



Quarterly report for the period
1st October 2013 – 31st December 2013

14th February 2014

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1 GENERAL INFORMATION ABOUT THE COMPANY

Company details:

Company Name:	Cereal Planet PLC
Address:	Boumpoulinas, 11, 3rd Floor, 1060 Nicosia, Cyprus
Registration number:	HE 304677
Telephone:	+38 (057) 775 81 33, +38 (057) 775 81 34
Mail:	office@cereal.com.ua
www:	www.cereal.com.ua

1.1 COMPANY PROFILE

The core activity of the Cereal Planet Group, an Ukraine based Group of Companies, is the production of cereals (buckwheat, pea, wheat, barley, maize, and millet) with the Group's own equipment. The cereals are packed in the consumer packages under the official trade marks (namely «OLIMP», «Gostovskaya», «Kashka Vkusniashka», «Vershina Yakosti») which is used for own products and other goods. The principal activity of the Cereal Planet PLC is the holding of investments.

Group of Companies first ventured into grits industry in 1998 and achieved nowadays around 10% of Ukrainian market.

The Group of companies has a trade chain in Kharkov and in the region, subsidiaries in Poltava and Sumy, key clients-distributors in large regional and district cities of Ukraine, the sales channels of which are used for sales of Group owned and other trademarks.

The Group's technological equipment enables grain to be used in baking, confectionary, and medical fields (flax, rape, coriander, sunflower), and to be used in the preparation of fodder for various animals based on millet, rape and oats.

The Group has been exporting cereals to more than 25 countries including CIS countries, Europe and Asia for over 15 years. The prevalent export items are cereals and grain manufactured by the Group, as well as grain purchased from agricultural companies in bulk, which are exported using the railway and sea transport. The experience and long-term presence in this market made it possible to create and permanently expand the circle of partners in various countries of the world, the number of which nowadays exceeds 50 companies.

The Group consists of five companies:

Cereal Planet PLC – Cyprus based holding Company

Cereal Ukraine LLC – Ukrainian based holding Company

Selkhozskrom LLC – Ukrainian based factory of cereal processing

ACP Ranok – Ukrainian based trading company

Olimp LLC – Ukrainian based trading and distribution company



1.2 BOARD OF DIRECTORS

Anatoli Vlasenko - Chairman of the Board of Directors

Ask Investment Limited – Member of the Board of Directors (nominee)

Ask Management Limited – Member of the Board of Directors (nominee)

Cereal Planet PLC does not have Supervisory Board.



2 CONDENSED STANDALONE FINANCIAL STATEMENT FOR THE 4 Q 2013

Tables below provide condensed interim financial statements of Cereal Planet PLC, in accordance with International Financial Reporting Standards for a 4 Q 2013 (period ended 31 December 2013).

2.1 CONDENSED STANDALONE STATEMENT OF COMPREHENSIVE INCOME AND FINANCIAL POSITION

Income statement

for the period began 01 January ended 31 December 2013

	31 December 2013	31 December 2012
	€000	€000
Continuing operations		
Sales revenue	8	
Cost of sales		
Profit from investment activities		2 441
Income from change in fair value of agricultural products		
Gross profit	8	2 441
Selling and distribution costs		
Administrative expenses	(122)	(52)
Income from government grants		
Other operating income/(expenses), net		
Operating profit	(113)	2 389
Financial income/(expenses), net		
Exchange rate differences, net		
Profit before tax from continuing operations	(113)	2 389
		0
Income tax expense	-	-
Profit for the year from continuing operations	(113)	2 389
Profit for the year attributable to		
Equity holders of the parent	(113)	2 389
Non-controlling interest		



Statement of financial position

for the period began 01 January ended 31 December 2013

	31 December 2013	31 December 2012
	€000	€000
Assets		
Non-current assets		
Property, plant and equipment		
Goodwill	0	
Investments in subsidiaries	2 449	2 449
Total non-current assets	2 449	2 449
Current assets		
Current biological assets		
Inventories		
Trade and other receivables		1
Prepayments and other current assets, net		
Deposit		
Cash and cash equivalent	0	1
Total current assets	0	2
Total assets	2 450	2 451
Equity and liabilities		
Share capital	53	52
Other reserves	112	
Retained earnings (accumulated losses)	2 275	2 389
Exchange rate effect		
Equity attributable to equity holders of the parent	2 441	2 441
Non-controlling interests	0	0
Total equity	2 441	2 441
Non-current liabilities		
Other non-current liabilities	0	0
Deferred tax liability	0	0
Total non-current liabilities	0	0
Current liabilities		
Trade and other payables	8	10
Interest-bearing loans and borrowings		
Provisions		
Total current liabilities	8	10



