Annual Report of Sojaprotein JSC
for the Year 2013

Becej, April 2013

Annual Report of Sojaprotein JSC
for the year of 2013

CONTENTS

Republic of Serbia
Business Registers Agency
Register of Financial Statamentsand Data on Solvency

APPLICATION FOR THE FINANCIAL STATEMENTS REGISTRATION

DATA ABOUT THE SUBMITTER

Business name: SOJAPROTEIN JSC

Identification number: 0811407 TIN: 1007415 Municipality: Becej

Place: Becej ZIP code: 2122

Street: Industrijska Number: 1

TYPE OF FINANCIAL STATEMENT

Regular annual financial statement for the year of 2013

CLASSIFICATION NOTICE (mandatory field to be filled out by companies, associations, other legal entities and its branches)

Pursuant to article 6 of the Law on Accounting, and based on the data referred to under Financial Statements for 2013 the Submitter was classified as large legal entity.

MANNER OF SERVICING THE NOTIFICATION ON ESTABLISHED DEFICITS/CONFIRMATION OF THE REGISTRATION

Manner of servicing: To the Submitter on its registered address

Name:

Municipality:

Place: ZIP code:

Street: Number:

DATA ABOUT THE PERSON RESPONSIBLE FOR PREPARATION OF FINANCIAL STATEMENTS

Name/First name and surname: 1405968855046 – DRAGANA ANDJELKOVIC

Place: ZRENJANIN

Street: RADNICKA Number: 49

Email: dragana.andjelkovic@victoriagroup.rs

Telephone: 021/6811623

STATEMENT: I warrant the accuracy of data entered

Legal representative of the Submitter

Signature: ________________________________ SEAL

Name: James Patrick

Surname: King

Personal Identification Number: 70622835

Entered by: Legal entity - Entrepreneur

08114072		100741587
Identification number	NACE code	TIN

Entered by Business Registers Agency

123 Type of Business, 19, 20, 21, 22, 23, 24, 25, 26

Name: SOJAPROTEIN JSC

Registered Office: BECEJ, INDUSTRIJSKA 1

INCOME STATEMENT

7005024336169

for the period from January 1, 2013 to December 31, 2013

-in thousands of dinars

Group of accounts, Account	ITEM	ADO	Note No.	Amount	
				Current Year	Previous Year
1	2	3	4	5	6
	A.OPERATING REVENUES AND EXPENSES				
	I.OPERATING REVENUES (202+203+204+205+206)	201		11399407	14945270
60 and 61	1.Sales revenue	202		10657341	15091557
62	2.Revenues from activation of goods and effects	203		210180	41501
630	3.Increase of the value of inventories	204		473925	0
631	4.Decrease of the value of inventories	205		0	249379
64 and 65	5.Other operating revenue	206		57961	61591
	II.OPERATING EXPENSES (208 to 212)	207		12380731	13056086
50	1.Cost of merchandise sold	208		403043	1823015
51	2.Cost of material	209		9828707	9732860
52	3.Cost of salaries, fringe benefits and other peronal expenses	210		574599	492693
54	4.Costs of depriciation and provisions	211		668095	206562
53 and 55	5.Other operating expenses	212		906287	800956
	III.OPERATING PROFIT (201-207)	213		0	1889184
	IV.OPERATING LOSS (207-201)	214		981324	0
66	**V.FINANCIAL INCOME**	215		489354	725327
56	**VI.FINANCIAL EXPENSES**	216		490900	1462865
67 and 68	**VII.OTHER INCOME**	217		202136	359589
57 and 58	**VIII.OTHER EXPENSES**	218		333282	745245
	IX.PROFIT FROM REGULAR OPERATIONS BEFORE TAXATION (213-214+215-216+217-218)	219		0	765990
	X.LOSS FROM REGULAR OPERATIONS BEFORE TAXATION (214-213-215+216-217+218)	220		1114016	0
69-59	**XI.NET INCOME FROM DISCONTINUED OPERATIONS**	221			
59-69	**XII.NET LOSS FROM DISCONTINUED OPERATIONS**	222			

-in thousands of dinars

Group of accounts, Account	ITEM	ADO	Note No.	Amount	
				Current Year	Previous Year
1	2	3	4	5	6
	B.PROFIT BEFORE TAXATION (219-220+221-222)	223		0	765990
	C.LOSS BEFORE TAXATION (220-219+222-221)	224		1114016	0
	D.PROFIT TAX				
721	1.Tax liabilities for the period	225		0	53603
722	2.Deferred tax liabilities for the period	226		37277	23387
722	3.Deferred tax assets for the period	227			
723	**E.Paid personal earnings of the employer**	228			
	F.NET PROFIT (223-224-225-226+227-228)	229		0	689000
	G.NET LOSS (224-223+225+226-227+228)	230		1151293	
	H.NET PROFIT OF MINORITY SHAREHOLDERS	231			
	I.NET PROFIT OF THE PARENT LEGAL ENTITY OWNERS	232			
	J.EARNINGS PER SHARE				
	1.Basic earnings per share	233			
	2.Diluted earnings per share	234			

In Becej April 16, 2014

Person responsible
for the preparation
of the financial statements

Signature

PLACE OF SEAL
SOJAPROTEIN
Joint Stock Company
Becej

Legal Representative

Sojaprotein
AKCIONARSKO DRUŠTVO
ZA PRERADU SOJE
BEČEJ 21

Signature

Form prescribed by the Regulations on Contents and Forms of Financial Statements for companies, cooperatives, other legal entities and entrepreneurs ("Official Gazette of the Republic of Serbia", No. 114/06, 5/07, 119/08, 2/10, 101/12, 118/12 and 3/2014).

Entered by: Legal entity - Entrepreneur

08114072		100741587
Identification number	NACE code	TIN

Entered by Business Registers Agency

750								
123	19	20	21	22	23	24	25	26

Type of Business

Name: Sojaprotein JSC

Registered Office: Becej, Industrijska 1

BALANCE SHEET

7005024336152 as of December 31, 2013 -in thousands of dinars

Group of accounts, Account	ITEM	ADO	Note No.	Amount	
				Current Year	Previous Year
1	2	3	4	5	6
	ASSETS				
	A.FIXED ASSETS (002+003+004+005+009)	001		10192708	9495497
00	I.SUBSCRIBED CAPITAL UNPAID	002			
012	II.GOODWILL	003			
01 without 012	III.INTANGIBLES	004		13668	16437
	IV.PROPERTY, PLANTS, EQUIPMENT AND NATURAL ASSETS (006+007+008)	005		9226761	8646695
020, 022, 023, 026, 027 (part), 028 (part), 029	1.Propety, plants and equipment	006		8793828	8055231
024, 027 (part), 028 (part)	2.Investment property	007		430374	588698
021, 025, 027 (part), 028 (part)	3.Biological assets	008		2559	2766
	V.LONG-TERM FINANCIAL INVESTMENTS (010+011)	009		952279	832365
030 to 032, 039 (part)	1.Stakes in capital	010		951551	831179
033 to 038, 039 (part) minus 37	2.Other long-term financial investments	011		728	1186
	B.CURRENT ASSETS (013+014+015)	012		13099428	11342512
10 to 13, 15	I.INVENTORIES	013		3996827	5531714
14	II.NON-CURRENT ASSETS HELD FOR SALE OF DISCONTINUED OPERATIONS	014			
	III.SHORT-TERM RECEIVEABLES, INVESTMENTS AND CASH (016+017+018+019+020)	015		9102601	5810798
20, 21 and 22, excluding 223	1.Trade receivables	016		2706528	3877544
223	2.Receivables for overpaid profit tax	017		73705	3591
23 minus 237	3.Short-term financial investments	018		6015291	1784961
24	4.Cash and cash equivalents	019		96083	128389

-in thousands of dinars

Group of accounts, Account	ITEM	ADO	Note No.	Amount	
				Current Year	Previous Year
1	2	3	4	5	6
27, 28 excluding 288	5.Value added tax and prepayments and accrued income	020		210994	16313
288	**C.DEFERRED TAX ASSETS**	021			
	D.OPERATING ASSETS (001+012+021)	022		23292136	20838009
29	**E.LOSS OVER CAPITAL**	023			
	F.TOTAL ASSETS (022+023)	024		23292136	20838009
88	**G.OFF-BALANCE ASSETS**	025		19349934	10705965
	LIABILITIES				
	A.CAPITAL (102+103+104+105+106-107+108-109-110)	101		10628253	12449372
30	I.CAPITAL STOCK	102		6906480	6906480
31	II.SUBSCRIBEED CAPITAL UNPAID	103			
32	III.RESERVES	104		1175312	1428760
330 and 331	IV.REVALUATION RESERVES	105		2358356	2359864
332	V.UNREALIZED GAINS BASED ON SECURITIES	106			
333	VI.UNREALIZED LOSSES BASED ON SECURITIES	107		23402	23817
34	VII.RETAINED PROFIT	108		1744133	1778085
35	VIII.LOSS	109		1151293	0
037 and 237	IX.OWN SHARES PURCHASED	110		381333	0
	B.LONG-TERM PROVISIONS AND LIABILITIES (112+113+116)	111		12255214	8016978
40	I.LONG-TERM PROVISIONS	112		136090	24815
41	II.LONG-TERM LIABILITIES (114+115)	113		0	2306316
414, 415	1.Long-term loans	114		0	2306316
41 without 414 and 415	2.Other long-term liabilities	115			
	III.SHORT-TERM LIABILITIES (117+118+119+120+121+122)	116		12119124	5685847
42 excluding 427	1.Short-term financial liabilities	117		9844693	4498562
427	2.Liabilities related to assets held for sale and assets of discontinued operations	118			
43 and 44	3.Operating liabilities	119		2225134	689578
45 and 46	4.Other short-term liabilities	120		38304	392802
47, 48 excluding 481and 49 excluding 498	5.Liabilities for value added tax and other public revenues, accruals and deferred income	121		10993	104905
481	6.Profit tax liabilities	122			

-in thousands of dinars

Group of accounts, Account	ITEM	ADO	Note No.	Amount	
				Current Year	Previous Year
1	2	3	4	5	6
498	**C.DEFERRED TAX LIABILITIES**	123		408669	371659
	D.TOTAL LIABLITIES (101+111+123)	124		23292136	20838009
89	**E.OFF-BALANCE LIABILITIES**	125		19349934	10705965

In Becej April 16, 2014

Person responsible
for the preparation
of the financial statements

Signature

PLACE OF SEAL
SOJAPROTEIN
Joint Stock Company
Becej

Legal Representative

Sojaprotein
AKCIONARSKO DRUŠTVO
ZA PRERADU SOJE
BEČEJ 21

Signature

Form prescribed by the Regulations on Contents and Forms of Financial Statements for companies, cooperatives, other legal entities and entrepreneurs ("Official Gazette of the Republic of Serbia", No. 114/06, 5/07, 119/08, 2/10, 101/12, 118/12 and 3/2014).

Entered by: Legal entity - Entrepreneur		
08114072		100741587
Identification number	NACE code	TIN

Entered by Business Registers Agency

750								
123	19	20	21	22	23	24	25	26
Type of Business								

Name: Sojaprotein JSC

Registered Office: Becej, Industrijska 1

CASH FLOW STATEMENT

7005024336176 for the period from January 1, 2013 to December 31, 2013 -in thousands of dinars

ITEM	ADO	Amount	
		Current Year	Previous Year
1	2	3	4
A.CASH FLOWS FROM OPERATING ACTIVITIES			
I.Cash inflows from operating activities (1 to 3)	301	12634728	16277627
1.Sales and received advances	302	12421367	15787653
2.Interest received from operating activities	303	117646	311979
3.Other inflows from regular operating activities	304	95715	177995
II.Cash outflows from operating activities (1 to 5)	305	10023560	15161327
1.Cash paid to suppliers and advances paid	306	8769644	14365620
2.Salaries, fringe benefits and other personal expenses	307	580927	477120
3.Interest paid	308	579544	220695
4.Income taxes paid	309	70114	80048
5.Other public expenses paid	310	23331	17844
III.Net cash inflows from operating activities (I-II)	311	2611168	1116300
IV.Net cash outflows from operating activities (II-I)	312		
B.CASH FLOWS FROM INVESTMENT ACTIVITIES			
I.Cash inflows from investment activities (1 to 5)	313	1230	1202
1.Sale of shares and stakes (net inflows)	314		
2.Sale of intangible assets, property, plants, equipment and biological assets	315	1239	1202
3.Other financial investments (net inflows)	316		
4.Interest received from investment activities	317		
5.Dividends received	318		
II.Cash outflows from investment activities (1 to 3)	319	367499	2600893
1.Acquisition of shares and stakes (net outflows)	320		
2.Acquisition of intangible assets, preoperty, plants, equipment and biological assets	321	367499	850591
3.Other financial placements (net inflows)	322	0	1750302
III.Net cash inflows from investment activities (I-II)	323		
IV.Net cash outflows from investment activities (II-I)	324	366269	2599691

-in thousands of dinars

ITEM	ADO	Amount	
		Current Year	Previous Year
1	2	3	4
C.CASH FLOWS FROM FINANCING ACTIVITIES			
I.Cash inflows from financing activities (1 to 3)	325	0	1088564
1.Capital stock increase	326		
2.Long-term and short-term loans (net inflows)	327	0	1088564
3.Other long-term and short-term liabilities	328		
II.Cash outflows from financing activities (1 to 4)	329	2277605	717
1.Buy-up of treasury shares and stakes	330	669372	0
2.Long-term and short-term loans and other liabilities (net outflows)	331	1608165	0
3.Financial leasing	332	68	717
4.Dividends paid	333		
III.Net cash inlow from financing activities (I-II)	334	0	1087847
IV.Net cash outflow from financing activities (II-I)	335	2277605	0
D.TOTAL CASH INFLOWS (301+313+325)	336	12635958	17367393
E.TOTAL CASH OUTFLOWS (305+319+329)	337	12668664	17762937
F.NET CASH INFLOW (336-337)	338		
G.NET CASH OUTFLOW (337-336)	339	32706	395544
H.CASH AT THE BEGINNING OF ACCOUNTING PERIOD	340	128389	523815
I.FOREIGN CURRENCY TRANSLATION GAIN	341	1202	1355
J.FOREIGN CURRENCY TRANSLATION LOSS	342	802	1237
K.CASH AT THE END OF ACCOUNTING PERIOD (338-339+340+341-342)	343	96083	128389

In Becej April 16, 2014

Person responsible
for the preparation
of the financial statement

Signature

PLACE OF SEAL
SOJAPROTEIN
Joint Stock Company
Becej

Legal Representative

Sojaprotein
AKCIONARSKO DRUŠTVO
ZA PRERADU SOJE
BEČEJ 21

Signature

Form prescribed by the Regulations on Contents and Forms of Financial Statements for companies, cooperatives, other legal entities and entrepreneurs ("Official Gazette of the Republic of Serbia", No. 114/06, 5/07, 119/08, 2/10, 101/12, 118/12 and 3/2014).

