b>0</b>	<b>0</b>
Travel expenses			0	(34.553)
Feasibility Study		0	0	0
V.I.E. Service GmbH - services costs		0	0	0
NPC International Ltd - service costs Tehran		0	0	0
Pequiven S.A. - service costs Venezuela		0	0	0
NPC International Ltd - service costs London		0	0	0
Salaries		0	0	0
other operating expenses		0	0	(61.030)
Rental expenses		0	0	0
Auditing costs		0	0	(22.500)
Accounting costs		(7.000)	(7.000)	0
Legal and advisory costs		0	0	(44.826)
contributions		0	0	0
<b>Loss before interest and taxation from continuing operations</b>		<b>(7.000)</b>	<b>(7.000)</b>	<b>(162.909)</b>
Interest and other revenues		0	0	0
Interest expenses		0	0	0
Finance costs		0	0	0
<b>Loss before taxation from continuing operations</b>		<b>(7.000)</b>	<b>(7.000)</b>	<b>(162.909)</b>
Taxation		0	0	0
<b>Loss from continuing operations</b>		<b>(7.000)</b>	<b>(7.000)</b>	<b>(162.909)</b>
Currency translation adjustment income or expenses		0	0	0
<b>Loss for the year</b>		<b>(7.000)</b>	<b>(7.000)</b>	<b>(162.909)</b>
<b>Earnings per share</b>				
loss for the year attributable to shareholders		(0,07)	(0,07)	(1,63)

## Balance sheet

At 31 December

EUR

		2011	2012	2013
<b>Non-current assets</b>				
Investments in associates - V.I.E. Service GmbH	4	25.000	25.000	25.000
Fixed assets	4	9.000	9.000	9.000
		34.000	34.000	34.000
<b>Current assets</b>				
Other receivables affiliated companies				
Project 1	5	6.668.890	6.190.008	5.873.356
Receivables and other current assets	5	4.687.117	5.172.999	12.986.629
Cash and cash equivalents	5	0	0	0
		11.356.007	11.363.007	18.859.985
Assets classified as held for sale		-	-	-
		11.356.007	11.363.007	18.859.985
<b>Total assets</b>		<b>11.390.007</b>	<b>11.397.007</b>	<b>18.893.985</b>
<b>Current liabilities</b>				
Payables affiliated companies				
NPC International Ltd	6	2.863.059	2.863.059	360.037
Pequiven SA	6	0	0	0
Other payables		0	0	0
Accruals	6	25.000	25.000	18.000
		2.888.059	2.888.059	378.037
<b>Non-current liabilities</b>				
Payables affiliated companies				
Pequiven S.A.	7	450.000	450.000	450.000
NPC International Ltd	7	450.000	450.000	10.450.000
Accruals				
Service costs	7	931.500	931.500	931.500
		1.831.500	1.831.500	11.831.500
<b>Total liabilities</b>		<b>4.719.559</b>	<b>4.719.559</b>	<b>12.209.537</b>
<b>Net assets</b>				
		6.670.448	6.677.448	6.684.448
<b>Equity</b>				
Share capital	8	10.000.000	10.000.000	10.000.000
subscribed equity stock	8	(200.000)	(200.000)	(200.000)
loss for the year		(7.000)	(7.000)	(162.909)
retained losses before allocation		(3.122.552)	(3.115.552)	(2.952.643)
<b>Shareholders' equity</b>		<b>6.670.448</b>	<b>6.677.448</b>	<b>6.684.448</b>

## Statement of Changes in Shareholders' Equity

EUR

Note	share capital	subscribed capital stock	accumulated losses	total
Incorporated at 09 August 2007				
Shares to be issued	10,000,000	(10,000,000)	0	0
Options exercised	0	0	0	0
Loss for the year	0	0	(221,535)	(221,535)
Balance as at 31 December 2007	10,000,000	(10,000,000)	(221,535)	(221,535)
Shares issued	0	0	0	0
Options exercised	0	0	0	0
Loss for the year	0	0	(302,291)	(302,291)
Balance as at 31 December 2008	10,000,000	(10,000,000)	(523,826)	(523,826)
Shares issued	0	9,800,000	0	9,800,000
Options exercised	0	0	0	0
Loss for the year	0	0	(828,640)	(828,640)
Balance as at 31 December 2009	10,000,000	(200,000)	(1,152,466)	8,647,534
Shares issued	0	0	0	0
Options exercised	0	0	0	0
Loss for the year	0	0	(1,303,595)	(1,303,595)
Balance as at 31 December 2010	10,000,000	(200,000)	(2,456,061)	7,343,939
Shares issued	0	0	0	0
Option exercised	0	0	0	0
Loss for the year	0	0	(498,581)	(498,581)
Balance as at 31 December 2011	10,000,000	(200,000)	(2,954,642)	6,845,358
Shares issued	0	0	0	0
Option exercised	0	0	0	0
Loss for the year	0	0	(182,909)	(182,909)
Balance as at 31 December 2012	10,000,000	(200,000)	(3,137,552)	6,662,448
Shares issued	0	0	0	0
Option exercised	0	0	0	0
Loss for the year	0	0	(7,000)	(7,000)
Balance as at 31 December 2013	10,000,000	(200,000)	(3,144,552)	6,655,448
Shares issued	0	0	0	0
Option exercised	0	0	0	0
Loss for the year	0	0	(7,000)	(7,000)
Balance as at 31 December 2014	10,000,000	(200,000)	(3,151,552)	6,653,448

