Annual report for the period
1st January 2014 – 31st December 2014

30th June 2015

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КРОХМАЛЬ
ЦУКОР
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БОРОШНО

1 THE LETTER OF THE PRESIDENT OF THE BOARD OF DIRECTORS

Dear Shareholders,

On behalf of the Board of Directors I am pleased to present you the Annual Report of Cereal Planet PLC for 2014. We are already two years a public company and our shares are listed on the Warsaw Stock Exchange.
As you know 2014 year was shadowed by political turmoil and military drama in East region of Ukraine. Our company tried to adopt to the current situation and possible consequences. Therefore the main task was to stabilize the sales, margin and profits as well as limit the cost. Now I may admit that we fulfilled the man task. We limited deliveries to the questionable territories, stopped to deliver to Crimea, and expands sales in other regions in Ukraine. We limited borrowings in foreign currencies, limited cost and tried to expand export. Our products are in constant demand and we are working to improve their quality.
Besides export to the developing countries we also see opportunities and prospects for enhanced cooperation between the EU countries and Ukraine. In 2014 our group of companies obtained revenues of EUR 22.4 million . We do believe that situation in Ukraine will normalize and in 2015 we plan to continue the modernization of production and increase sales to increase the company's value.

We thank our investors for the trust. Together we ensure development.

……………………………………………

Anatoli Vlasenko

Chairman of the Board of Directors of Cereal Planet PLC

2 SELECTED FINANCIAL INFORMATION CONTAINIG BASIC ITEMS OF THE ANNUAL CONSOLIDATED FINANCIAL STATEMENTS

TABLE 1 - SELECTED AUDITED CONSOLIDATED FINANCIAL DATA FROM THE PROFIT AND LOSS ACCOUNT

Selected Financial Results in '000 EUR	2014	2013
Revenues from the sale	22 432	20 270
Profit / loss on sale	5 163	2 626
Profit / loss from operating activities	3 671	1 185
Profit / loss Gross	3 108	636
Profit / loss net	3 051	508
Other comprehensie incom (loss)	(2 659)	(137)
Total comprehensive income for the year	392	371

Source: Issuer

TABLE 2 - SELECTED AUDITED CONSOLIDATED FINANCIAL DATA FROM BALANCE SHEET

Selected financial data from balance sheet, EUR'000	2014	2013
Tangible fixed assets	1 670	2 926
Inventory	2 694	3 153
Current assets	7 379	6 620
Trade and other receivables	3 827	2 615
Cash and cash equivalents	23	34
Equity	3 316	2 924
Long-term liabilities	48	48
Short-term liabilities	5 685	6 574

Source: Issuer

TABLE 3 - SELECTED UNAUDITED STANDALONE FINANCIAL DATA FROM THE PROFIT AND LOSS ACCOUNT

Selected Financial Results in '000 EUR	2014	2013
Revenues from the sale	8	(113)
Profit / loss on sale	8	(113)
Profit / loss from operating activities	1	(113)
Profit / loss Gross	1	(113)
Profit / loss net	1	(113)

Source: Issuer

TABLE 4 - SELECTED UNAUDITED STANDALONE FINANCIAL DATA FROM BALANCE SHEET

Selected financial data from balance sheet, EUR'000	2014	2013
Tangible fixed assets	2 112	2 449
Inventory	0	0
Current assets	1	0,5
Trade and other receivables	0	0
Cash and cash equivalents	1	0,5
Equity	2 104	2 449
Long-term liabilities	0	0
Short-term liabilities	0	0

Source: Issuer

3 ANNUAL STANDALONE UNAUDITED FINANCIAL STATEMENT FOR 2014

Tables below provide condensed financial statements of Cereal Planet PLC, in accordance with International Financial Reporting Standards for 2014 (period ended 31 December 2014). Since the

standalone data does represent only minor activity of the Cereal Planet Group and according to the Cyprus Corporate Law, for the public companies consolidated financial statements must be audited but standalone financial statements may not be unaudited, therefore the Company decided not to audit this financial statement. Moreover