Entered by: Legal entity - Entrepreneur

08114072		100741587
Identification number	NACE code	TIN

Entered by Business Registers Agency

750								
123	19	20	21	22	23	24	25	26

Type of Business

Name: Sojaprotein JSC

Registered Office: Becej, Industrijska 1

STATEMENT ON CHANGES IN EQUITY

7005024336190 for the period from January 1, 2013 to December 31, 2013 –in thousands of dinars

Ord. No.	DESCRIPTION	ADP	Capital stick (group 30 without 309)	ADP	Other capital (account 309)	ADP	Subscribed capital unpaid (group 31)	ADP	Issue premium (account 320)
	1		2		3		4		5
1	Balance as of January 1 of the previous year _______	401	6906480	414		427		440	875438
2	Adjustment of fundamental errors and change of accounting policies in the previous year – increase	402		415		428		441	
3	Adjustment of fundamental errors and change of accounting policies in the previous year – decrease	403		416		429		442	
4	**Adjusted opening balance as of Jannary 1 of the previous year __________ (Ord. No. 1+2-3)**	404	6906480	417		430		443	875438
5	Total increase in the previous year	405		418		431		444	
6	Total decrease in the previous year	406		419		432		445	
7	**Balance as of December 31 of the previous year ________ (Ord.No. 4+5-6)**	407	6906480	420		433		446	875438
8	Adjustment of fundamental errors and change of accounting policies in the current year – increase	408		421		434		447	
9	Adjustment of fundamental errors and change of accounting policies in the previous year – decrease	409		422		435		448	
10	**Adjusted opening balance as of Jannary 1 of the current year ___________ (Ord. No. 7+8-9)**	410	6906480	423		436		449	875438
11	Total increase in the current year	411		424		437		450	
12	Total decrease in the current year	412		425		438		451	288039
13	**Balance as of December 31 of the current year _______(Ord.No. 10+11-12)**	413	6906480	426		439		452	587399

-in thousands of dinars

Ord. No.	DESCRIPTION	ADP	Reserves (account 321, 322)	ADP	Revaluation reserves (acc. 330 and 331)	ADP	Unrealized gains on securities (acc. 332)	ADP	Unrealized losses on securities (acc. 333)
	1		6		7		8		9
1	Balance as of January 1 of the previous year _______	453	496150	466	1837936	479	571	492	
2	Adjustment of fundamental errors and change of accounting policies in the previous year – increase	454		467		480		493	
3	Adjustment of fundamental errors and change of accounting policies in the previous year – decrease	455		468		481		494	
4	**Adjusted opening balance as of Jannary 1 of the previous year __________ (Ord. No. 1+2-3)**	456	496150	469	1837936	482	571	495	
5	Total increase in the previous year	457	57172	470	750046	483	2629	496	23817
6	Total decrease in the previous year	458		471	228118	484	3200	497	
7	**Balance as of December 31 of the previous year ______ (Ord.No. 4+5-6)**	459	553322	472	2359864	485		498	23817
8	Adjustment of fundamental errors and change of accounting policies in the current year – increase	460		473		486		499	
9	Adjustment of fundamental errors and change of accounting policies in the previous year – decrease	461		474		487		500	
10	**Adjusted opening balance as of Jannary 1 of the current year ___________ (Ord. No. 7+8-9)**	462	553322	475	2359864	488		501	23817
11	Total increase in the current year	463	34591	476		489		502	
12	Total decrease in the current year	464		477	1508	490		503	415
13	**Balance as of December 31 of the current year ______ (Ord.No. 10+11-12)**	465	587913	478	2358356	491		504	23402

-in thousands of dinars

Ord. No.	DESCRIPTION	ADP	Retained profit (group 34)	ADP	Losses up to equity (group 35)	ADP	Bought-up treasury shares and stakes (acc. 037, 237)	ADP	Total (col.2+3+4+5+ 6+7+ 8+9+10-11-12)
	1		10		11		12		13
1	Balance as of January 1 of the previous year _______	505	1143440	518		531		544	11260015
2	Adjustment of fundamental errors and change of accounting policies in the previous year – increase	506		519		532		545	
3	Adjustment of fundamental errors and change of accounting policies in the previous year – decrease	507		520		533		546	
4	**Adjusted opening balance as of Jannary 1 of the previous year __________ (Ord. No. 1+2-3)**	508	1143440	521		534		547	11260015
5	Total increase in the previous year	509	1835256	522		535		548	2645103
6	Total decrease in the previous year	510	1200611	523		536		549	1455746
7	**Balance as of December 31 of the previous year ______ (Ord.No. 4+5-6)**	511	1778085	524		537		550	12449372
8	Adjustment of fundamental errors and change of accounting policies in the current year – increase	512		525		538		551	
9	Adjustment of fundamental errors and change of accounting policies in the previous year – decrease	513		526		539		552	
10	**Adjusted opening balance as of Jannary 1 of the current year ___________ (Ord. No. 7+8-9)**	514	1778085	527		540		553	12449372
11	Total increase in the current year	515	639	528	1151293	541	381333	554	35645
12	Total decrease in the current year	516	34591	529		542		555	1856764
13	**Balance as of December 31 of the current year ______ (Ord.No. 10+11-12)**	517	1744133	530	1151293	543	381333	556	10628253

-in thousands of dinars

Ord. No.	DESCRIPTION	ADP	Losses over equity (group 29)
	1		14
1	Balance as of January 1 of the previous year _______	557	
2	Adjustment of fundamental errors and change of accounting policies in the previous year – increase	558	
3	Adjustment of fundamental errors and change of accounting policies in the previous year – decrease	559	
4	**Adjusted opening balance as of Jannary 1 of the previous year __________ (Ord. No. 1+2-3)**	560	
5	Total increase in the previous year	561	
6	Total decrease in the previous year	562	
7	**Balance as of December 31 of the previous year ______ (Ord.No. 4+5-6)**	563	
8	Adjustment of fundamental errors and change of accounting policies in the current year – increase	564	
9	Adjustment of fundamental errors and change of accounting policies in the previous year – decrease	565	
10	**Adjusted opening balance as of Jannary 1 of the current year __________ (Ord. No. 7+8-9)**	566	
11	Total increase in the current year	567	
12	Total decrease in the current year	568	
13	**Balance as of December 31 of the current year ______ (Ord.No. 10+11-12)**	569	

In Becej April 16, 2014

Person responsible
for the preparation
of the financial statement

Signature

PLACE OF SEAL
SOJAPROTEIN
Joint Stock Company
Becej

Legal Representative

Sojaprotein
AKCIONARSKO DRUŠTVO
ZA PRERADU SOJE
BEČEJ 21

Signature

Form prescribed by the Regulations on Contents and Forms of Financial Statements for companies, cooperatives, other legal entities and entrepreneurs ("Official Gazette of the Republic of Serbia", No. 114/06, 5/07, 119/08, 2/10, 101/12, 118/12 and 3/2014).

Entered by: Legal entity - Entrepreneur		
08114072		100741587
Identification number	NACE code	TIN

Entered by Business Registers Agency

750								
123	19	20	21	22	23	24	25	26

Type of Business

Name: Sojaprotein JSC

Registered Office: Becej, Industrijska 1

STATISTICAL ANNEX

7005024336183

for the year 2013

I GENERAL DATA ON LEGAL ENTITY I.E. ENTREPRENEUR

ITEM	ADP	Current Year	Previous Year
1	2	3	4
1.Number of months in business operation (designation from 1 to 12)	601	12	12
2.Designation for size (designation from 1 to 4)	602	4	4
3.Designation of ownership (designation from 1 to 5)	603	2	2
4.Number of foreign (legal or natural) persons having share in the capital	604	240	274
5.Average number of employees at the end of each month (whole number)	605	416	408

II GROSS CHANGES IN INTANGIBLE INVESTMENTS AND PROPERTY, PLANTS, EQUIPMENT AND BIOLOGICAL ASSETS

-in thousands of dinars

Group of accounts, Account	ITEM	ADP	Gross	Value adjustment	Net (col. 4-5)
1	2	3	4	5	6
01	**1.Intangible assets**				
	1.1 Opening balance	606	34148	17711	16437
	1.2 Increase (procurement) during the year	607	11959	XXXXXXXXXXXX	11959
	1.3 Decrease during the year	608	10747	XXXXXXXXXXXX	14728
	1.4 Revaluation	609		XXXXXXXXXXXX	
	1.5 Closing balance (606+607-608+609)	610	35360	21692	13668
02	**2. Property, plants, equipment and biological assets**				
	2.1 Opening balance	611	8650273	3578	864
	2.2 Increase (procurement) during the year	612	5039369	XXXXXXXXXXXX	5039369
	2.3 Decrease during the year	613	4114468	XXXXXXXXXXXX	4459303
	2.4 Revaluation	614		XXXXXXXXXXXX	
	2.5 Closing balance (611+612-613+614)	615	9575174	348413	9226761

III STRUCTURE OF INVENTORIES -in thousands of dinars

Group of accounts, Account	ITEM	ADP	Current Yeat	Previous Year
1	2	3	4	5
10	1.Raw material inventories	616	2930890	3852710
11	2.Production in progress	617	31527	76025
12	3.Finished products	618	943068	422324
13	4.Goods	619	14669	125609
14	5.Permanent assets for sale	620		
15	6.Prepayments	621	76673	1055046
	7.TOTAL (616+617+618+619+620+621 = 013+014)	622	3996827	5531714

IV STRUCTURE OF THE CAPITAL STOCK -in thousands of dinars

Group of accounts, Account	ITEM	ADP	Current Yeat	Previous Year
1	2	3	4	5
300	1.Share capital	623	6906480	6906480
	Within it: foreign capital	624	253687	585975
301	2.Stakes of the limited liability company	625		
	Within it: foreign capital	626		
302	3.Stakes of partnersip and limited partnership members	627		
	Within it: foreign capital	628		
303	4.State capital	629		
304	5.Socially-owned capital	630		
305	6.Stakes of cooperatives	631		
309	7.Other capital	632		
30	TOTAL (623+625+627+629+630+631+632 = 102)	633	6906480	6906480

V STRUCTURE OF SHARE CAPITAL -number of shares in round number
-in thousands of dinars

Group of accounts, Account	ITEM	ADP	Current Yeat	Previous Year
1	2	3	4	5
	1.Ordinary shares			
	1.1 Number of ordinary shares	634	14895524	14895524
part of 300	1.2 Par value of ordinary shares - total	635	6906480	6906480
	2. Preference shares			
	2.1 Number of preference shares	636		
Part of 300	2. Par value of preference shares - total	637		
300	**3.TOTAL – par value of shares (635+637=623)**	638	6906480	6906480

VI RECEIVABLES AND LIABILITIES

-in thousands of dinars

Group of accounts, Account	ITEM	ADP	Current Yeat	Previous Year
1	2	3	4	5
20	1.Receivables from sale (closing balance 639 < = 016)	639	2254293	3845768
43	2.Liabilities from business operations (closing balance 640 < = 119)	640	2225134	689578
part of 228	3.Receivables for damage compensation from insurance companies during the year (debit transactions without opening balance)	641	6266	2086
27	4.VAT – previous tax (annual amount by tax returns)	642	1002036	1359171
43	5.Operating liabilities (credit transactions without opening balance)	643	23710328	18386563
450	6.Liabilities for net salaries and fringe benefits (credit transactions without opening balance)	644	313931	266915
451	7.Liabilities for taxes on salaries and fringe benefits charged to employees (credit transactions without opening balance)	645	41876	40233
452	8.Liabilities for contributions on salaries and fringe benefits charged to employees	646	80242	66013
461, 462 and 723	9.Liabilities for dividends, stakes in profit and personal earnings of employer (credit transactions without opening balance)	647		
465	10.Liabilities to natural persons for contracted fees (credit transactions without opening balance)	648	11430	3258
47	11.Liabilities for VAT (annual amount by tax returns)	649	736124	1438244
	12.Check sum (from 639 to 649)	650	30381660	26097829