## Cash flow statement

For the year ended 31 December

EUR

	Note	2014	2013	2012
<b>Operating activities</b>				
Loss before taxation		(7.000)	(7.000)	(162.909)
Adjustments to reconcile profit before taxation to net cash provided by operating activities				
Depreciation, depletion and amortization		0	0	0
Dividends received from jointly controlled entities and associates		0	0	0
Share-based payments		0	0	0
(Increase) decrease in other current and non-current assets	5	7.000	7.496.978	445.719
Increase (decrease) in other current and non-current liabilities	6, 7	0	(7.489.978)	106.781
Income taxes paid		0	0	0
<b>Net cash provided by operating activities</b>		<b>0</b>	<b>0</b>	<b>389.591</b>
<b>Investing activities</b>				
Capital expenditure		0	0	0
Investment in associates	4	0	0	0
(Increasing) decrease in other receivables affiliated companies	5	(478.882)	(316.652)	(4.043.932)
<b>Net cash used in investing activities</b>		<b>(478.882)</b>	<b>(316.652)</b>	<b>(4.043.932)</b>
<b>Financing activities</b>				
Shares issued	8	0	0	0
(Decrease) Increase in trade and other payables affiliated companies	7	0	2.503.022	0
Net increase (decrease) in short-term debt		0	0	106.780
Dividends paid		0	0	0
<b>Net cash used in financing activities</b>		<b>0</b>	<b>2.503.022</b>	<b>106.780</b>
Currency translation differences relating to cash and cash equivalents		0	0	0
<b>Increase (decrease) in cash and cash equivalents</b>		<b>0</b>	<b>0</b>	<b>(16.545.292)</b>
Cash and cash equivalents at beginning of year	5	0	0	16.545.292
<b>Cash and cash equivalents at end of year</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Notes to the Financial Statements

### 1. General Information

VENIRAN Petrochemical Company Limited (“VENIRAN” or “the company”) was incorporated 9<sup>th</sup> August 2007 under the law of the British Virgin Island. The company was founded to explore bilateral opportunities in the petrochemical domains, specifically focused on the areas of know-how, technology and development as well as to gain access to the markets of Asia, the Middle East and Latin America.

### 2. Basis of preparation

These unconsolidated financial statements have been prepared in compliance with the International Financial Reporting Standard (IFRS) issued by the International Accounting Standards Board. They are presented in the EURO which is the presentation currency of the group and the functional currency of the company and its subsidiaries.

### 3. Summary of significant Accounting policies

#### 3.1. Subsidiaries

The V.I.E Service GmbH, a company organized and governed by the laws of the Federal Republic of Germany is a wholly owned subsidiary of VENIRAN; however for the purpose of this financial statement it was not consolidated.

V.I.E Service GmbH is according to the service agreement with VENIRAN dated from the October 22<sup>nd</sup> 2009 the agent for VENIRAN rendering services in administrative, financial, technical and legal domains.

Veniran Apadana Petrochemical Company, a company organized and governed by the laws of the Iran major shares belong to Veniran (97 %).

### 3.2. Foreign Currency

Foreign currency transactions are recorded at the rate of exchange prevailing at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at periods-end rates. Non-monetary items are translated at historic rates, unless such items are carried at market value, in which case they are translated using the exchange rates that existed when the values were determined. Any resulting exchange rate differences are taken to the income statement.

### 3.3. Trade and other receivables

Trade and other receivables are stated at their recoverable amount

### 3.4. Cash and Cash Equivalents

Cash and cash equivalents include cash on deposit and highly liquid investments with original maturities of 12 months or less.

### 3.5. Employment Benefits

#### Pension:

The company does not operate a pension plan.

#### Stock Options:

The company does not operate a stock option plan.