Standalone statement of comprehensive income and financial position

Income statement for the period began 01 January ended 31 December 2014

	01.01.2014 - 31.12.2014	01.01.2013 - 31.12.2013
	€,000	€,000
Profit for the year from continuing oper:	8	-113
Other comprehensive income for the year		
Exchange difference on translating foreign operations		
Total other comprehensive income for the year	8	
Administration expences	-7	
Total comprehensive income for the yea:	1	-113
Total comprehensive income		
Equity holders of the parent	1	-113
Non-controlling interest		

Financial position ended 31 December 2014

	31.12.2014	31.12.2013
Assets	€,000	€,000
Non-current assets		
Property, plant and equipment		
Goodwill	0	0
Investments in subsidiaries		2449
Total non-current assets	2 112	2 449
Current assets		
Current biological assets		
Inventories		
Trade and other receivables		
Prepayments and other current assets, net		
Deposit		
Cash and cash equivalent	1	0.5
Total current assets	1	0.5
Total assets	2 113	2 450
Equity and liabilities		
Share capital	53	53
Other reserves	112	112
Retained earnings (accumulated losses)	1 938	2 275
Exchange rate effect		
Equity attributable to equity holders of the parent	2 104	2 441
Non-controlling interests	0	0
Total equity	2 104	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	8
Interest-bearing loans and borrowings		
Provisions		
Total current liabilities		
Total liabilities	8	8
Total equity and liabilities	2 113	2 450

Statement of cash flows for the period from 01.01.2014 to 31.12.2014 and from 01.01.2013 to 31.12.2013

	01.01.2014 31.12.2014	01.01.2013 31.12.2013
	€,000	€,000
Operating activities		
Profit before tax from continuing operations	0	-113
Profit before tax		
Non-cash adjustment to reconcile profit before tax to net cash flows		
Working capital adjustments:		
	0	-113
Interest received		
Income tax paid		
Net cash flows from operating activities	0	-113
Net cash flows used in investing activities	-	-
Financing activities		
Proceeds from borrowings		
Repaymen of borrowings		
Proceeds from issue of share capital	-	112
Net cash flows from/(used in) financing activities	-	112
Net increase in cash and cash equivalents	0	-1
Net foreign exchange difference		
Cash and cash equivalents at 1 January	0	1
Cash and cash equivalents at 31 December	0	0

Statement of changes in equity for the period from 01.01.2014 ended 31 .12. 2014

	Share capital	Retained earnings attributable to equity holders of the parent	Exchange rate effekt	Additional paid in capital	Total
	€000	€000	€000	€000	€000
Balance at 31 December 2012	**52**	**2 389**	-	-	**2 441**
Net profit the period	-	- 113	-		- 113
Other comprehansive income for the year,net of tax	-	-	-	-	-
Increase of share capital	1	-	-	112	113
Balance at 30 September 2013	**53**	**2 275**	-	**112**	**2 441**
Balance at 31 December 2013	**53**	**2 275**	-	**112**	**2 441**
Net profit the period	-	-	-	-	-
Other comprehansive income for the year,net of tax	-	1		-	
Increase of share capital	-	- 338		-	- 338
Balance at 30 September 2014	**53**	**1 938**	-	**112**	**2 103**
Net profit the period		-			-
Other comprehansive income for the year,net of tax	-	-	-	-	-
Increase of share capital	-	-	-	-	-
Balance at 31 December 2014	**53**	**1 938**	-	**112**	**2 103**

4 ANNUAL FINANCIAL STATEMENTS FOR 2014 AUDITED BY AN ENTITY AUTHORISED TO AUDIT FINANCIAL STATEMENTS IN ACCORDANCE WITH APPLICABLE REGULATIONS AND PROFESSIONAL STANDARDS.

Tables below provide audited consolidated financial statements of Cereal Planet PLC group, in accordance with International Financial Reporting Standards for 2014 (period ended 31 December 2014).

4.1 CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME AND FINANCIAL POSITION

Condensed statement of profit or loss and other comprehensive income for the period from 01.01.2014 to 31.12.2014 year (with comparative data).