VII OTHER COSTS AND EXPENSES -in thousands of dinars

Group of accounts, Account	ITEM	ADP	Current Yeat	Previous Year
1	2	3	4	5
513	1.Fuel and energy costs	651	680500	498327
520	2.Costs of salaries and fringe benefits (gross)	652	432437	373161
521	3.Costs of taxes and contributions on salaries and fringe benefits charged to employer	653	75345	66013
522, 523, 524 and 525	4.Costs of remunerations to natural persons (gross) according to contracts	654	16847	5079
526	5.Costs of remunerations to members of Managing Board and Supervisory Board (gross)	655	1999	1039
529	6.Other personal expenses and remunerations	656	47971	47401
53	7.Costs of production services	657	569739	395028
533, part of 540 and part of 525	8.Rental costs	658	64257	65855
part of 533, part of 540 and part of 525	9.Rental costs for land	659		
536, 537	10.Costs of research and development activities	660		
540	11.Depreciation costs	661	348976	206562
552	12.Insurance premium costs	662	32430	19602
553	13.Payment transaction costs	663	9967	24009

-in thousands of dinars

Group of accounts, Account	ITEM	ADP	Current Yeat	Previous Year
1	2	3	4	5
554	14.Membership fees	664	2117	2080
555	15.Tax costs	665	42617	23328
556	16.Contribution costs	666	4963	3044
562	17. Interest costs	667	264043	482387
part of 560, part of 561 and 562	18.Interest costs and part of financial expenses	668	264043	482387
part of 560, part of 561 and part of 562	19.Interest costs of loans from banks and other financial organizations	669	262776	347923
part of 579	20.Expenses for humanitarian, cultural, educational, scientific and religious purposes, for environment protection and sports purposes	670	671	947
	21.Check sum (from 651 to 670)	671	3121698	3044172

VIII OTHER REVENUES -in thousands of dinars

Group of accounts, Account	ITEM	ADP	Current Yeat	Previous Year
1	2	3	4	5
60	1.Revenues from the sale of merchandise	672	387694	1880299
640	2.Revenues from premiums, subsidies, donations, recourse, compensation and tax returns	673		
641	3.Revenues from donations under specified conditions	674	118	2335
part of 650	4.Revenues from rental of land	675		
651	5.Revenues from membership fees	676		
part of 660, part of 661, 662	6.Interest gains	677	314363	67993
part of 660, part of 661 and part of 662	7.Interest gains on accounts and deposits at banks and other financial organizations	678	16941	38478
part of 660, part of 661 and part of 669	8.Revenues from dividends and share in the profit	679		
	9.Check sum (from 672 to 679)	**680**	719116	1989105

IX OTHER DATA -in thousands of dinars

ITEM	ADP	Current Yeat	Previous Year
1	2	3	4
1.Liabilities for excise (according to annual excise duty calculation)	681		
2.Calculated customs and other import duties (total annual amount according to calculation)	682	1189	3232
3. Capital subsidies and other state grants for construction and procurement of fixed assets and intangible investments	683		
4. State allocations for premiums, recourse and the current operating costs	684		
5.Other state allocations	685		
6.Foreign donations and other non-repayable grants in cash or in kind from foreign legal entities and natural persons	686		
7. Personal earnings of entrepreneurs from net profit (filled in by entrepreneurs only)	687		
8.Check sum (from 681 to 687)	688	1189	3232

X DEFERRED NEGATIVE NET EFFECTS OF CONTRACTED FOREIGN CURRENCY CLAUSE AND EXCHANGE DIFFERENCES

-in thousands of dinars

ITEM	ADP	Current Yeat	Previous Year
1	2	3	4
1.Opening balance of deferred net effect of contracted foreign currency clause	689		
2.Deferred net effect off contracted foreign currency clause	690		
3.Proportional part of cancelled net effect of contracted foreign currency clause	691		
4.Remaining amount of net effect of contracted foreign currency clause (Ord.No. 1 + Ord.No 2-Ord.No.3)	692		
5. Opening balance of deferred net effect of exchange differences	693		
6.Deferred net effect of exchange diffferences	694		
7. Proportional part of cancelled net effect of exchange differences	695		
8.Remaining amount of net effect of exchange differences (Ord.No. 5+ Ord.No. 6 - Ord.No. 7)	696		

XI DEFERRED POSITIVE NET EFFECTS OF CONTRACTED FOREIGN CURRENCY CLAUSE AND EXCHANGE DIFFERENCES

-in thousands of dinars

ITEM	ADP	Current Yeat	Previous Year
1	2	3	4
1.Opening balance of deferred net effect of contracted foreign currency clause	697		
2.Deferred net effect off contracted foreign currency clause	698		
3.Proportional part of cancelled net effect of contracted foreign currency clause	699		
4.Remaining amount of net effect of contracted foreign currency clause (Ord.No. 1 + Ord.No 2-Ord.No.3)	700		
5. Opening balance of deferred net effect of exchange differences	701		
6.Deferred net effect of exchange diffferences	702		
7. Proportional part of cancelled net effect of exchange differences	703		
8.Remaining amount of net effect of exchange differences (Ord.No. 5+ Ord.No. 6 - Ord.No. 7)	704		

In Becej April 16, 2014

Person responsible for the preparation of the financial statements

PLACE OF SEAL
SOJAPROTEIN
Joint Stock Company
Becej

Legal Representative

A Zpaiatto

Signature

Sojaprotein
AKCIONARSKO DRUŠTVO
ZA PRERADU SOJE
BEČEJ 21

Signature

Form prescribed by the Regulations on Contents and Forms of Financial Statements for companies, cooperatives, other legal entities and entrepreneurs ("Official Gazette of the Republic of Serbia", No. 114/06, 5/07, 119/08, 2/10, 101/12, 118/12 and 3/2014).

SOJAPROTEIN JSC, Becej

NOTES
TO THE FINANCIAL STATEMENTS

December 31, 2013

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2013

1.BASIC INFORMATION ABOUT THE COMPANY

Sojaprotein JSC Becej (hereinafter referred to as "Company") is the major processor of soybean in Serbia and one of the most important soybean processors in Central and Eastern Europe. The Company was established in 1977 as the work organization for industrial processing of soybean in foundation, and its establishment was finalized in 1985.

In 1991, Management of the Company passed the decision on issuing internal shares to employees and thus performed the transformation into a joint stock company. In the course of 2000 and 2001, the Company had privatized the remaining socially owned capital by issuing free shares underwritten by employees and other natural persons in compliance with the provisions of the Law on Ownership Transformation from 1997.

The core business activity of the Company is processing of soybean for production of wide range of full-fat and defatted products such as flour, grits and textured forms, as well as soybean oil, soybean mean and soy lecithin. Additional segment of the Company's business activities is the provision of services in agricultural production, wholesale and retail trade and buy-up of agricultural products.

Registered office of the Company is located in Becej, N/N Industrijska zona. Identification number of the Company is 08114072. Taxpayer Identification Number (TIN) is 100741587.

As of the date of Financial Statement preparation, the Company had 416 employees (December 31, 2012 – 415 employees).

2.BASIS FOR PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS AND ACCOUNTING METHOD

2.1 Basis for Preparation and Presentation of Financial Statements

Legal entities and entrepreneurs in the Republic of Serbia are obliged to maintain their business books, to recognize and evaluate their assets and liabilities, income and expense, to prepare, present, deliver and disclose financial statements in compliance with the Law on Accounting (hereinafter referred to as „Law", published in the "Official Gazette of the Republic of Serbia", No. 62/2013). The company as a large legal entity is obliged to apply the International Financial Reporting Standards (IFRS) that in terms of the aforementioned Law include: the Framework for Preparation and presentation of Financial Statements (the "Framework"), International Accounting Standards („IAS"), International Financial Reporting Standards ("IFRS"), as well as related interpretations issued by International Financial Reporting Interpretations Committee ("IFRIC"), and additional amendments to IAS and corresponding interpretations, approved by the International Accounting Standards Board (the "Board"), which translation was adopted and published by the Ministry in charge for finance and which were in effect as of December 31, 2002.

The amendments to IAS as well as the new IFRS and corresponding interpretations issued by the Board and Committee in the period from December 31, 2002 to January 1, 2009 were officially adopted by the Decision of the Ministry of Finance of the Republic of Serbia ("Ministry") and published in the "Official Gazette of the Republic of Serbia" No. 77 from October 25, 2010.

However, until the date of preparation of the enclosed Financial Statements, not all the amendments to IAS/IFRS and IFRIC interpretations in effect for annual periods beginning as of January 1, 2009 have been translated. In addition, the enclosed Financial Statements are presented in format prescribed under the Rules on Contents and Form of the Chart of Accounts for companies, cooperatives and entrepreneurs (the "Official Gazette of the Republic of Serbia", No. 114/06, 5/07 – corrigendum, 119/08, 2/10, 101/12 and 118/12) integrating the legally defined complete set of financial statements which differs from the one defined under IAS 1 "Presentation of Financial Statements", and, in individual parts also deviates from the manner of certain balance items presentation prescribed thereunder.

Published standards and interpretations in effect in current period which have not yet been officially translated and adopted, as well as published standards and interpretations which have not yet been applied are disclosed in notes 2.2 and 2.3.

Furthermore, accounting regulations of the Republic deviate from IFRS in the following provisions:

- At the opinion of the Ministry, the employee's participation in the profit should be recorded as decrease of retained profit and not by charging results in the current period, as required by IAS 19 ("Employees Benefits")

The Company prepared these non-consolidated financial statements on the basis and in accordance with provisions of the laws and regulations of the Republic of Serbia whereby investments in subsidiaries in these financial statements were disclosed at the cost reduced by potential impairment. More detailed presentation of the Company's financial standing may be obtained by insight into the Consolidated Financial Statements which the Company is obliged to prepare and file to Business Registers Agency until April 30, 2013 at the latest, in accordance with the Law on Accounting and Audit.

The Financial Statements are prepared in accordance with the historical-cost principle unless otherwise stated in the accounting policies presented below.

2.BASIS FOR PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS AND THE ACCOUNTING METHOD (continued)

2.1 Basis for Preparation and Presentation of Financial Statements (continued)

When preparing the enclosed Financial Statements the Company applied accounting policies stated under the Note 3.

Financial Statements of the Company are presented in thousands of dinars. The dinar is the official reporting currency in the Republic of Serbia.

2.2 Published Standards and Interpretations in Effect for the Current Period which have not yet been Officially Translated and Adopted

As of the Financial Statement publishing date, the following standards and and amendments of standards have been issued by the International Accounting Standards Board and the following interpretations have been issued by the International Financial Reporting Interpretation Committee, but have not been officially adopted in the Republic of Serbia.

- Amendments to IFRS 7 "Financial Instruments: Disclosures" – amendments improving the disclosure of fair value and liquidity risk (revised in March 2009, effective for annual periods beginning on or after January 1, 2009);
- Amendments for IFRS 1 "First-Time Adoption of International Financial Reporting Standards" – additional exemptions for the First-time adopters of IFRS. These amendments are relate to assets in oil and gas industry and determine whether agreements contain leasing (revised in July 2009, effective for the annual periods beginning on or after January 1, 2010);
- Amendments to various standards and interpretations are result of Annual Quality Improvement of IFRS Project published on April 16, 2009 (IFRS 5, IFRS 8, IAS 1, IAS 7, IAS 17, IAS 36, IAS 39, IFRIC 16) primarily intended to remove inconsistencies and clarify wording in text (amendments will be applied for annual periods beginning on or after January 1, 2010 and amendment to IFRIC will be applied on or after July 1, 2009);
- Amendments to IAS 38 "Intangible assets" (effective for the annual periods beginning on or after July 1, 2009);
- Amendments to IFRS 2 "Share-based Payment": amendments resulting from Annual Quality Improvement of IFRS Project (revised in April 2009, effective for annual periods beginning on or after July 1, 2009) and amendments relating to group cash-settled share-based payment transactions (revised in June 2009, effective for the annual periods beginning on or after January 1, 2010);
- Amendments to IFRIC 9 "Reassesment of Embedded Derivatives" coming into force for annual periods beginning on or after July 1, 2009, and IAS 39 "Financial Instruments: Recognition and Measurement" – Embedded Derivatives (effective for the annual periods beginning on or after June 30, 2009);
- IFRIC 18 "Transfer of Assets from Customers" (effective for annual periods beginning on or after July 1, 2009)
- "Conceptual Framework for Financial Reporting in 2010" which represents amendment to the "Framework for the Preparation and Presentation of Financial Statements " (effective for transfer of assets from customers received on or after September 2010);
- Supplements to IFRS 1 "First-Time Adoption of International Financial Reporting Standards" – limited exemption from comparative disclosures prescribed under IFRS 7 for First-Time Adopters (effective for the annual periods beginning on or after July 1, 2010);
- Supplements to IFRS 24 "Related Parties Disclosure" – Simplified disclosure requirements for entities (significantly) controlled or under significant influence of the Government and clarification of related party definition (effective for the annual periods beginning on or after January 1, 2011);
- Supplements to IAS 32 "Financial Instruments: Presentation" - accounting procedure of issuers' preemptive rights to new shares (effective for annual periods beginning on or after February 1, 2010)