Total liabilities	8	10
Total equity and liabilities	2 450	2 451

2.2 CONDENSED STANDALONE STATEMENT OF CASHFLOW

Statement of cash flows
for the period began 01 January ended
31 December 2013

	31 December 2013	31 December 2012
	€000	€000
Operating activities		
Profit before tax from continuing operations	(113)	2 389
Profit before tax		
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation and impairment of property, plant and equipment		
Government grants receivable		
Accrued interest receivable		
Accrued interest payable		
Income (expenses) from change in fair value of biological assets		
Income from change in fair value of agricultural products		
Losses from inventories impairment		
Loss from mortality of biological assets of plant and cattle breeding		
Movements in doubtful reserves		
Movements in tax invoices reserve		
Movements in provisions		
Working capital adjustments:		
(Increase)/decrease trade and other receivables		
(Increase)/decrease prepayments and other current assets		
(Increase)/decrease deposit		
(Increase)/decrease in inventories		
(Increase)/decrease in biological assets		
(Increase)/decrease other non-current assets		
Increase/(decrease) in provisions		
Increase/(decrease) in trade and other payables		
	(113)	2 389
Interest received		
Income tax paid		
Net cash flows from operating activities	(113)	2 389
Investing activities		
Purchase of property, plant and equipment		



Receipt of government grants

Net cash flows used in investing activities

Financing activities

Proceeds from borrowings

Repaymen of borrowings

Proceeds from issue of share capital

Net cash flows from/(used in) financing activities

Net increase in cash and cash equivalents

Net foreign exchange difference

Cash and cash equivalents at 1 January

Cash and cash equivalents at 31 December

	-	-
	112	
	112	-
	(1)	2 389
	1	-
	0	1

2.3 CONDENSED STANDALONE STATEMENT FOR CHANGES IN EQUITY

Statement of changes in equity

for the period began 01 January ended 31 December 2013

	Share capital	Retained earnings attributable to equity holders of the parent	Exchange rate effect	Additional paid-in capital	Total
Balance at 31 December 2011	0	0	0	0	0
Profit for the year		2 389			
Other comprehensive income for the year, net of tax					
Increase of share capital	52				
Balance at 31 December 2012	52	2 389	-	-	2 441
Balance at 31 December 2012	52	2 389	0	0	2 441
Profit for the year		-113		-	-113
Other comprehensive income for the year, net of tax			0	-	-
Increase of share capital	1			112	114
Balance at 31 December 2013	53	2 275	-	112	2 442



3 CONDENSED CONSOLIDATED FINANCIAL STATEMENT FOR THE 4 Q 2013

Tables below provide condensed interim financial statements of Cereal Planet PLC, in accordance with International Financial Reporting Standards for a 4 Q 2013 (period ended 31 December 2013).

3.1 CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME AND FINANCIAL POSITION

	01/01/2013 - 31/12/2013	01/01/2012 - 31/12/2012	01/10/2013 - 31/12/2013	01/10/2012 - 31/12/2012
	€000	€000	€000	€000
Continuing operations				
Sales revenue	23 621	29 506	7 141	8 738
Cost of sales	(19 477)	(24 988)	(5 652)	(7 484)
Gross profit	4 144	4 518	1 489	1 255
Administrative expenses	(941)	(576)	(197)	(260)
Selling expenses	(2 075)	(2 808)	(789)	(1 018)
Other expenses	(480)	(111)	(325)	76
Other income	1 124	90	553	-20
Financial expenses	(559)	(481)	(233)	(165)
Profit before tax	1 213	632	498	(133)
Income tax expense	(211)	(262)	(165)	(23)
Net profit for the period	1 002	370	333	-156
Other comprehensive expense for the year				
Currency translation difference	65	(58)	84	(57)
Profit for the year attributable to				
Total comprehensive income for the year	1 067	312	417	(213)