CEREAL PLANET PLC

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 31 December 2014
(In thousands of EUR, unless otherwise stated)

	Notes	2014	2013
Sales revenue	6	22 432	20 270
Cost of sales	7	(17 269)	(17 644)
Gross profit (loss)		**5 163**	**2 626**
Administrative expenses	8	(1 004)	(782)
Selling expenses	9	(1 630)	(1 228)
Other expenses	10	(1 603)	(207)
Other income	11	2 745	776
Finance expenses	12	(563)	(549)
Profit (loss) before taxation		**3 108**	**636**
Income tax	13	(57)	(128)
Net profit (loss)		**3 051**	**508**
Other comprehensive income (loss):			
Currency translation difference		(2 659)	(137)
Total comprehensive income (loss) for the year		**392**	**371**

ASK MANAGEMENT LIMITED
ASK INVESTMENT LIMITED

Anatoliy Vlasenko
Director

ASK Management Limited
Director

ASK Investment Limited
Director

CEREAL PLANET PLC

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
For the year ended 31 December 2014
(In thousands of EUR, unless otherwise stated)

	Note	2014	2013
ASSETS			
Non-current assets			
Property plant, and equipment	14	1 664	2 861
Intangible assets	15	6	44
Deferred tax asset	13	-	21
		1 670	**2 926**
Current assets			
Inventory	16	2 694	3 153
Trade and other receivables	17	3 827	2 615
Prepayments and other current assets	18	835	818
Cash and cash equivalents	19	23	34
		7 379	**6 620**
TOTAL ASSETS		**9 049**	**9 546**
EQUITY AND LIABILITIES			
Equity			
Share capital	20	53	53
Share premium	21	111	111
Exchange differences on translation to presentation currency		(2 700)	(41)
Retained earnings		5 852	2 801
		3 316	**2 924**
Non-current liabilities			
Deferred tax liabilities	13	9	48
Loans and borrowings	22	39	-
		48	**48**
Current liabilities			
Loans and borrowings	22	2 195	3 051
Trade payables	23	2 215	2 820
Advances received and other liabilities	24	1 275	703
		5 685	**6 574**
TOTAL EQUITY AND LIABILITIES		**9 049**	**9 546**

Anatoliy Vlasenko	ASK Management Limited	ASK Investment Limited
Director	Director	Director

4.2 CONDENSED CONSOLIDATED STATEMENT OF CASHFLOW

Condensed statement of cash flows for the period ended 31.12.2014 with comparative data for the 31.12.2013 year end.

CEREAL PLANET PLC

CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 December 2014
(In thousands of EUR, unless otherwise stated)

	Note	2014	2013
Cash flows from operating activities			
Profit before tax		3 107	636
Adjustments for:			
Depreciation of property, plant and equipment	14	80	117
Exchange difference arising on the translation of assets on foreign currencies		(247)	(1 491)
Interest expense	12	(563)	549
Cash flows from operations before working capital changes		**2 377**	**(189)**
Increase in inventories and work in progress	16	459	156
Increase in trade and other receivables	17	(826)	1 630
(Decrease)/increase in trade and other payables	23	(436)	(1 387)
Cash flows from operations		1 574	210
Income tax paid		(40)	(293)
Net cash flows from operating activities		**1 534**	**(83)**
Cash flows from investing activities			
Payment for purchase of property, plant and equipment	14	(142)	(475)
Net cash flows used in investing activities		**(142)**	**(475)**
Cash flows from financing activities			
Proceeds from issue of share capital		-	111
Obtaining loans and borrowings		731	4 040
Repayments of borrowings		(2 134)	(3 630)
Net cash flows (used in)/from financing activities		**(1 403)**	**521**
Net decrease in cash and cash equivalents		(11)	(37)
Cash and cash equivalents:			
At beginning of the year/period		34	71
At end of the year/period		**23**	**34**

ASK MANAGEMENT LIMITED

ASK INVESTMENT LIMITED

Anatoliy Vlasenko Director	ASK Management Limited Director	ASK Investment Limited Director

4.3 CONDENSED CONSOLIDATED STATEMENT FOR CHANGES IN EQUITY

Condensed statement for changes in equity for the period ended 31.12.2014 year.