2.BASIS FOR PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS AND THE ACCOUNTING METHOD (continued)

2.2 Published Standards and Interpretations in Effect for the Current Period which have not yet been Officially Translated and Adopted (continued)

- Supplements to various standards and interpretations of "Improvements to IFRS (2010)" resulting from Annual Quality Improvement of IFRS Project published on May 6, 2010 (IFRS 1, IFRS 3, IFRS 7, IAS 1, IAS 27, IAS 34, IFRIC 13) primarily intended to remove inconsistencies and clarify wording in text (majority of supplements will be effective for the annual periods beginning on or after January 1, 2011);

- Supplements to IFRIC 14 "IAS 19 – The Limit on a Defined Benefit Asset , Minimum Funding Requirements and their Interaction " – Prepayments of Minimum Funding Requirements (effective for the annual periods beginning on or after January 1, 2011);

- IFRIC 19 "Extinguishing Financial Liabilities with Equity Instruments" (effective for the annual periods beginning on or after July 1, 2010);

- Supplements to IFRS 1 "First-time Adoption of International Financial Reporting Standards" – Major hyperinflation and elimination of fixed dates for persons doing the first-time adoption of IFRS (effective for the annual periods beginning on or after July 1, 2011);

- Supplements to IFRS 7 "Financial Instruments: Disclosures" - Transfer of financial assets (effective for the annual periods beginning on or after January 1, 2011);

- Supplements to IAS 12 "Profit Tax" – Deferred Tax: return of assets used for tax calculation (effective for the annual periods beginning on or after January 1, 2012);

- IFRS 10 "Consolidated Financial Statements" (in effect for the annual periods beginning on or after January 1, 2013);

- IFRS 11 "Joint Agreements" (in effect for the annual periods beginning on or after January 1, 2013);

- IFRS 12 "Disclosure of Interests in Other Entities" (in effect for the annual periods beginning on or after January 1, 2013);

- IFRS 13 "Fair Value Measurement" (effective for annual period beginning on or after January 1, 2013);

- IAS 27 (revised in 2011) "Separate Financial Reports" (effective for the annual periods beginning on or after January 1, 2013);

- IAS 28 (revised in 2011) "Investments in Associates and Joint Ventures" (effective for the annual periods beginning on or after January 1, 2013);

- Supplements to IRFS 1"First-Time Adoption of International Financial Reporting Standards" - Government Loans with a Below-Market Rate Interest (in effect for the annual periods beginning on or after January 1, 2013);

- Supplements to IFRS 7 "Financial Instruments: Disclosures" – Offsetting Financial Assets and Financial Liabilities (in effect for the annual periods beginning on or after January 1, 2013);

- Supplements to IFRS 10, IFRS 11 and IFRS 12 - "Consolidated Financial Statements", "Joint Agreements", "Disclosure of Interests in Other Entities", Interim Application Instructions (effective for the annual periods beginning on or after January 1, 2013);

- Supplements to IAS 1 "Presentation of Financial Statements" – Presentation of Items of Other Comprehensive Income (in effect for the annual periods beginning on or after July 1, 2012);

- Supplements to IAS 19 "Employee Benefits" – Post-Employment Benefit Accounting Consideration" (effective for annual period beginning on or after January 1, 2013).

- Annual Quality Improvements for the period from 2009 to 2011 issued in May 2012 related to various projects of IFRS improvements (IFRS 1, IAS 1, IAS 16, IAS 32, IAS 34) primarily intended to remove inconsistencies and clarify wording (in effect for the annual periods beginning on or after January 1, 2013);

- IFRIC 20 "Stripping Costs in Production Phase of a Surface Mine" (in effect for the annual periods beginning on or after January 1, 2013);

2.BASIS FOR PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS AND THE ACCOUNTING METHOD (continued)

2.3 Published Standards and Interpretations not yet in the Effect (continued)

As of these Financial Statements publishing date, the following standards, its amendments and interpretations have been published but not yet become effective:

- IFRS 9 "Financial Instruments" and suplements (date of entry into effect has not yet been determined);
- IFRS 14 "Regulatory Defferal Accounts" (in effect for the annual periods beginning on or after January 1, 2016);
- Supplements to IFRS 10, IFRS 12 and IAS 27 – Exemption from Consolidating a Subsidiary in accordance with IFRS 10 "Consolidated Financial Statements" (in effect for the annual periods beginning on or after January 1, 2014);
- Supplements to IAS 19 "Employee Benefits" – defined benefit plans: Contributions for employees (in effect for the annual periods beginning on or after July 1, 2014);
- Supplements to IAS 32 "Financial Instruments: Presentation"– offsetting financial assets and financial liabilities (in effect for the annual periods beginning on or after January 1, 2014);
- Supplements to IAS 36 – "Impairment of Assets" – disclosure of the recoverable amount of non-financial assets (in effect for the annual periods beginning on or after January 1, 2014);
- Supplements to IAS 39 "Financial Instruments" – Novation of derivetives and continuation of hedge accounting (in effect for the annual periods beginning on or after January 1, 2014);
- Annual Improvements for the period from 2010 to 2012 issued in December 2013 resulted from Annual Quality Improvement of IFRS Project (IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 24 and IAS 38) primarily intended to remove inconsistencies and clarify wording (in effect for the annual periods beginning on or after July 1, 2014);
- Annual Improvements for the period from 2011 to 2013 issued in December 2013 resulted from Annual Quality Improvement of IFRS Project (IFRS 1, IFRS 3, IFRS 13 and IAS 40) primarily intended to remove inconsistencies and clarify wording (in effect for the annual periods beginning on or after July 1, 2014);
- IFRIC 21 "Levies" (in effect for the annual periods beginning on or after January 1, 2014);

2.4 Going Concern Principle

In the course of 2013, the Company has realized an operating loss of 981.324 thousand dinars (operating loss in 2012: 1.889.184) and net loss of 1.151.293 thousand dinars (net loss in 2012: 689.000 thousand dinars).

As of December 31, 2013 total liabilities of the Company amounted to 12.255.214 thousand dinars (2012: 8.016.978 thousand dinars).

In the course of 2013, the Company has generated operating revenues in the amout of 11.399.407 thousand dinars which is for 24% less in comparison to operating revenues generated in 2012.

Results achieved in 2013 incurred mainly as a an effect of amended production structure whereas the production of soybean mean is amended with production of traditional soybean protein concentrates and due to vacuum in sales that incurred in the interim period, sales income decreased compared to the same period last year.

The Company's operations are based on the model adopted in the Victoria Group (hereinafter refer to as the "Group"), which involves financial support to the Company by the Parent Company and other members of the Group. As within the course of 2013 the Group failed to achieve the intended level of deleveraging with the aim of eliminating liquidity risk, the Strategy has been adopted according to which the Parent Company and five members as the largest holders of credit commitments (including the Company) joined the negotiations on restructuring the credit debt to the banks and signed the Agreement on standstill obligation, in effect until April 7, 2014 (note 42).
Management of the Company and the Group have adopted business plans based on restructuring financial obligations and implementation of positive operating results on basis of which the Company shall have opportunity to generate sufficient funds from its business operations so as to settle its liabilities up to maturity date.
In accordance with aforementioned plans and activities, the Management of the Company expects the Company to continue its operations in the foreseeable future. According to this, financial statements for the year of 2013 were prepared on a going concern basis.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Income and Expenses

Sales income is recognized when risks and benefits from ownership rights are transferred to the customer that is on the delivery date of products to the customer. Income from services rendered is recognized when the service is completed.

Income is presented at the fair value of an asset received or to be received, in the net amount after deduction of discounts granted and the value added tax.

Interest income and expenses are credited i.e. debited in the period they refer to.

Corresponding expenses are recorded on the same date as the respective income (the principle of casualty of income and expenses).

Maintenance and repair costs of fixed assets are covered from income of the accounting period they were incurred.

3.2 Translation of Assets and Liabilities Denominated in Foreign Currencies

Operating changes carried in foreign currencies were translated in dinars at the mean exchange rate determined in the Interbank Market and prevailing on the date of operating change.

Assets and liabilities carried in foreign currencies as of the Balance Sheet date were translated in dinars at the mean exchange rate determined in the Interbank Market and prevailing on that date.

Currency differential gains and losses resulting from operating transaction in foreign currencies and when translating the balance sheet items carried in foreign currencies were credited or debited in the Income Statement as currency differential gains and losses.

3.3 Borrowing Costs

Borrowing costs that may be allocated directly to acquisition, construction or production of qualified assets are included in the cost of the respective asset as incurred until the actual completion of all activities necessary for preparation of the asset for intended use or sale. The qualified assets are assets which require a significant time period to be ready for their intended use.

Investment income gained from temporary investment in loans are deducted from the accrued borrowing costs granted for financing of the qualified assets.

All the other borrowing costs are recognized in the profit and loss account in the period they were accrued.

3.4 Employee Benefits

a) Taxes and Contributions to the Employees Social Security Funds

In accordance with regulations applicable in the Republic of Serbia, the Company is obligated to pay taxes and contributions to tax authorities and state funds providing social security to employees. These liabilities include payment of taxes and contributions for employees charged to the employer that are calculated at legally prescribed rates. Furthermore, the Company is obligated to withhold contributions from employees' gross salaries and pay them to the funds, on behalf of its employees.Taxes and contributions charged to the employer and taxes and contributions charged to employees are debited as expenses of the period they were accrued.

3.SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.4 Employee Benefits (continued)

b) Liabilities Related to Severance Pays and Jubilee Awards

Pursuant to the provisions of the Labour Law, the Company is obligated to disburse severance pays to employees at the end of their employment for the purpose of retirement in the amount equal to three average salaries paid in the Republic of Serbia in compliance with the last data published by the corresponding government body in charge of the statistics. In addition, the Company is obligated to pay jubilee awards to employees depending on their continuous service period in the Company equal to an average salary achieved in the Company in a month preceding the month in which the jubilee award shall be paid.

3.5 Taxes and Contributions

3.5.1 Profit Tax

a) Current profit tax

Current profit tax represents the amount calculated by applying the prescribed 15% tax rate on the tax base determined in the tax balance, which represents the profit amount before tax after deduction of income and expenditures harmonization effects, in accordance with the tax regulations of the Republic of Serbia, subject to reductions required under the prescribed tax credits.

The Law on Profit Tax of the Republic of Serbia does not envisage a possibility of using any tax losses in the current period as the basis for recovery of taxes paid in previous periods. However, losses presented in tax balances up to the year of 2009 may be used for reduction of the tax base in future accounting periods in next ten years from the date of exercising right and losses presented in the tax balance for the year of 2010 and from that on, may be used for reduction of tax base in future accounting periods, but, however, not more than five years.

b) Deffered Profit Tax

Deferred profit tax is calculated by applying the balance sheet liability method for temporary differences resulting from the difference between a tax base in the balance sheet assets and liabilities and their book values. The currently enacted rates at the balance sheet date are applied for determination of the deferred profit tax. Deferred tax liabilities are recognized on all taxable temporary differences. Deferred tax assets are recognized on all deductible temporary differences and effects of losses carried forward and tax credits in the tax balance, which may be carried forward, to the extent of probable taxable profit available wherefrom the deferred tax assets shall be deducted.

Deferred tax is credited or debited in the Income Statement except when referred to an item directly credited or debited in capital when the deferred tax may also be classified in the capital.

3.5.2 Taxes and Contributions Not Depending On Results

Taxes and contributions not depending on results include property tax and other taxes and contributions which are paid in accordance with various Republic and municipal regulations. Other taxes and contributions are recognized as expenses of the period in which they were incurred.

3.SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.6 Property, Investment Assets, Plants and Equipment

Initial measurement of properties, plant and equipment meeting the requirements for the recognition of an asset is performed at its purchase value or its cost. Additional expenses for property, plant and equipment are recognized as assets only if they upgrade assets above their originally evaluated standard performance. All other subsequently incurred expenditures are recognized as expenses in the period they were incurred.

After initial recognition, property (land and buildings) are carried at revaluated amounts, i.e. their fair value on the revaluation date reduced by total accrued depreciation and total losses resulting from impairment.

Fair value of a property is its evaluated market value. Revaluation is made only when a fair value of the revaluated asset significantly differs from its carrying value.

After initial recognition, plant and equipment are recorded at its purchase price or cost decreased by total accrued depreciation and total losses resulting from impairment.

Gains and losses resulting from right of disposal or removal are recognized as income or expense in the Income Statement.

3.6.1 Depreciation

Depreciation of property, plant and equipment is calculated at the straight line method during the estimated useful life. The useful life and depreciation rates for the main groups of fixed assets are as follows:

Main Groups of Fixed Assets	2013-2012 (%)
Buildings	1.5 – 5 %
Production equipment	5 – 25 %
Field and passenger vehicles	10 – 20 %
Computers	20 – 33 %
Other equipment	1.5 – 50 %

Depreciation rates are revised annually in order to determine a depreciation rate which reflects the actual consumption of assets during operations based on their remaining useful life.

3.6.2 Investment Assets

Investment assets are the assets held by the Company, as the owner, for lease or increase of the equity value or both, but not to use it for service providing or administrative needs or for sale in the course of regular operations. Initial measurement of investment assets at the time of acquisition is made at the purchase price or cost. After initial recognition, investment assets are recorded at their revaluated amounts, i.e. their fair value on the revaluation date – assessment, reduced by the total accrued depreciation and total losses resulting from impairment.