#### Depreciation:

The company has no regular depreciable assets.



#### 4. Non-current assets

VENIRAN is the sole shareholder of V.I.E Service GmbH founded on 10<sup>th</sup> August 2009. Place of business is Schottweg 3, 22087 Hamburg; Germany. V.I.E Service GmbH provides management and representation services for VENIRAN.

### Non-current Assets

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For the year ended 31 December

EUR

	2014	2013	2012
Investment in associates V.I.E. Service GmbH	25.000	25.000	25.0000
Securities held as fixed assets	9.000	9.000	9.000
Total	<u>34.000</u>	<u>34.000</u>	<u>34.000</u>

## 5. Current assets

The current assets of VENIRAN are mainly cash and cash equivalents. The cash on deposit is in highly liquid investments with original maturities of 12 months or less

### Veniran Petrochemical Company Limited

## Current Assets

For the year ended 31 December

EUR

	2014	2013	2012
<u>Receivables from affiliated companies</u>			
Project 1	6.668.890	6.190.008	5.873.356
<u>Other receivables</u>	0	0	0
V.I.E. Services GmbH	4.687.117	5.172.999	12.986.629
advances for the cost of the Tehran office	0	0	
<u>Cash and cash equivalents</u>			
Europäisch-Iranische Handelsbank AG no. 007	0	0	0
Europäisch-Iranische Handelsbank AG no. 006	0	0	
Europäisch-Iranische Handelsbank AG no. 014	0	0	0
Europäisch-Iranische Handelsbank AG no. 333	0	0	0
Europäisch-Iranische Handelsbank AG no. 015	0	0	0
Total	<u>11.356.007</u>	<u>11.363.007</u>	<u>18.859.985</u>

## 6. Current liabilities

The current liability to NPCI is the result of cash and services rendered by NPCI during the time period from 2007 till 2009, as well as EUR 100,000 overpaid share capital.

The current liability towards Pequiven is for the Veniran Methanal Feasibility Study.

All loans provided by the shareholders are free of interests.

### Veniran Petrochemical Company Limited

## Current liabilities

For the year ended 31 December

EUR

	2014	2013	2012
<u>Payables to affiliated companies</u>			
NPCI	2.863.059	2.863.059	360.037
PEQUIVEN		0	0
<u>Other payables</u>			
	0	0	0
<u>Accruals</u>			
Accounting and auditing costs	25.000	25.000	18.000
Total	<u>2.888.059</u>	<u>2.888.059</u>	<u>378.037</u>

## 7. Non-current liabilities

The non-current liabilities of the company were provided by NPCI and Pequiven in the form of cash and services rendered by the two companies named above.

For the services rendered and costs paid by Pequiven and NPCI during the time period from 2007 to 2011 the claim for acknowledgement of this occurred cost was made by Pequiven in 2010.

### Veniran Petrochemical Company Limited

## Non-current liabilities

For the year ended 31 December

EUR

	2014	2013	2012
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### Payables to affiliated companies

NPCI	450.000	10.450.000	10.450.000
PEQUIVEN	450.000	450.000	550.000
Total	<u>900.000</u>	<u>10.900.000</u>	<u>11.000.000</u>

### Accruals for services rendered by affiliated companies

PEQUIVEN	931.500	931.500	831.500
Total	<u>931.500</u>	<u>931.500</u>	<u>831.500</u>

## 8. Capital Stock

The company authorised the issue of 100,000 registered shares with a value of EUR 100.00 per share complying with the articles of association 6 (1) and the agreement between Pequiven and NPCI upon the incorporation of VENIRAN dated 2<sup>nd</sup> July 2007.

The shares are distributed as follows:

### Veniran Petrochemical Company Limited

#### Capital contribution

For the year ended 31  
December

EUR

	2014			2013		
	Allocated shares	Capital Contribution	Subscribed Capital Stock	Shares to be issued	Capital Contribution	Subscribed Capital Stock
NPCI	49.000	4.900.000	0	49.000	4.900.000	0
PEQUIVEN	49.000	4.900.000	0	49.000	4.900.000	0
PIIC	0	0	100.000	0	0	100.000
IPHL	0	0	100.000	0	0	100.000
Total	98.000	9.800.000	200.000	98.000	9.800.000	200.000

**9. Board of directors and Authorization of financial statements**

Mr. Jalil Ebrahimpour –Direktor

Mr. Betulio Hernandez – Direktor ✓

Mr. Nader Ghorbani – Direktor ✓

Mr. Jorge Perdomo – Direktor ✓

The financial statements for the year ended 31 December 2014 were approved by the board of directors on