CEREAL PLANET PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2014
(In thousands of EUR, unless otherwise stated)

	Issued capital (Note 20)	Share premium (Note 21)	Exchange differences on translation to presentation currency	Retained earnings (outstanding loss)	Total
As at 31 December 2012	**52**	**-**	**96**	**2 293**	**2 441**
Net income (loss) for the period	-	-	-	508	508
Issue of share capital	1	111	-	-	112
Foreign exchange differences	-	-	(137)	-	(137)
As at 31 December 2013	**53**	**111**	**(41)**	**2 801**	**2 924**
Net income (loss) for the period	-	-	-	3 051	3 051
Foreign exchange differences	-	-	(2 659)	-	(2 659)
As at 31 December 2014	**53**	**111**	**(2 700)**	**5 852**	**3 316**

ASK MANAGEMENT LIMITED
ASK INVESTMENT LIMITED

Anatoliy Vlasenko
Director

ASK Management Limited
Director

ASK Investment Limited
Director

5 APPLIED ACCOUNTANCY PRINCIPLES

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December 2014 which include the comparative figures of 2013.

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.

These consolidated financial statements comprise the consolidated results of activities of the below Companies. The consolidated financial statements include balances, income and expenses of the following Companies:

- Cereal Planet PLC
- Limited Liability Company "Cereal Ukraine"
- Limited Liability Company "Olimp"
- Agrarian Private Firm "Ranok"
- Limited Liability Company "Selkhozkorm"

Despite the legal separation, the Group's activities aim to achieve a common mission and goal. The majority of key management personnel is the same across the whole Group.

The Company incorporated the assets and liabilities of the existing entities at their pre-combination carrying amounts without fair value uplift. The pre-combination book values reflect the carrying values in the books of the existing entities. This is on the basis that there is no substantive economic change. In essence, the combination of all entities reflects the results and financial position of the existing business. All it causes is a change in the structure of the Group. No new goodwill is recorded. The difference between the cost of the transaction and the carrying value of the net assets is recorded in equity.

There were no changes in accounting policy of the Group during period 01.01.2014-31.12.2014.

Judgments and estimates
In preparing these 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 2014.

Significant accounting policies
Except as described herewith, the accounting policies applied in these financial statements are the same as those applied in the Group’s consolidated financial statements as at and for the year ended 31 December 2013.

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.

6 THE BOARD OF DIRECTORS' REPORT ON THE ISSUER'S ACTIVITIES IN THE PERIOD COVERED BY THE ANNUAL REPORT AND THE RULES OF PREPARING ANNUAL FINANCIAL STATEMENTSINCLUDING AT LEAST INFORMATION SPECIFIED IN ACCOUNTING REGULATIONS APPLICABLE TO THE ISSUER.

6.1 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

6.2 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, 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
- Selkhozkrom LLC – Ukrainian based factory of cereal processing
- ACP Ranok – Ukrainian based trading company

Olimp LLC – Ukrainian based trading and distribution company

6.3 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.

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

The Group Cereal Planet continues regular production and sales. All production sites are in a places safe from the conflict territory. All products are regularly shipped to the customers except Donieck and Lugans regions. Cereal Planet products are FMCG and meet basic demand of the customers.
Within 2014 the company adapted to the changing market circumstances due to the political and military turmoil. Effectively the company maintained revenues, margin and profit at satisfactory level. During the 2014 year the company was effected by the currency volatility. The table is presented below. Overall performances were not bad including exchange differences. In 30 June 2015 UAH gained respectively: EUR/UAH is traded at 23,5 and USD/UAH at 21,0
Seles revenue for 2014 alone reached the amount of EUR 22 432 thousand represent 10,6% increase in sales in comparison to 2013 (EUR 20 270 thousand).
Net profit for the 2014 alone was EUR 392 thousand in comparison to 2013 (EUR 371 thousand). Net profit was effected by currency translation differences for the 2014. This amount in 2014 was EUR minus 2 659 thousand . In 2013 it was EUR 137 thousand. Increase in revenues in 2014 was due to increase in cereal trades.
In the condensed statement of financial position for 2014 there was decline in non-current assets. Substantial impact was due to EUR/UAH exchange rate decline.
Total assets decreased by 11% from 9 546 thousand to EUR 9 049 thousand.

6.5 COMMENTS TO THE CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

Net cash flow from operating activities was positive and reached EUR 1 534 thousand in 2014 alone due to increase in profit before tax. The cash flow at the end of the period ended up with EUR 23 thousand

6.6 COMMENTS TO THE CONDENSED CONSOLIDATED STATEMENT FOR CHANGE IN EQUITY

Equity balance for the 2014 constitutes EUR 3 316 thousand The biggest impact is the influence of exchange differences EUR/UAH and moderate results.