3.7 Intangible Investments

Intangible investments refer to purchased software and trademark and they are recorded at purchase price reduced by depreciation. Intangible investments are written off at the straight line method within two to eight years.

3.SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.8 Long-Term Financial Investments

Long term financial investments include stakes in equity of related parties, commercial banks and other legal entities and they are recorded at purchase price reduced by impairment in accordance with their recoverable value estimated by the Management. In addition to aforementioned, long-term financial investments include long-term loans to agricultural producers. These loans are recorded at nominal value.

3.9 Impairment

On every balance sheet date, the Company reviews book amounts of its material assets to determine whether there are any indications of their impairment. If such indications exist, the recoverable amount of assets is estimated in order to determine possible losses resulting from impairment. If evaluation of the recoverable amount of an individual asset is impossible, the Company shall estimate the recoverable amount of the cash generating unit wherein the respective asset is classified.

Recoverable value represents a net selling price or value in use, whichever is higher. When estimating the value in use, estimated future cash flows are discounted to their present value by applying a discount rate before tax that reflects current market assessment of the time value of cash and the risks specific to the respective asset.

If the estimated recoverable value of the asset (or cash generating unit) is lower than its book value, the book value of that asset (or cash generating unit) shall be reduced to the recoverable value. Impairment losses are recognized directly as expenses, except in case of land or building not used as investment assets recorded at revaluated value, when the impairment loss is recorded as impairment resulting from the asset revaluation.

In case of subsequent reversal of impairment losses, the book value of the asset (cash generating unit) shall be increased to the extent of the revised estimated recoverable value of the asset, provided that the increased book value should not exceed book value determined in previous years when no impairment losses were recognized for the respective asset (cash generating unit). Reversal of the impairment losses are directly recognized as income, unless the relevant asset is recorded at its estimated value in which case the reversal of impairment losses are recorded as an increase caused by revaluation.

3.10 Lease

Lease is classified as financial lease in all cases when all risks and benefits resulting from ownership of the assets are transferred to maximum possible extent to the lessee. Any other lease is classified as operating lease.

<u>Company as Lessor</u>

Income from operating lease (rent) is recognized by applying the straight line method during the lease_term. Indirect costs inccrued during negotiations and contracting of the operating lease are added to the book value of the leased asset and recognized pro rata basis during the lease term.

<u>Company as Lessee</u>

Assets leased under the contracts on financial lease are initially recognized as Company assets at the present value of minimum lease installments determined at the beginning of the lease term. Respective liability to the Lessor is included in the Balance Sheet as a financial lease liability.

Payment of lease installments is allocated to financial costs and reduction of lease liabilities with the objective of achieving a constant installment rate of the outstanding liability. Financial costs are recognized immediately in the Income Statement, unless they may be directly ascribed to assets prepared for use, when they are capitalized in accordance with the general borrowing costs policy of the Company (Note 3.3).

3.SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.10 Lease (continued)

Company as Lessee (continued)

Installments based on operating lease are recognized as cost at the straight line basis during the lease term, unless there is some other systemic base which reflects better the time schedule of economic consumption benefits of a leased asset.

When lease reliefs are granted, they are included in an operating lease and recognized as a liability. Total relief benefits are recognized as reduction of lease costs at the straight line base, unless there is some other systemic base which reflects better the time schedule of economic consumption benefits of a leased asset.

3.11 Inventories

Inventories are recorded at cost or the net selling value, whichever is lower. Net expected selling value is the price at which inventories may be sold in the ordinary course of regular operations after reduction of the price for sale costs.

Value of inventory materials and spare parts on stock is determined at the average purchase cost method. The purchase cost includes the value invoiced by the supplier, transportation and dependent costs.

The value of the work in progress and finished goods includes all direct production costs, as well as the aliquot portion of the plant overhead costs.

Inventories held in the storehouse are recorded at purchase price and the inventories in the retail trade are recorded at their retail prices. At the end of the period, inventories are reduced to their purchase value by the allocation of the price difference, calculated on average base, between the purchase price of the goods sold and balance of inventories at the end of the year.

Adjustment of inventories is made by charging of other expenses when it is estimated that their value should be reduced to the expected net realizable selling value (including inventories with slow turnover, excess inventories and obsolete inventories). Damaged inventories and inventories whose quality does not correspond to standards are written-off.

3.12 Financial Instruments

Financial assets and financial liabilities are recorded in the Company's Balance Sheet from the moment the Company is tied to the instrument by contractual provisions. Acquisition or disposal of financial assets is recognized as accounted for on the settlement date, i.e. on the date the asset is delivered to the other party.

Financial assets cease to be recognized when the Company loses its control over the contracted rights on the instruments. This happens when the rights of exercising the instrument have been realized, expired, cancelled or assigned. Financial liabilities cease to be recognized when the anticipated contractual obligation is fulfilled, cancelled or expired.

a)Stakes in Equity

Stakes in equity of banks and other legal entities listed at the Stock Exchange are initially measured at their purchase value. Subsequent evaluation is made on each balance sheet date for adjustment of their value with the market value.

Long term financial investments which include stakes in equity of related legal entities, commercial banks and other legal entities not listed at the Stock Exchange are presented at the cost method reduced for impairment in accordance with the Management's estimates for their adjustment to their realizable value.

b)Trade Receivables, Short-Term Investments and Other Short-Term Receivables

Trade receivables, short term investments and other short term receivables are presented at their nominal value reduced by adjustments based on the Management's estimate of their collectability.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.12 Financial Instruments (continued)

c) Cash and Cash Equivalents

Cash and cash equivalents in the Company's Financial Statements include cash in hand and balances on current accounts and other cash assets available up to three months.

d)Financial Liabilities

Financial liability instruments are classified in accordance with the contractual provisions. Financial liabilities are recorded at their nominal value increased by the interest agreed under the contracts which corresponds to the effective interest rate.

e) Operating Liabilities

Trade payables and other operating liabilities are recorded at the estimated value of assets received.

3.13 Disclosures on Relations with Related Parties

For the purpose of these Financial Statements, legal entities are treated as related parties in case one of the legal entities is controlling the other or has significant influence on financial and operating decisions passed by the other party in accordance with IAS 24: "Related Party Disclosures".

In terms of the standards mentioned above, the Company treats legal entities as related parties wherein it has stakes in the equity of Victoria Group, i.e. related parties and legal entities having stake in the Company's equity.

The Company both provides services to related parties and uses their services. Relations between the Company and related parties are regulated by contract.

Related parties may enter transactions that the unrelated entities would not make and transactions with related parties may be executed under different terms and conditions and amounts as compared to the same transactions with unrelated parties.

Corporate service costs are corporate services provided by the Parent Company. Fee for the corporate services provided is determined at the level of operating expenses of the Parent Company reduced by provisions costs and increased by 5% margin. The margin is determined in accordance with the corporative analysis presented in the Transfer Price Study. Costs allocation principle of the Parent Company is determined either by direct or indirect allocation of costs, i.e. by costs assignment to actual services. Indirect costs allocation is made pro rata to participation of the Service User in the Group's income corrected by the amount of operating income of related legal entities not registered in the Republic of Serbia.

4.SUMMARY OF SIGNIFICANT ACCOUNTING ESTIMATES

Presentation of Financial Statements requires that the Company Management should make the best possible estimates and reasonable assumptions that affect the presented values of assets and liabilities as well as disclosures of contingent receivables and payables as of the date of the preparation of Financial Statements, and the income and expenses for the reporting period. These estimates and assumptions are based on information available as of the Financial Statements preparation date.

Key assumptions associated with the future and other sources of estimation of uncertainties as of the balance sheet date which represent significant risk for material correction of amounts presented in balance sheet items in the next financial year are given below.

4.SUMMARY OF SIGNIFICANT ACCOUNTING ESTIMATES (continued)

4.1 Depreciation and Depreciation Rates

Calculation of depreciation and depreciation rates are based on the projected economic useful life of equipment and intangible investments. The Company annually estimates the economic useful life based on the current estimates.

4.2 Provisions for Litigations

In general, provisions significantly depend on estimates. The Company estimates a probability of occurrence of unwanted events resulting from past events and evaluates the amount required for the settlement of liabilities. Although the Company observes the prudence principle when making an estimate, in certain cases the actual results may differ from these assessments due to a high degree of uncertainty.

4.3 Adjustment of Receivables and Short-Term Investments

The Company impairs doubtful trade receivables and receivables from other debtors on the basis of estimated losses that shall be incurred if the debtors fail to make payments. When estimating corresponding losses from impaired doubtful receivables, the Company relies on the age of receivables, previous experience with write-offs, the customer's financial standing and changes in the payment terms. This involves estimations of the future behavior of customers and the respective future collections. However, a significant portion of the Company's receivables relates to receivables from subsidiaries which are collectible in full current value, based on estimates and former experience.

4.4 Fair Value

Business policy of the Company is to disclose information on the fair value of assets and equity and liabilities available in the official market and even when the fair value significantly differs from the book value. In the Republic of Serbia, there is neither sufficient market experience nor stability and liquidity with respect to acquisition and sale of receivables and other financial assets and liabilities since official market information is not always available. Therefore, it is not possible to determine the fair value reliably in the absence of the active market. The Company Management estimates the risks and when it assesses that the value of assets presented in business book is not recoverable, makes corresponding adjustments. In the opinion of the Company Management, values presented in these Financial Statements reflect the value which, under the given circumstances, is the most plausible and the most useful for reporting purposes.

5.SALES INCOME

	In thousands of RSD	
	Year ending as of December 31, 2013	
	2013	**2012**
Income from goods sold:		
-Related parties (note 35)	76.586	1.769.240
-Other legal entities in the country	196.232	111.059
-Other foreign legal entities	114.876	-
	387.694	1.880.299
Income from products sold and services rendered:		
-Related parties (note 35)	909.396	2.183.473
-Other legal entities in the country	2.621.541	4.922.281
-Other foreign legal entities	6.738.710	
6.105.504		
	10.269.647	13.211.258
	10.657.341	15.091.557

6.OPERATING AND MARKET SEGMENTATION

Products and Services within the Business Segments

The Company is organized in five Business Segments for the management purposes. These segments are the base for the Company's reporting on its primary information on segments. Key products and services within each of these segments are as follows:

Income from Sales by Business Segments

	In thousands of dinars Year ended as of December 31 2013	 2012
Production sites:		
Crude oil	2.187.821	4.214.524
Meal	1.439.553	4.862.023
Other	6.599.144	3.929.387
Merchandise	387.694	1.880.299
Services	43.129	205.324
	10.657.341	15.091.557

Result by Business Segments

	In thousands of dinars Year ended as of December 31 2013	 2012
Production sites:		
Crude oil	168.565	55.080
Meal	(65.784)	34.279
Other	(1.100.129)	389.596
Merchandise	(69.445)	13.372
Services	(47.225)	73.663
Income/loss before taxation	(1.114.016)	765.990
Tax expenses of the period	-	(53.603)
Deferred tax expenses of the period	(37.227)	(23.387)
Net loss	(1.151.293)	(689.000)

6.OPERATING AND MARKET SEGMENTATION (continued)

Income from Goods and Products Sold and Services Rendered in Foreign Markets by Geographic Areas

	In thousands RSD	
	Year ending as of December 31	
	2013	**2012**
Bulgaria	827.290	1.568.578
Romania	248.981	209.196
Bosnia and Herzegovina	50.221	85.590
Poland	369.171	299.790
Czech Republic	108.506	58.130
Slovakia	57.348	42.134
Macedonia	64.985	63.641
France	440.851	206.439
Croatia	39.891	22.856
Italia	216.432	176.430
Germany	182.286	192.343
Moldavia	15.223	12.350
Hungary	83.900	138.439
Spain	260.768	151.469
Slovenia	312.763	781.781
Greece	511.115	157.456
Israel	72.297	41.729
Portugal	40.320	19.046
Austria	10.471	17.665
Switzerland	80.548	229.896
Russia	407.012	330.933
Turkey	0	131.217
The Netherlands	1.238.888	1.151.398
United Kingdom	205.294	136.930
Others	1.301.135	211.074
Total	7.145.697	6.436.510

7. INCOME FROM THE OWN USE OF PRODUCTS AND MERCHANDISE

Income from the own use of products mostly refers to activities carried out in the procedures of trial production and achieving product quality SPC that meet the demands of the market and therefore are capitalized costs of trial production soybean protein concentrates in the amount of 153.443 thousands of dinars.