Condensed statement of financial position

as at 31 December 2012 and 31 December 2013 (with comparative data)

	31 December, 2013	31 December, 2012
Assets	€000	€000
Non-current assets		
Property, plant and equipment	3 529	1 866
Total non-current assets	3 529	1 866
Current assets		
Inventories	2 612	2 768
Trade and other receivables	2 943	4 573
Cash and cash equivalent	40	71
Total current assets	5 595	7 412
Total assets	9 124	9 278
Equity and liabilities		
Share capital	53	52
Additional paid-in capital	111	
Exchange differences	161	96
Retained earnings	3 295	2 293
Equity attributable to equity holders of the parent	3 620	2 441
Non-current liabilities		
Deferred tax liability	62	62
Total non-current liabilities	62	62
Current liabilities		
Loans and borrowings current	3 102	3 048
Trade and other payables	2 340	3 727
Total current liabilities	5 442	6 775
Total liabilities	5 504	6 837
Total equity and liabilities	9 124	9 278



3.2 CONDENSED CONSOLIDATED STATEMENT OF CASHFLOW

Condensed statement of cash flows

for the period from 01/01 to 31/12 of 2013 year

€ '000	01/01/2013 - 31/12/2013	01/01/2012 - 31/12/2012
Cash flows from operating activities		
Profit before tax	1 213	632
Adjustments for:		
Depreciation of property, plant and equipment	527	100
Interest expense	559	0
Cash flows from operations before working capital changes	2 299	732
Increase in inventories and work in progress	156	-698
Increase in trade and other receivables	1 630	-727
(Decrease)/increase in trade and other payables	-1 387	55
Cash flows from operations	2 698	-638
Tax refunded	0	15
Net cash flows from operating activities	2 698	-623
Cash flows from investing activities		
Payment for purchase of property, plant and equipment	-1 492	-300
Acquisition of subsidiaries, net cash outflow on acquisition	0	0
Loans granted	1860	1594
Interest received	0	0
Net cash flows used in investing activities	368	1 594
Cash flows from financing activities		
Proceeds from issue of share capital		0
Repayments of borrowings	-2476	-419
Interest paid	-559	-481
Suspense account (pending correction of Depreciation, Minority interest and share capital)		0
Net cash flows (used in)/from financing activities	-3035	-900
Net decrease in cash and cash equivalents	31	71
Cash and cash equivalents:		0
At beginning of the year/period	71	141
At end of the year/period	40	71



3.3 CONDENSED CONSOLIDATED STATEMENT FOR CHANGES IN EQUITY

Condensed statement for changes in equity

for the period from 01/01 to 31/12 of 2013

year

	Attributable to equity holders of the Company					Total
	Share capital	Share premium	Translation reserve	Retained earnings	Non-controlling interests	
	€000	€000	€000	€000	€000	€000
Balance at 31 December 2011 /1 January 2012	52	-	154	1 923	-	2 129
Net profit the period	-	-	-	370	-	370
Exchange difference on the translation and consolidation of foreign companies' financial statements	-	-	58	-	-	58
Balance at 31 December 2012/1 January 2013	52	-	96	2 293	-	2 441
Net profit the period	-	-	-	1 002	-	1 002
Issue of share capital	1	111	-	-	-	112
Exchange difference on the translation and consolidation of foreign companies' financial statements	-	-	65	-	-	65
Balance at 31 December 2013	53	111	161	3 295	-	3 620

Statements could be slightly changed to annual report because according Ukrainian legislation the final date of the annual statements in Ukrainian accounting is February 25th, and some counterparties are still not provide all the documents.



4 APPLIED ACCOUNTANCY PRINCIPLES

These interim financial statements have been prepared based on IAS 34 Interim Financial Reporting. These interim financial statements include substantial information required for a complete set of IFRS financial statements. The Board of Director's commentary included, explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements.

There were no changes in accounting policy of the Group during period 01/01/13-31/12/13.

Judgments and estimates

In preparing these interim financial statements, management made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2012.

Significant accounting policies

Except as described herewith, the accounting policies applied in these interim financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ended 31 December 2012.