7 REPORT ON THE COMPANY'S ACTIVITIES IN 2014

7.1 COMPANY'S ACTIVITY

Despite the continuity of the unfavorable political situation Cereal Planet successfully delivered sales in 2014.

Cereal Planet continuously adapts to the business conditions emerged in Ukraine. The results for the 2014 confirms that Cereal Planet is successful. The Company, besides the products for the retail customers produces and promotes fodders for animals branded «Luba ferma». Fodder "Luba farm" is a natural product containing no antibiotics, hormones or artificial growth stimulants; suitable for feeding cattle, pigs, rabbits and poultry. It consists of buckwheat, wheat, corn, pea and barley flour, and limestone feed. It is produced by mixing and granulating the resulting mass. This feed provides animals the necessary nutrients, vitamins and minerals, which in turn ensures maximum results in the production of high quality meat, milk and eggs.

Recently increased cost energy is not substantially effecting Cereal Planet due to usage of byproducts for heating purposes in its cereal factory. The most negative factor is a volatile exchange rate, it limits access to the sources of funding and increase cost of borrowing.

In the 2014 Cereal Planet has not introduced any new product.

7.2 EXCHANGE RATES

UAH exchange rates remain very volatile and effects the results of the company. UAH constantly declines against main currencies.

Table 1: Exchange rates

DATE	31.12.2014	30.09.2014	30.06.2014	30.09.2013	31.12.2013	Δ % 31.12.2014/31.12.2013
EUR/UAH	19.23	16.44	16.09	10.82	11.04	74.18%
USD/UAH	15.77	12.94	11.82	7.99	7.99	97.37%

Source: the Issuer

7.3 PRODUCTION ACTIVITY

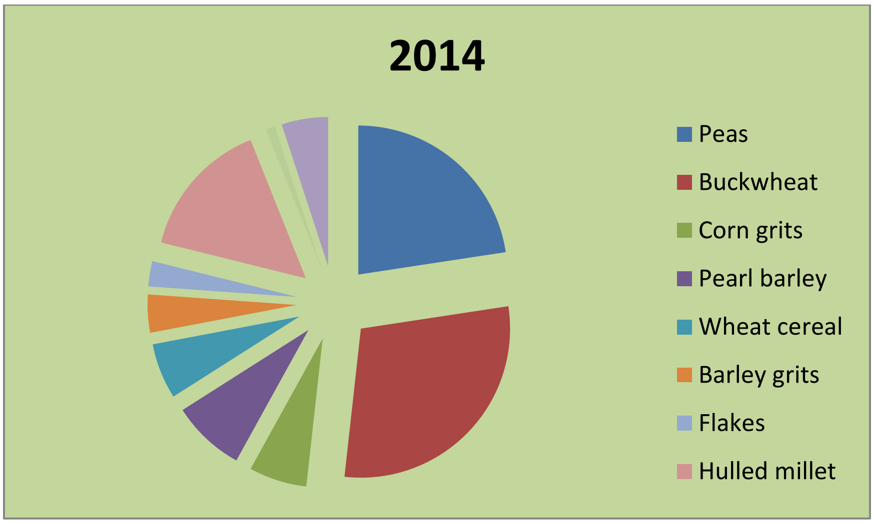
Production in 2014 and the breakdown is presented below.

Table 2: Total production

Production, tonnes	1-4 Q2014	1-4 Q2013	2014/2013
Peas	6 678	4 507	48%
Buckwheat	8 618	6 597	31%
Corn grits	1 853	1 373	35%
Pearl barley	2 351	1 053	123%
Wheat cereal	1 782	1 340	33%
Barley grits	1 219	602	102%
Flakes	809	1 917	-58%
Hulled millet	4 458	3 592	24%
Millet	298	580	-49%
Pasta	1 489	1 307	14%
Total	29 556	22 868	29%

Source: the Issuer

Chart 3: Production



Source: the Issuer

The overall production in 2014 was 29 556 tons and 29% more than in the comparative period in 2013. by The biggest items were peas and buckwheat. In all those items Cereal Planet performed better in 2014 than in 2013.