8.OTHER OPERATING INCOME

	In thousand RSD	
	Year ending as of December 31	
	2013	**2012**
Subsidies, incentives and donations	118	2.335
Rents	57. 676	57.526
Other operating income	167	1.730
	57.961	61.591

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2013

9. COSTS OF MATERIALS

	In thousands RSD Year ending as of December 31 2013	2012
Materials consumed in production	9.071.439	9.168.474
Other materials	76.768	66.059
Electric power	188.379	157.220
Gas	236.581	130.126
Fuel and lubricants	17.171	14.829
Biomass	238.369	191.889
Other fuel and energy		4.253
	9.828.707	9.732.860

10.COST OF SALARIES, SALARY COMPENSATIONS AND OTHER BENEFITS

	In thousands RSD Year ending as of December 31 2013	2012
Gross salaries	432.437	373.488
Contributions charged to the employer	75.345	66.013
Costs of remunerations according to author’s contracts	16.886	4.752
Cost of remunerations to members of the Managing Board and Supervisory Board	1.999	1.039
Business trip allowances to employees	13.185	12.063
Transportation fares to employees	19.140	18.789
Scholarships	341	2.809
Severance pays and jubilee awards	9.631	6.678
Other benefits and allowances	5.635	7.062
	574.599	492.693

11.COSTS OF DEPRECIATION AND PROVISIONS

	In thousands RSD Year ending as of December 31 2013	2012
Depreciation	348.976	206.562
Long-term provisions	319.119	-
	668.095	206.562

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2013

12. OTHER OPERATING EXPENSES

	In thousands RSD Year ending as of December 31 2013	2012
Banking and Payment Transaction Services	9.967	24.009
Maintenance services	81.329	110.980
Laboratory Services	144.564	62.086
Transportation	210.320	166.778
Lease	64.257	65.856
Utility Services	34.457	28.665
Insurance premiums	32.430	19.602
Brokerage services	1.017	779
Lawyer and consulting services	3.123	203
Internet, telephone and PTT	10.954	8.575
Representation costs	14.634	22.195
Fairs and other events	8.969	9.479
Advertizing and promotion	6.044	2.538
Other production services	8.844	5.925
Indirect taxes and contributions	47.580	26.372
Corporate management	171.274	153.222
Other intangible costs	56.524	93.692
	906.287	800.956

13.FINANCIAL INCOME

	In thousands RSD Year ending as of December 31 2013	2012
Financial income – related parties	-	454
Currency differential gains	151.680	586.713
Currency clause effects	6.369	28.553
Interest income:		
- related parties (note 35)	308.131	67.933
- other legal entities in the country	23.173	38.290
Other financial income	1	3.384
	489.354	725.327

14.FINANCIAL EXPENSES

	In thousands RSD Year ending as of December 31 2013	2012
Currency differential losses	181.563	979.573
Interest costs	264.043	482.387
Currency clause effects	4.594	905
Other financial expenses	40.700	-
	490.900	1.462.865

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2013

15.OTHER INCOME

	In thousands RSD Year ending as of December 31 2013	2012
Gains from disposal of equipment and intangible investments, roperty, plant and equipment	1	1.040
Gains from disposal of raw materials	649	8.522
Surpluses	6.458	4.852
Indemnification by insurance companies	6.266	2.412
Gains from cancellation of long-term provisions	3.367	25.075
Income from reconciled property, plants and equipment based on estimates	18.794	295.728
Income from revaluation of receivables	153.818	13.541
Other income	12.783	8.419
	202.136	359.589

16.OTHER EXPENSES

	In thousands of RSD Year ending as of December 31 2013	2012
Losses on writing-offs and disposals of Intangible assets and property, plant and equipment	233	1.901
Losses on disposals of raw materials	570	7.843
Shortfalls	6.005	20.479
Writing-offs of receivables	429	21.970
Write-off of granted housing loans	342	1.499
Impairment of natural assets	-	2.242
Impairment of property, pland and equipment	-	142.702
Impairment of long-term financial investments	-	120
Impairment of material and merchandise	257.165	129.912
Impairment of receivables and short-term financial investments	24.229	405.884
Other expenses	44.309	10.693
	333.282	745.245

17.PROFIT TAX

a) Profit Tax Components

	December 31, 2013	In thousands of RSD December 31, 2012
Tax liabilities of the period	-	53.603
Deferred tax expenses/(revenues) of the period	37.277	23.387
	37.277	76.990

b) Reconciliation of Profit Tax in the Income Statement and the Product of Profit before Tax and the Prescribed Tax Rate

In thousands of RSD

	December 31, 2013	December 31, 2012
Profit/loss before taxation	(1.114.016)	765.990
Profit tax at 10% tax rate		76.599
Tax effects of expenses not recognized in tax balance		30.607
Tax credit based on investments made in fixed assets realized in the current year		(53.603)
Total tax liabilities of the period		53.603
Deferred tax liabilities of the period	37.277	23.387
		76.990
Effective tax rate	0	10.05%

17.PROFIT TAX (continued)

c) Deferred Tax Liabilities

As of December 31, 2012 the deferred tax liabilities amounted to 408.669 thousands of dinars and related to the temporary difference at which the property, plant, equipment and intangible investments were recognized in the tax balance and the amounts at which these assets were presented in the Financial Statements.

Movements on the Deferred Tax Liabilities Account in 2013 are presented in the table below (in thousands of RSD).

	2013	2012
Balance as of January 1	371.659	135.636
Cancellation of deferred tax liabilities against revaluation reserves based on disposal of the equipment	(267)	212.636
Deferred tax expenses/(revenues) of the period	37.277	23.387
Balance as of December 31	408.669	371.659

d)Used, Unused and Unrecognized Tax Credits

In thousands of RSD

Year of Commencement	Year of Expiry	Tax Credit Carried Forward	Used Tax Credit	Tax Credit Balance Carried Forward
2003	2013	10.832	10.832	
2004	2014	14.048	14.048	
2005	2015	19.046	4.763	
2006	2016	21.860	-	
2007	2017	37.203	-	
2008	2018	24.594	-	
2009	2019	29.815	-	
2010	2020	86.268	43.134	
2011	2021	492.925	62.394	
2012	2022	136.391	53.603	
2013		123.492	61	
		996.474	188.835	807.639

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2013

18. EARNINGS PER SHARE

	In thousands of RSD Year ending as of December 31	
	2013	**2012**
Net profit	0	689.000
Average weighted number of shares	0	14.895.524
Base / (diluted) earnings per share (in dinars)	0	46.26

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2013

19.PROPERTY, PLANT AND EQUIPMENT, BIOLOGICAL ASSETS, INVESTMENT ASSETS AND INTANGIBLE INVESTMENTS

	Land	Building facilities	Equipment	Fixed assets under construction	Prepayments for fixed assets	Total	Biological assets	Investment property	Intangible assets
Cost value									
Balance as of January 1, 2013	246.737	2.375.158	1.929.392	3.148.405	355.539	8.055.231	6.343	588.699	34.149
Acquisitions in the course of the year	-	-	2.620	679.757	-	682.377	-	-	-
Interest capitalized	-	-		-	-	-	-	-	-
Transfers from fixed assets under conruction	-	471.631	2.730.363	(3.208.080)	-	(86)	86	-	11.958
Prepayments for fixed assets	-	-	-	-	870.548	870.548	-	-	-
Closing of prepayments for fixed assets	-	-	-	-	(626.307)	(626.307)	-	-	-
Transfers to investment property	-	158.311	-	-	-	158.311	-	(158.311)	-
Expenses	-	-	(725)	-	-	(725)	-	(14)	-
Disposal	-	-	(980)	-	-	(980)	-	-	-
Other transfers	-	-	153.443	(153.443)	-	-	-	-	(10.747)
Estimate effects - net	-	-	-	-	-	-	-	-	-
Equation to present value after evaluation	-	-	-	-	-	-	-	-	-
Balance as of December 31, 2013	246.737	3.011.100	4.814.113	466.639	599.780	9.138.369	6.429	430.374	35.360
Adjustments									
Balance as of January 1, 2013	-	-	-	-	-	-	3.578	-	17.712
Depreciation	-	83.774	260.925	-	-	344.703	292	-	3.981
Transfers to investment property	-	-	-	-	-	-	-	-	-
Expenses	-	-	(139)	-	-	(139)	-	-	-
Disposal	-	-	(22)	-	-	(22)	-	-	-
Equation to present value after evaluation	-	-	-	-	-	-	-	-	-
Balance as of December 31, 2013	-	83.774	260.768	-	-	344.542	3.870	-	21.693
Present value as of:									
December 31, 2013	246.737	2.927.326	4.553.345	466.639	599.780	8.793.827			
January 1, 2013	246.737	2.375.158	1.929.392	3.148.405	355.539	8.055.231	2.765	588.699	16.437

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2013

19. PROPERTY, PLANT AND EQUIPMENT, BIOLOGICAL ASSETS, INVESTMENT ASSETS AND INTANGIBLE INVESTMENTS (continued)

As of December 31, 2013 the fixed assets in preparation process were presented in the total amount of 466.639 thousands of dinars and they mainly relate to the investments in facilities and equipment for the Concentrates Plant of annual capacity of 70,000 tons. Estimated investment value of the Concentrates Plant is 26.2 million EUR.

As of December 31, 2012, land, buildings and the equipment of the Company were assessed by the independent appraisers in accordance with IAS. In 2013, the Company increased the value of SPC company on the basis of capitalization of costs of trial production.

20.STAKES IN EQUITY

		In thousands of RSD	
	Proportion in %	**December 31, 2013**	**December 31, 2012**
Stakes in equity of Subsidiaries			
ZAO Vobex - Intersoy, Russia	85.00%	1.112	1.112
Veterinary Institute Subotica JSC	31.39%	783.617	783.617
Stakes in Equity of Related Parties			
”Bela Ladja” Hotel JSC , Becej	31.81%	43.438	43.438
Stakes in equity of banks		-	-
Novi Sad Fair JSC , Novi Sad		1.596	1.181
Stakes in equity of Atomic Spa “Trepca“	9.4958%	119.956	
Stakes in equity of other legal entities		1.831	1.831
		123.383	3.012
		951.551	831.179

By converting receivables of Bonide Vladimirci, the Company aquired a stakes in equity of the Natural health resort Atomic spa LLC Gornja Trepca in the percentage of 9.4958%.

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2013

21.INVENTORIES

	In thousands of RSD Year ending as of December 31 2013	2012
Material	2.865.694	3.803.535
Spare parts	148.934	24.623
Tools and accessories	49.575	46.068
Finished products	943.068	422.324
Work in progress	31.527	76.025
Prepayments made	76.673	1.055.046
Goods	14.669	125.609
	4.130.140	5.553.230
Minus: Adjustments of materials on stock	(133.312)	(21.516)
	3.996.828	5.531.714

22. RECEIVABLES

	In thousands of RSD Year ending as of December 31 2013	2012
Trade receivables:		
- Related parties (note 35)	658.568	1.745.496
- Domestic	709.752	1.437.484
- Foreign	1.130.952	1.039.210
Receivables from specific deals	52.738	59.335
Receivables from interest:		
- Related parties (note 35)	209.630	3.169
- Other	6.232	15.150
Receivables from state bodies and organizations	0	32
Prepaid other taxes and contributions	57	4
Other receivables	250.435	24.445
	3.018.364	4.324.325
Adjustments of trade receivables:		
-Receivables from domestic and foreign customers	(244.979)	(376.421)
-Receivables from specific deals	(52.739)	(56.242)
-Other receivables	(14.118)	14.118
	(311.836)	(446.781)
	2.706.528	3.877.544

23. SHORT-TERM FINANCIAL INVESTMENTS

	In thousands of RSD Year ending as of December 31 2013	2012
Short term loans to related parties:		
- Victoria Group LSC, Belgrade	1.011.814	1.474.862
- Victoria Logistic JSC, Novi Sad	4.598.360	
Short-term loans in the country	99.799	166.416
Loans for winter provisions	10.882	11.613
Portion of housing credits granted to employees due within a year	168	732
Term cash deposits	345.168	229.133
Adjustments of short term financial investments	(50.900)	(97.795)
	6.015.291	1.784.961

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2013

As of December 31, 2013, short-term loans in the amount of 1.011.814 thoudsnds of dinars were granted to Victoria Group JSC, Belgrade, as a related party, on the basis of several loan agreements concluded during 2013 for ensuring current liquidity (repayment period up to June 30, 2014).

Loan was granted to related party Victoria Logistics Novi Sad for ensuring current liquidity (repayment period up to December 31, 2014).

As of December 31, 2013 term cash deposits amounted 345.168 thousand dinars, deposited at UniCredit and EFG Bank (up to January 8, 2014).

24. CASH AND CASH EQUIVALENTS

	In thousands of RSD	
	Year ending as of December 31	
	2013	2012
Current account		
- In dinars (RSD)	3.373	22.342
- In foreign currencies	88.080	102.773
Cash allocated for payments and open letters of credit	4.630	19
Other cash	-	3.255
	96.083	128.389

25. VALUE ADDED TAX AND PREPAYMENTS AND ACCRUED INCOME

	In thousands of RSD	
	December 31 2013	December 31 2012
Prepayment of costs up to one year	20.047	12.075
VAT paid in advance	134.038	-
Deferred VAT	6.765	3.487
Other prepayments and accrued income	50.144	751
	210.994	16.313

26. CAPITAL STOCK

Issue of 10th shares issue based on distribution of retained profit in capital stock was made in accordance with the Decision of the Company's Assembly dated June 30, 2011 and Decision No. 4/0-24-2926/5-11 dated July 14, 2011 of the Securities Committee. 5.050.680 shares with voting rights, no par value and individual book value equal to 463.661404 dinars were issued in total value of 2.341.806 thousand dinars. The shares of 10th issue were entered in the database of the Central Securities Depository and Clearing House on August 9, 2011.

Capital stock of the Company amounts to 6.906.480 thousand dinars after its increase as mentioned above and it is divided in 14.895.524 shares with no par value.