Consolidation

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) and the requirements of the Cyprus Companies Law, Cap.113. These consolidated financial statements have been prepared by the consolidation of the historical financial statements of each of the Group's companies, on the basis of the accounting records of these companies.

Subsidiaries are all Group's entities over which the group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Inter-company transactions, balances and unrealized gains on transactions between group companies are eliminated.

Summary of significant accounting policies

The main principles of accounting policy, which have been adopted in the preparation of this audit consolidated financial information, are described below.

Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, and sales taxes or duty. The Group assesses its revenue arrangements against specific criteria in order to determine if it is acting as a principal or



agent. The Group has concluded that it is acting as a principal in all of its revenue arrangements. The following specific recognition criteria must also be met before revenue is recognized:

Sale of goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods.

Rendering of services

Revenues from services are recognized when such services are rendered and revenue can be reliably measured

Taxes

Current income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Deferred income tax

Deferred income tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognized for all taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognized for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax credits and unused tax losses can be utilized except:

- where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred income tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognized



in other comprehensive income is recognized in other comprehensive income. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Value added tax

Revenues, expenses and assets are recognized net of the amount of value-added tax ("VAT") except:

- where VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case VAT is recognized as part of the cost of acquisition of the asset or as part of expense item as applicable; and
- receivables and payables are stated with the amount of VAT included.

The net amount of VAT recoverable from, or payable to, the taxation authority is disclosed on the face of the consolidated statement of financial position.

Property, plant and equipment

Items of property, plant and equipment are stated at cost, less accumulated depreciation and/or accumulated impairment losses, if any.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, capitalized directly attributable borrowing costs in accordance with early adopted International Financial Reporting Standard IAS 23 Borrowing Costs (Revised), any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

Where an item of property, plant and equipment comprises major components having different useful lives, they are accounted for as separate items of property, plant and equipment.

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

Group of fixed assets	years
Buildings	50
Plant and equipment	20
Motor vehicles	10
Other	10

Group as a lessor

Leases where the Group does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same bases as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they



occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Finance costs

Interest expense and other borrowing costs are charged to profit or loss as incurred.

Financial instruments:

Financial assets

Initial recognition

Financial assets in the scope of IAS 39 are classified as financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group determines the classification of its financial assets at initial recognition.

All financial assets are recognized initially at fair value plus, in the case of investment not at fair value through profit or loss, directly attributable transaction costs.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention on the marketplace (regular way trades) are recognized on the trade date, i.e. the date that the Group commits to purchase or sell the asset.

The Group's financial assets include cash and cash equivalents as well as loan, trade and other receivables.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less.

For the purpose of the combined statement cash flows, cash and cash equivalents consist of cash as defined above.

Loans, trade and other receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are carried at amortized cost using the effective interest rate method, less any allowance for impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and includes fees or costs that are an integral part of the effective interest rate. Gains and losses are recognized as income or expenses when the loans and receivables are derecognized or impaired, as well as through the amortization process.

Derecognition

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- The rights to receive cash flows from the asset have expired.
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.



When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Group's continuing involvement in the asset. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset, is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

(4) Impairment

The Group assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortized cost

For financial assets carried at amortized cost the Group first assesses individually whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognized are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial assets original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

The carrying amount of the asset is directly reduced for credit losses and the amount of the loss is recognized as other operating expenses in the statement of comprehensive income. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income in the statement of comprehensive income. Loans are written off when there is no realistic prospect of future recovery and all collateral has been realized or has been transferred to the Group. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced by adjusting profit and loss. If a future



write-off is later recovered, the recovery is credited to finance costs in the statement of comprehensive income.

Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value and in the case of loans and borrowings, plus directly attributable transaction costs.

The Group's financial liabilities include trade and other payables and interest-bearing loans and borrowings.

Subsequent measurement

The measurement of financial liabilities depends on their classification as follows:

Trade and other payables

After initial recognition, trade and other payables with fixed maturity are subsequently measured at amortized cost using the effective interest rate method. Amortized cost is calculated by taking into account any transaction costs and any discount or premium on settlement.

Interest-bearing loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate method. Gains and losses are recognized in net profit or loss when the liabilities are derecognized as well as through the amortization process.