7.4 SUPPLY OF RAW MATERIAL, DISTRIBUTION AND TRADE ACTIVITY

Supply of grain and processing into cereal is held in Kharkov region and is executed without interruption. Supply of raw material for further processing in 2014 was executed mainly from Ukraine, except exotic products like rice.

7.5 EXPORT AND IMPORT

Table 4 Export and import in EUR

	2014	2013
export	9 379 580	2 288 961
import	2 082 164	1 416 791

8 THE MANAGEMENT BOARD'S STANDPOINT AS TO THE FORECASTS

The Board of Directors did not announce any projections.

9 EXECUTION OF THE INVESTMENT PIPELINE

In the 2014 the Company focused on the increase of productivity of the existing lines. Company put efforts to adapts to the current difficult situation in Ukraine. Under the present circumstances investment are executed very cautiously.

10 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.

11 COMPANY STRUCTURE, SUBJECT TO CONSOLIDATION

Table 3: CEREAL PLANET GROUP CONSISTS OF 5 COMPANIES

Name	Address	Profile	Shareholders
Cereal Planet PLC	Boumpoulinas, 11 3rd Floor, 1060 NICOSIA, CYPRUS	Holding company In Cyprus	Holding company, 5 persons being majority shareholders
Cereal Ukraine LLC	61124 Kharkov, Kashtanowa 10 str	Holding company In Ukraine	100% belongs to Cereal Planet PLC
SielhozkormLLC	62543, Kharkov region Jurchenkowe	Food processing factory	100% belongs to Cereal Planet LLC
ACPRanok	Kharkov Mechanizatorow 2 str	Trading company	100% belongs to Cereal Planet LLC
Olimp LLC	61124 Kharkov, Kashtanowa 10 str	Trading and distribution company	100% belongs to Cereal Planet LLC

Source: the Issuer

12 SHAREHOLDERS STRUCTURE

The Shareholding structure of the Company, indicating shareholders at the date of report as of 31.12.2014.

Table 4: 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
Vlasenko Anatoli	347 999	347 999	19.55%	19.55%
Dubruskin Igor	348 000	348 000	19.55%	19.55%
Steshenko Walentyna	348 000	348 000	19.55%	19.55%
Vlasenko Oleksander	347 999	347 999	19.55%	19.55%
Slavgorodskyi Oleksander	348 000	348 000	19.55%	19.55%
Other shareholders	40 002	40 002	2.25%	2.25%
Total	1 780 000	1 780 000	100%	100%

Source: the Issuer

13 NUMBER OF EMPLOYEES AT THE END OF 2014

Cereal Planet PLC itself does not employ personnel. Employees are located in the companies of CEREAL PLANET GROUP.

Table 5: NUMBER OF EMPLOYEES

Number of employees	31.12.2013	31.12. 2014
Production	169	199
Non production employees	215	177
Total	384	376

Source: the Issuer

14 THE STATEMENT OF THE BOARD OF DIRECTORS

The Board of Directors of Cereal Planet PLC ("Issuer") declares that, according to their best knowledge, the consolidated annual financial statement and comparative figures have been prepared in accordance with official regulations, applicable to the issuer, and the International financial standards.

Consolidated annual financial statement gives a true and fair view of Issuer's financial position and his financial performance including a description of the main threats and risks.

On behalf of the Board of Directors of Cereal Planet PLC

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Anatoli Vlasenko

Chairman of the Board of Directors of Cereal Planet PLC

The Board of Directors of Cereal Planet PLC (,,Issuer,,) declares that the authorized entity to audit financial statements, KRESTON PROIOS Nicosia Cyprus which audited annual financial statements, was chosen in accordance with the law regulations and that the entity and the auditors, who audited the financial statements fulfilled the requirements to give impartial and independent opinion about report in accordance with applicable national law and regulations.

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Antoliy Vlasenko,

Chairman of the Board of Directors of Cereal Plant PLC

15 APPLICATION OF THE CORPORATE GOVERNANCE

Application of the Corporate governance is enclosed in the Enclosure no 1

16 OPINION AND REPORT ON THE AUDIT OF THE ANNUAL CONSOLIDATED FINANCIAL STATEMENTS OF ENTITY AUTHORISED TO AUDIT FINANCIAL STATEMENTS.

Opinion and report of the Auditor is enclosed in the Enclosure No2