As of December 31, 2013 and December 31, 2012, respectively, the structure of the Company share capital was as follows:

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2013

In thousands of dinars

Stakeholders	December 31, 2013 Stakes in %	Number of shares	Value of capital	December 31, 2012 Stakes in %	Number of shares	Value of capital
Victoria Group LLC, Belgrade	50.94	7.587.503	3.518.021	50.94%	7. 587.503	3.518.032
Mitrovic Zoran	6.07	904.675	419.462	6.07%	904.675	419.463
Babovic Milija	6.02	897.835	416.290	6.02%	897.835	416.291
Raiffeisen Bank JSC – Custody account	5.89	876.626	406.456	5.89%	876.626	406.458
Raiffeisenbank JSC Belgrade – Custody account	10.69	1.593.242	738.722	2.77%	413.325	191.643
Raiffeisenbank JSC Belgrade – Custody account	0.52	76.933	35.671	1.62%	241.082	111.780
Societe Generale Bank Serbia – Custody account	-	-	-	1.50%	223.859	103.795
Gustaviadavegardh Fonder Aktie	-	-	-	1.13%	168.137	77.959
UniCredit Bank Serba JSC	0.28	41.946	19.449	1.10%	163.135	75.639
Polunin Discovery Funds	0.57	85.500	36.643	0.57%	85.500	39.643
The Royal Bank	0.27	40.389	18.727	-	-	-
Erste Bank JSC, Novi Sad				-	-	-
Gustavus Cap. Asset Mngt.				-	-	-
Hypo Alpe Adria Bank JSC, Belgrade				-	-	-
DDOR A.D.O., Novi Sad				-	-	-
NLB Bank JSC, Belgrade				-	-	-
Other legal entities and and natural persons	18.75	2.790.875	1.294.039	22.39	3.333.847	1.545.777
		14.895.524	6.906.480	100%	14.895.524	6.906.480
Acquired shares		845.907	-		23.466	-
Share capital	100%	14.049.617	6.906.480	100%	14.872.058	6.906.480

26. CAPITAL STOCK (continued)

In the previous period, the Company had aquired 23.466 own shares. The Company had purchased 822.441 own shares from dissenting shareholders.

27. MANDATORY RESERVES

As of December 31, 2012 mandatory reserves of the Company amounting to 339.645 thousand dinars represent allocations from the retained profit in accordance with the Company Law whereby the Company is obligated to allocate minimum 5% of net profit to the Mandatory Reserves Account in a fiscal year, until they are equal to 10% of the Company's original capital.

28. STATUTORY RESERVES

As of December 31, 2012 statutory reserves of the Company amounted to 248,267 thousand dinars. The Company allocates funds for these reserves in compliance with the Statute at the time of net profit distribution of the fiscal year. The statutory reserve is freely available to the Company and the existing internal enactments do not specifically define their purpose.

29. LONG-TERM PROVISIONS

In thousand RSD
Year ending as of December 31

	2013	2012
Provisions for severance payments	14.301	15.642
Provisions for jubilee awards	7.147	9.173
Other long-term provisions	114.642	-
	136.090	24.815

The amount od 114.642 thousand dinars refers to judicial settlement of PIK "Becej" and it represents liability in the amount of 1.000.000 EUR.

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2013

Assumptions used by the Actuary's estimates were as follows:

	2013	2012
Nominal discount rate	5.50%	7.11%
Expected nominal rate of salary growth	3.50%	6.20%

Movement in long-term provisions in 2013 and 2012 (regarding severance pay and jubilee awards) were as follows:

In thousands of dinars

	2013	2012
Balance as of January	24.815	49.890
Provisions in the course of the year		-
Cancellation of provisions in the course of the year	(3.367)	(25.075)
Balance as of December 31	21.448	24.815

30. LONG-TERM LOANS

In thousands of dinars

	Amount in Euros	December 31 2013	December 31 2012
Long-term loans - domestic			
UniCredit Bank Srbija JSC, Belgrade	15.965.430	-	1.815.562
Eurobank EFG JSC Belgrade	1.600.000	-	181.949
Societe Generale Bank JSC, Belgrade, Serbia	5.000.000	-	1.250.901
Banca Intesa JSC, Belgrade	3.000.000	-	341.155
Banca Intesa JSC, Belgrade	1.166.667	-	132.672
Banca Intesa JSC, Belgrade	1.333.333	-	151.624
Eurobank EFG JSC Belgrade	-	-	400.000
Eurobank EFG JSC Belgrade	1.600.000	-	
UniCredit Bank JSC, Belgrade, Serbia	60.000.000		
		-	4.273.863
Long-term loans – abroad			
Vojvodjanska Banka JSC, Novi Sad	10.756.277	-	1.223.185
European Bank for Reconstruction and Development	1.000.000	-	113.718
European Bank for Reconstruction and Development	1.785.714	-	284.296
IFC	5.600.000	-	
Erste bank	3.718.000	-	
		-	1.621.199
Current maturity		(8.723.079)	(3.588.746)
		(8.723.079)	2.306.316

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2013

30.LONG-TERM LOANS (continued)

Maturity of long-term loans is presented in table below:

	In thousands of dinars December 31, 2013	December 31, 2012
- Up to 1 year	8.723.079	3.588.746
- From 1 to 2 years	-	597.746
- From 2 to 3 years	-	999.064
- From 3 to 4 years	-	422.836
- From 4 to 5 years	-	286.670
- Over 5 years	-	-
	8.723.079	5.895.062

31.SHORT-TERM FINANCIAL LIABILITIES

	In thousands of dinars December 31, 2013	December 31 2012
Current maturities:		
- long-term loans	8.723.079	3.588.746
- other long-term liabilities	-	68
Short-term loans - domestic	917.137	909.747
Other	204.477	1
	9.844.693	4.498.562

The amount od 204.477 thousand dinars refers to judicial settlement from March 7 2014 according to which Sojaprotein JSC has the liability towards PIK "Becej" in the amount of 2.000.000 EUR (cash portion). In compliance with this judicial settlement Sojaprotein JSC is obliged to transfer shares of the Hotel "Bela Ladja" free of encumbrances, which makes 31.83% of total shares.

Current maturities:

	Amount in Euros	In thousands of dinars December 31 2013	December 31 2012
Long-term loans - domestic			
Societe Generale Bank JSC, Belgrade, Serbia	5.000.000	573.211	-
Eurobank EFG JSC Belgrade	805.181,52	92.307	-
Eurobank EFG JSC Belgrade	369.230	42.329	-
UniCredit Bank JSC, Belgrade, Serbia	58.811.538,40	6.742.278	-
		7.450.125	-
Long-term loans – abroad			
European Bank for Reconstruction and Development	1.785.714	204.719	-
IFC	5.600.000	641.996	-
Erste bank	3.718.000	426.239	-
		1.272.954	-
Current maturity		8.723.079	

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2013

As of December 31, 2013, the liabilities based on short-term loans amounted 9.640.216 thousands dinars, whereas majority, the amount of 8.723.079 thousand dinars, referred to long-term loan maturities. Based on preliminary financial statements for the year of 2013, it was ascertained that the Company will not be able to meet certain financial and non-financial performance indicators defined in long-term loan contracts, based on which all the liabilities under these loans are considered to be due on December 31, 2013.

As of of December 31, 2013 the Company failed to meet the following financial and non-financial performance indicators that are defined by contracts of long-term loans:

Financial and non-financial performance indicators

Creditor	Performance indicator	Contract indicator	Balance as of December 31, 2013
European Bank	EBIT/Interest costs	no less than 3	-2.22
European Bank	debt/EBIT	always must be less than 3.5	-20.68

Contracts on long-term loans define performance indicators at the level of consolitaed financial statements of the Group and therefore will be disclosed in the consolidated financial statements of the Parent Company “Victoria Group“, Belgrade.

The Company has signed the agreement on standstill obligations with creditor banks (note 42).

31.SHORT-TERM FINANCIAL LIABILITIES (continued)
Short-term Loans – Domestic

Creditor:	**Maturity**	**Amount in EUR**	**In thousands of dinars December 31, 2013**
Credit Agricole Srbija JSC,Novi Sad	August 19, 2014	5.000.000	573.210
Societe Generale Bank Serbia, JSC, Belgrade	October 2, 2014	3.000.000	343.926
			917.136

Short-term loans – domestic, were granted for financing non-current working capital at interest rate equal to one-month EURIBOR increase by the percentage point ranging from 3.90% to 4.30% per year.

Pledge on finished products and raw materials, liens and blank promissory notes are surety instruments for these loans.

32.OPERATING LIABILITIES

	December 31, 2013	**In thousands of dinars December 31 2012**
Liabilities based on received prepayments	16.250	26.376
Trade payables:		
- Parent and subsidiaries (note 35)	-	29.453
- Other related parties (note 35)	1.755.367	245.484
- Domestic suppliers	363.568	286.109
- Foreign suppliers	36.301	46.174
- Other operating liabilities	53.648	55.982
	2.225.134	689.578

33.OTHER SHORT-TERM LIABILITIES

	December 31, 2013	**In thousands of dinars December 31 2012**
Net salaries and salary compensations	-	12.610
Taxes and contributions on salaries	-	7.857
Interest on refinanced loans from the Paris Club of creditors	-	346.855
Other Interest and financing costs	-	21.895
Dividends	-	3.017

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2013

Fees to natural persons engaged under contract	350	188
Refundable net salaries	-	217
Taxes and contributions on refundable salaries	-	81
Benefits to members of Managing Board and Supervisory Board	-	30
Other liabilities		52
	38.304	392.802

34. LIABILITIES FOR VALUE ADDED TAX AND OTHER PUBLIC DUTIES, ACCRUALS AND DEFERRED INCOME

		In thousands of dinars
	December 31, 2013	**December 31 2012**
Liabilities for VAT	-	85.072
Liabilities for taxes, customs and other duties	334	119
Deferred income	9.248	256
Deferred VAT	1.411	4.181
Other accruals and deferred income	-	15.277
	10.993	104.905

35.DEFERRED TAX LIABILITIES

Deferred tax liabilities	408.669

36. OFF-BALANCE ASSETS/LIABILITIES

		In thousands of dinars
	December 31, 2013	**December 31 2012**
Assets of other entities	482.385	117.236
Finished products in processing	-	6.423
Sureties and guarantees		
-related parties and other egal entities	18.867.548	10.582.306
	-	-
	19.349.933	10.705.965

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2013

37.TRANSACTIONS WITH RELATED PARTIES

a)Income and Expenses from Transactions with Related Parties are presented in the table below:

		In thousands of dinars
	2013	**2012**
Income		
Sales (note 5)		
Victoriaoil JSC, Sid	29.097	1.772.562
Victoria Group JSC, Belgrade	20	888
Fertil LLC, Backa Palanka	514	9.439
Victoria Logistic LLC, Novi Sad	210.855	1.269.122
SP Laboratory JSC, Becej	12.141	12.192
Veterinary Institute Subotica, JSC Subotica	326.308	557.481
Port Backa Palanka JSC, Backa Palanka	8	8
Victoria Phosphate JSC, Bosilegrad	-	-
Vobex	406.987	331.006
Victoria Starch LLC, Zrenjanin	52	15
	985.982	3.952.713
Other Operating Income		
Victoria Logistic LLC, Novi Sad	51.887	51.509
Port Backa Palanka JSC, Backa Palanka	120	120
Victoria Group JSC, Belgrade	40	-
SP Laboratorija a.d., Becej	-	7
Veterinary Institute Subotica, JSC Subotica	806	2.735
Victoriaoil JSC, Sid	-	28
	52.853	54.392
Financial Income (note 12)		
Victoria Group JSC, Belgrade	169.622	65.448
Victoriaoil JSC, Sid	3.960	13
Victoria Logistic LLC, Novi Sad	109.313	205
Sinteza Invest Group, Belgrade	251	2.721
Veterinary Institute Subotica, JSC Subotica	24.985	-
	308.131	68.387
Other Income		
Victoria Group JSC, Belgrade	8	-
Victoria Logistic LLC, Novi Sad	313	-
Victoriaoil JSC, Sid	141	-
	462	-
Total income	1.347.428	3.744.486

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2013

37.TRANSACTIONS WITH RELATED PARTIES (continued)

a)Income and Expenses from Transactions with Related Parties are presented in the table below (continued)

		In thousands of dinars
	2013	**2012**
Expenses		
Cost of goods sold		
Victoriaoil JSC, Sid	90.767	229.774
Veterinary Institute Subotica, JSC Subotica	-	256
Victoria Logistic LLC, Novi Sad	59.786	1.545.458
Material costs		
Victoriaoil JSC, Sid	7.133	184.604
Victoria Logistic LLC, Novi Sad	5.909.799	6.625.934
Victoria Starch, Zrenjanin	1.459	989
Veterinary Institute Subotica JSC, Subotica	715	9.156
Fertil LLC, Backa Palanka	1.158	
	5.920.264	6.820.683
Other Operating Expenses		
SP Laboratory JSC, Novi Sad	144.500	66.287
Victoria Group JSC, Belgrade	184.922	162.121
Victoria Logistic LLC, Novi Sad	50.245	70.731
Veterinary Institute Subotica JSC, Subotica	6.220	-
Sinteza Invest Group, JSC Belgrade	471	-
“Bela Ladja” Hotel, Becej	56	58
Port Backa Palanka JSC, Backa Palanka	3.616	-
Vitoria Starch LLC, Zrenjanin	3.233	-
Victoriaoil JSC, Sid	908	16.587
	394.171	315.784
Financial expenses		
Victoria Logistic LLC, Novi Sad	26	-
Other Expenses		
Victoria Logistic LLC, Novi Sad	129.698	205
Veterinary Institute Subotica, JSC Subotica	143	449
	129.841	654
Total expenses	6.594.855	8.912.609
Net expenses	(5.247.427)	(5.168.123)