Derecognition
A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in profit or loss.

Fair value of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs. For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include using recent arm's length market transactions; reference to the current fair value of another instrument that is substantially the same; discounted cash flow analysis or other valuation models.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the combined statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

Issued capital



Share capital is recognized at the fair value of consideration received. Any excess over the nominal value of shares is taken to the share premium reserve. Cost incurred for issuing new share capital when the issuance results in a net increase or decrease to equity are charged directly to equity. Costs incurred for issuing new share capital when the issuance does not result in a change in equity are taken to profit or loss.

Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in profit and loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Inventories

Originally inventories are stated at the lower of cost and net realizable value after making an allowance for any obsolete or slow-moving items. The cost of inventories includes the expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. At disposal cost of raw materials, spare parts and goods is determined based on the FIFO method, whereas cost of finished goods is determined based on the weighted average cost method.

Net realizable value is the estimated selling price in the ordinary course of business, less any estimated costs necessary to make the sale.

Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

Impairment losses of continuing operations are recognized in profit and loss in those expense categories consistent with the function of the impaired asset, except for property, plant and equipment previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognized in other comprehensive income up to the amount of any previous revaluation.



An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in income unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase. The Group does not have the assets, for which annual impairment testing is required.

Foreign currency transactions and translation to presentation currency

(1) Transactions and balances

Transactions in foreign currencies are initially recorded by the Group entities at the functional currency rates prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date. All differences are taken to profit and loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

(2) Translation to presentation currency

At each reporting date, the assets and liabilities of each company are translated into the Group's presentation currency at the rate of exchange prevailing at the reporting date. The revenues and expenses for the year or, if shorter, the period of combined of subsidiary in the Group are translated at the exchange rate prevailing at the date of transaction or average exchange rate for the period if it approximates the rate as of the date of transaction. The exchange differences arising on the translation are recognized in other comprehensive income.

Contingent assets and liabilities

A contingent asset is not recognized in the financial statements but disclosed when an inflow of economic benefits is probable.

Contingent liabilities are not recognized in the financial statements unless it is probable that an outflow of economic resources will be required to settle the obligation and it can be reasonably estimated. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

Subsequent events

Events, which took place after the reporting date and prior to the date of approval of financial reports to be issued which provide additional information regarding the financial statements of the Group, are reflected in financial statements.



5 THE BOARD OF DIRECTORS' COMMENT ON THE FACTORS AND EVENTS THAT AFFECT THE ACHIEVED FINANCIAL RESULTS.

5.1 COMMENTS TO THE CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME AND FINANCIAL POSITION

Sales revenue for 4Q 2013 in the amount of EUR 7 141 th.

This result is worse by 18% than in 4 Q 2012. In the 3 Q 2013 the Group carried out modernization works of the production lines. Total sales for accrued 4 Q 2013 decreased by 20% , from EUR 29 506 th to 23 621 th.

Gross profit for 4 Q 2013 in the amount of EUR 1 489 th

Gross profit result is increased by 19% from EUR 1 255 th in 4 Q 2012 to EUR 1 489 th in 4 Q 2013. This increase is due to the decreasing prices on the new crops harvest this year. On the top of that in the 2012 the Group benefited due to the price increase of the grain, at that time the Group had grain in storages purchased at cheaper price.

Net profit for 4 Q 2013 in the amount of EUR 333 th

In the 4 Q 2013 the Group noted EUR 333 th profit in comparison to the EUR 156 th net loss in 4 Q 2012. In the accrued 4 Q 2013 the Group noted increase in the net profit by 3.4 times , accrued 4 Q 2013 EUR 1067 th net profit in comparison to accrued EUR 312 th net profit in 4Q 2012.

5.2 COMMENTS TO THE CONDENSED CONSOLIDATED STATEMENT OF CASHFLOW

Net cashflow from operating activities EUR 3 698 th.

The Group improved substantially cashflow from the operating activities. But due to the continuity of the investment plan capital and needs for the working capital, this amount will be decrease in the near future.

5.3 COMMENTS TO THE CONDENSED CONSOLIDATED STATEMENT FOR CHANGE IN EQUITY

Change in the equity EUR 3 620 th.

The group increased amount of the equity by 48% from EUR 2 441 th in 31 12 2012 to EUR 3 620 th in 4 Q 2013. This increase was mainly due to the accrued net profit for the 2013 year.



6 REPORT ON THE COMPANY'S ACTIVITIES IN 4 Q 2013

6.1 DEBUT ON THE ATS NEWCONNECT

On 09.12.2013 Cereal Planet PLC debuted as the second issuer on ATS NewConnect, having its production site in Ukraine. The Company run its private placement on February 2013. It was the third debut of foreign company on ATS NewConnect in 2013 and the only debut in 2013 Ukraine linked company.

6.2 GRAIN HARVEST IN UKRAINE

In 2013 Ukraine achieved record harvest 63 million tons of grain, including 29 million tons of corn, 22 million tons of wheat , 7,6 million tons of barley, 10 million tons of sunflower. Such a situation ensure easy access to the grains for the producers and processors.

6.3 PRODUCTION ACTIVITY

Cereal Planet Group continued modernization of the production facilities, namely modernization of the production line for the split peas. Production in 2013 and the breakdown is presented below.

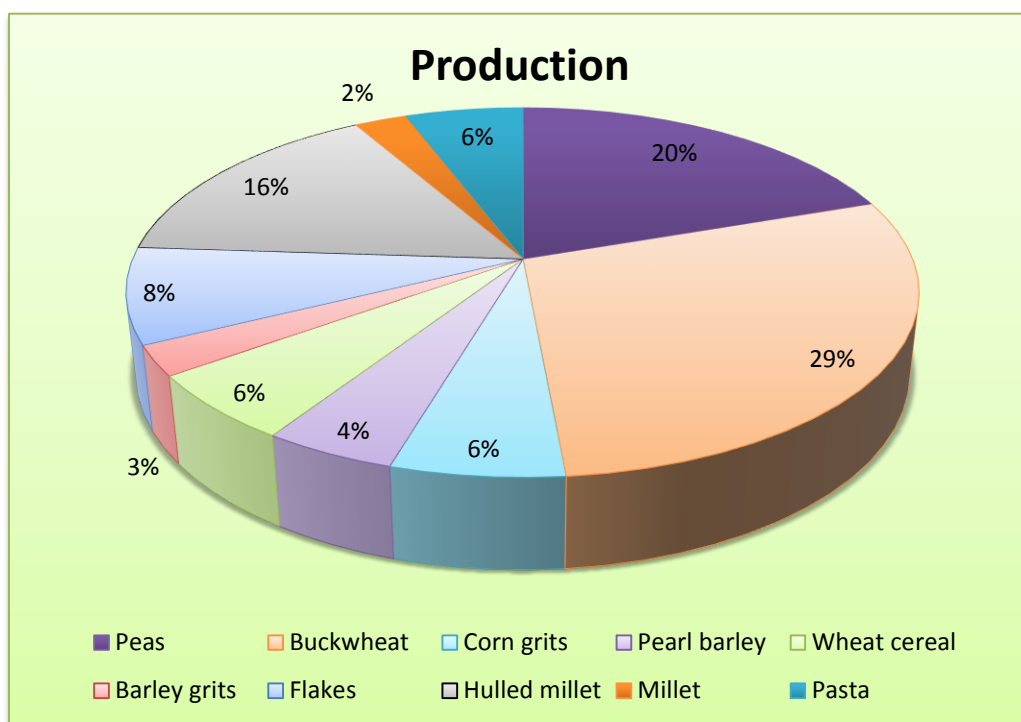
TABLE 3 TOTAL PRODUCTION

Production, tonnes	2013	2012
Peas	4 507,53	10 116,53
Buckwheat	6 597,27	6 785,77
Corn grits	1 373,27	363,63
Pearl barley	1 053,51	956,86
Wheat cereal	1 340,82	651,73
Barley grits	602,29	786,11
Flakes	1 917,19	127,49
Hulled millet	3 592,00	2 940,93
Millet	580,00	4 522,98
Pasta	1 307,30	-
Total	22 871,19	27 252,03

Source: the Issuer



CHART 1 PRODUCTION



Source: the Issuer

Production for the accrued 4 Q 2013 decreased by 16% in comparison to the accrued 4 q 2012 due to implemented modernization and stoppage of the production lines

6.4 DISTRIBUTION AND TRADE ACTIVITY

The Company maintain good relationship with the current customer, and regularly delivers them shipments of foods in principal to Moldova, Georgia, Belorussia, Israel, South Korea, Taiwan and Malaysia. Test shipments are delivered to Czech, RPA and Uzbekistan. The Company runs negotiations for the shipments to Cyprus and new customers in Malaysia. At the end of December 2013 the Company signed agreements with new customers. The company executes regular shipments to supermarkets in Russia.

6.5 SUPPLY OF THE RAW MATERIAL

Grain supply was continuing in the due course. There were no problems with the supply of the various grains to the Cereal Planet factory.

6.6 HACCP CERTIFICATE

In December 2013 „Olymp" LLC member of the Cereal Planet Group went through verification for, HACCP (Hazard Analysis and Critical Control Points) certificate. HACCP system, is one of the crucial



certificate to have for the food producers, it monitor safety of the food production. On January 13. 2014 „Olymp" LLC completed tests and received HACCP certificate.

7 THE MANAGEMENT BOARD'S CONFIRMATION OF THE FORECASTS EXECUTION

The Board of Directors announced the projections for the revenues and net profit for 2013.

TABLE 4 FORECAST AND EXECUTION

'000 EUR	Forecast 2013	Execution2013	Implementation
Revenue	27 700	23 621	85%
Net profit	990	1 067	107%

Source: the Issuer

The decrease in projected revenues resulted modernization of the plant. During this period also focused on more profitable contracts. The projected net profit increased due to profitability.

8 EXECUTION OF THE INVESTMENT PIPELINE

In the 4 Q 2013 the Company focused on the increase of productivity of bulgur and flakes lines. Those lines need further financing.

In 4 Q 2013 production line for flakes was already worked for 50% of its capacity.

9 INITIATIVES TO DEVELOP ITS ACTIVITIES AIMED TO IMPLEMENT INNOVATIVE SOLUTIONS AT THE ENTERPRISE DURING THE PERIOD OF THE REPORT – INFORMATION ON SUCH ACTIVITIES

Cereal Planet Group has not undertook any initiatives related to the innovation solutions in the period covered by this Report.

10 COMPANY STRUCTURE, SUBJECT TO CONSOLIDATION

TABLE 5 CEREAL PLANET GROUP CONSISTS OF 5 COMPANIES

Name	Address	Profile
Cereal Planet PLC	Boumpoulinas, 11 3rd Floor, 1060 NICOSIA, CYPRUS	Holding company In Cyprus
Cereal Ukraine LLC	61124 Kharkov, Kashtanowa 10 str	Holding company In Ukraine
SielhozkormLLC	62543, Kharkov region Jurchenkowe	Food processing factory
ACPRanok	Kharkov Mechanizatorow 2 str	Trading company



Olimp LLC	61124 Kharkov, Kashtanowa 10 str	Trading and distribution company
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11 SHAREHOLDERS STRUCTURE

The Shareholding structure of the Company, indicating shareholders at the date of report (as of 14/02/2014).

TABLE 6 SHAREHOLDERS STRUCTURE

Shareholder	Number of shares	Number of votes at the general meeting	Percentage in share capital	Percentage in the total number of votes at the general meeting
<i>Vlasenko Anatoli</i>	347 999	347 999	19.55%	19.55%
<i>Dubruskin Igor</i>	348 000	348 000	19.55%	19.55%
<i>Steshenko Walentyna</i>	348 000	348 000	19.55%	19.55%
<i>Vlasenko Oleksander</i>	347 999	347 999	19.55%	19.55%
<i>Slavgorodskiyi Oleksander</i>	348 000	348 000	19.55%	19.55%
<i>Other shareholders</i>	40 002	40 002	2.25%	2.25%
Total	1 780 000	1 780 000	100%	100%

Source: Issuer

12 NUMBER OF EMPLOYEES AT THE END OF 4 Q 2013

TABLE 7 NUMBER OF EMPLOYEES

Number of employees	4 Q 2013
Production	158
Non production employees	258
Total	416

Source: Issuer

Antoliy Vlasenko,

Chairman of the Board of Directors