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2013

37.TRANSACTIONS WITH RELATED PARTIES (continued)
b) Receivable and liability balances from transactions with related legal entities are presented in table below:

		In thousands of dinars
	2013	**2012**
Prepayments made		
Victoria Logistic LLC, Novi Sad	-	939.790
Receivables		
Trade receivables		
Victoriaoil JSC, Sid	-	633.656
Vobex Moscow	88.640	
Victoria Logistic LLC, Novi Sad	79.218	436.845
Veterinary Institute Subotica, JSC Subotica	579.350	674.995
Receivables from interest		
Victoria Group JSC, Belgrade	71.495	-
Sinteza Invest Group JSC, Belgrade	1.944	3.156
Veterinary Institute Subotica, JSC Subotica	24.985	-
Victoria Logistic LLC, Novi Sad	109.313	-
Victoriaoil JSC, Sid	1.893	13
	209.630	3.169
Specific receivables		
Victoria Group JSC, Belgrade	235.381	
Short-term financial investments		
Victoria Group JSC, Belgrade	1.011.814	1.475.862
Victoria Logistic LLC, Novi Sad	4.598.360	-
Sinteza Invest Group JSC, Belgrade	-	26.100
	5.610.174	1.501.962
Total receivables	6.798.393	4.190.417
Liabilities		
Trade payables		
Victoria Group JSC, Belgrade		29.453
SP Laboratory JSC, Becej	125.467	40.299
Victoria Logistic LLC, Novi Sad	1.548.082	204.683
Port Backa Palanka	898	
Victoriaoil JSC, Sid	80.919	
Sinteza Invest Group a.d., Beograd		485
Hotel Bela Ladja JSC, Becej	-	17
	1.755.366	274.937
Other operating liabilities		
SP Laboratory JSC, Becej	-	2.334
Victoria Logistic LLC, Novi Sad	53.648	53.648
	53.648	55.982
Other liabilities – interest		
Victoriaoil JSC, Sid	653	
Victoria Logistic LLC, Novi Sad	26	10.776
	679	
Total liabilities	1.809.693	341.695
Receivables – net	4.988.700	3.848.722

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2013

38. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES

Capital Risk Management

The objective of the capital risk management is to maintain the going concern of the Company operations within unlimited time period in a foreseeable future in order to keep the optimal capital structure with minimum capital costs and to secure a capital yield to its owners. The structure of the Company capital consists of debts, longterm loans disclosed in note 29 including, other long-term liabilities, long-term and short-term investments, cash and cash equivalents and capital attributable to owners makes which includes interests, other capital, reserves and accumulated profit.

Persons in charge of the Company finances make reviews of the capital structure on annual basis.

Debt indicators of the Company with balance at the end of the year were as follows:

		In thousands of dinars
	December 31, 2013	**December 31, 2012**
Indebtedness a)	9.640.216	6.804.878
Cash and cash equivalents	96.083	128.389
Net indebtedness	9.544.133	6.676.489
Equity b)	11.009.586	12.449.372
Total debts to equity ratio	0.87	0.54

a) Indebtedness relates to long-term and short-term financial liabilities.
b) Equity includes share capital, reserves and accumulated profit.

Significant Accounting Policies Relevant for Financial Instruments

Details on significant accounting policies as well as criteria and bases for income and expenses recognition for all types of financial assets and liabilities are disclosed in note 3 of these financial statements.

Financial Instrument Categories

		In thousands of dinars
	December 31, 2013	**December 31, 2012**
Financial assets		
Interests in equity	123.382	3.012
Other long-term financial investments	728	1.186
Receivables	2.706.472	3.877.508
Short-term financial investments	6.004.409	1.773.348
Cash and cash equivalents	96.083	128.389
	8.931.074	5.783.443
Financial liabilities		
Long-term and short-term loans	9.640.216	6.804.878
Trade payables	2.208.884	663.202
Other liabilities	242.780	371.955
	12.091.880	7.804.035

Main financial instruments of the Company are cash and cash equivalents, receivables, financial investments resulting directly from the Company operations, as well as long-term loans, trade payables and other liabilities whose basic purpose is to finance the current Company operations. In usual operating environment, the Company is exposed to the below stated risks.

38. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES (continued)

Financial Risk Management Objectives

Financial risks include market risks (currency risk and interest risk), credit risks and liquidity risks. Financial risks are assessed on a timely basis and they are evaded primarily by reducing the exposure of the Company to these risks. Company does not use any financial instruments to evade effects of financial risks since these instruments are not used in and no organized market of these instruments is established in the Republic of Serbia.

Market Risks

In its operations the Company is exposed to financial risks resulting from fluctuation of exchange rates and interest rates. Exposure to the market risks is assessed through the sensitivity analysis. Neither significant changes in exposure of the Company to market risks were observed nor in the manner in which the Company manages and measures the market risks.

Currency Risks

Company is exposed to currency risks mainly through cash and cash equivalents, trade receivables, long-term loans and trade payables denominated in foreign currencies. Company does not use any specific financial instruments as a protection measure against the risks since these are not common in the Republic of Serbia.

Stability of the economic environment in which the Company is operating depends to a great extent on economic measures of the Government, including implementation of an adequate legal and regulatory framework.

Book value of monetary assets and liabilities carried in foreign currencies on the Company reporting date were as follows:

	Assets		Liabilities	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
EUR	1.315.512	946.723	10.029.893	7.201.333
USD	260.232	497.399	-	-
GBP	38.038	10.074	-	-
CHF	-		-	
	1.613.782	1.454.196	10.029.893	7.201.333

The Company is sensitive to movements of Euro (EUR) and American dollar (USD) exchange rates. Table below shows detailed sensitivity analysis of the Company in case of 10% increase and decrease of exchange rate dinar against a particular foreign currency. 10% sensitivity rate is used in internal presentation of currency risks and represents the Management's estimate of reasonably expected movements in foreign currency exchange rates. Sensitivity analysis includes only unsettled receivables and outstanding payables carried in foreign currencies and equates their translation at the end of the period for 10% change of foreign currency exchange rates. Positive figure in the table indicates increase of performance results in the period in case of dinar devaluation against the specified foreign currencies. In case of 10% devaluation of dinar against the specified foreign currencies, effects on the performance results in the current period would be contrary to the effects given in the previous case.

In thousands of dinars

	December 31, 2013	December 31, 2012
EUR currency	(871.437)	(625.461)
USD currency	26.023	49.740
GBP currency	3.804	1.007
CHF currency		-
Performance results in the current period	(841.610)	(574.714)

The Company's sensitivity to exchange rate fluctuations is increased in the period primarily due to increased credit commitments.

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2013

38. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES (continued)

Market Risks (continued)

Interest Rate Fluctuation Risks

The Company is exposed to the interest rate fluctuation risks with respect to its assets and liabilities with variable interest rate. The risks depend on the financial market and there are no available instruments whereby the Company can mitigate these effects.

The book value of financial assets and liabilities at the end of the observed period is presented in the table below.

		In thousands of dinars
	December 31, 2013	**December 31, 2012**
Financial Assets		
Non-interest-bearing		
Long-term financial investments	123.382	3.012
Other long-term financial investments	728	1.186
Trade receivables	2.706.472	3.877.508
Short-term financial investments	49.338	43.253
Cash and cash equivalents	96.083	128.389
	2.976.003	4.053.348
Fixed interest rate		
Short-term financial investments	5.954.687	1.688.966
Variable interest rate		
Short-term financial investments	384	41.129
	8.931.074	5.783.443
Financial Liabilities		
Non-interest-bearing		
Trade payables	2.208.884	663.202
Other payables	242.780	371.955
	2.451.664	1.035.157
Fixed interest rate		
Long-term and short-term credits	42.329	181.949
Variable interest rate		
Long-term and short-term credits	9.597.887	6.622.929
	12.091.880	7.840.035

Sensitivity analysis presented below is based on exposure to interest rates movements of non-derivative instruments as of the Balance Sheet date. With respect to liabilities with variable rate, the analysis was made under the assumption that the remaining balance of assets and liabilities as of the Balance Sheet remained unchanged throughout the entire year. 1% increase or decrease was the Management's estimate of a reasonable potential change in interest rates. Should the interest rate increase/decrease by 1% and all other variables remain unchanged, the Company would suffer operating gain/(loss) amounting to 95.975 thousand dinars in the year ending on December 31, 2013. This situation is assigned to the Company's exposure to variable interest rates contracted for long-term loans.

38. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES (continued)

Credit Risks

Management of Trade Receivables

Company is exposed to credit risks which represent a risk that debtors shall not be able to settle their debts in full and on a timely basis and, therefore, the Company would suffer losses. On the balance sheet date, the Company was mainly exposed to credit risks limited to trade receivables. Trade receivables include numerous receivables of which the major portion relates to receivables from related legal entities –

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2013

27.61% of total trade receivables as of December 31, 2013, whereas receivables from third parties make 55.68% of total trade receivables as of December 31, 2013.

Trade receivables were as follows:

	In thousands of dinars	
	2013	**2012**
Customers		
-related parties	747.208	1.838.577
-third legal parties	1.507.085	1.470.720
Other receivables from related parties		
-third parties	7.168	
-related parties	445.011	568.211
	2.706.472	3.877.508

Structure of trade receivables as of December 31, 2013 is presented in table below:

		In thousands of dinars	
	Gross exposure	**Adjustment**	**Net exposure**
Undue trade receivables	1.130.238	-	1.130.238
Due and adjusted trade receivables	311.837	(311.837)	-
Due and unadjusted trade receivables	1.576.234	-	1.576.234
	3.018.309	(311.837)	2.706.472

Structure of trade receivables as of December 31, 2012 is presented in table below:

		In thousands of dinars	
	Gross exposure	**Adjustment**	**Net exposure**
Undue trade receivables	2.946.159	–	2.946.159
Due and adjusted trade receivables	446.781	(446.781)	-
Due and unadjusted trade receivables	931.349	–	931.349
	4.324.289	(446.781)	3.877.508

38. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES (continued)

Credit Risks (continued)

Management of Trade Receivables (continued)

Undue Trade Receivables

Undue trade receivables presented as of December 31, 2013 in the amount of 1.130.238 thousand dinars (December 31, 2012: 2.946.159 thousand dinars) mainly relate to trade receivables from sale of soybean meal, crude soybean oil, soybean textures and soybean flour and soybean concentrate. Maturity of these trade receivables ranges mainly within 60 days from the date of invoicing, depending on the agreed payment terms.

Due and Adjusted Trade Receivables

In the observed period the Company impaired the value of due trade receivables by 311.837 thousand dinars (December 31, 2012: 446.781 thousand dinars) since it established that the financial standing of customers have changed and, therefore, the receivables shall not be collected in full.

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2013

Due, Unadjusted Trade Receivables

The Company did not impair due trade receivables presented as of December 31, 2013 in the amount of 1.576.234 thousand dinars (December 31, 2012: 931.349 thousand dinars) since no changes in the customers' creditworthiness were established and all these receivables refer to receivables from the related parties and the Management was of the opinion that the total present value of these receivables shall be collected.

Age structure of due, unadjusted trade receivables is given in the following table:

	December 31, 2013	In thousands of dinars December 31, 2012
Less than 30 days	774.035	144.648
31 - 90 days	233.407	333.704
91 - 180 days	64.071	9.258
181 - 365 days	490.708	426.745
Over 365 days	14.014	16.994
	1.576.234	931.349

Trade Payables Management

Trade payables as of December 31, 2013 were presented in the amount of 2.208.884 thousand dinars (December 31, 2012: 663.202 thousand dinars). The suppliers charge no default interest on due receivables whereas the Company makes payments within the agreed terms in accordance with the Risk Management Policies. The average time for the settlements of trade payables in 2013 was 54 days (in 2012: 16 days).

Liquidity Risks

The Company Management is finally responsible for the liquidity risk management and the Management implemented the corresponding management system required for short-term, medium-term and long-term financing of the Company and liquidity management. The Company manages the liquidity risks by keeping adequate cash reserves and continuous monitoring of the planned and actual cash flows as well as maintaining the adequate maturity ratio of financial assets and liabilities.

38. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES (continued)

Credit Risks (continued)

Tables of Liquidity Risks and Credit Risks

The following tables show details of remaining contracted maturities of the Company's liabilities. The presented amount are based on undiscounted cash flows resulting from financial liabilities which the Company shall be obligated to settle on the earliest date.

Maturities of financial assets

In thousands of dinars
December 31, 2013

	Less than a month	1-3 months	From 3 months to one year	From 1 to 5 years	Total
Non-interest-bearing	2.161.296	655.840	34.756	124.111	2.976.003
Fixed interest rate					
- Principal	344.513		5.610.174		5.954.687
- Interest	258		671.691		671.949
	344.771		6.281.865		6.626.636
Variable interest rate					
- Principal	384				384
- Interest	-				
	384				384
	2.506.451	655.840	6.316.621	124.111	9.603.023

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2013

In thousands of dinars
December 31, 2012

	Less than a month	1-3 months	From 3 months to one year	From 1 to 5 years	Total
Non-interest-bearing	2.592.229	1.386.751	69.621	4.747	4.053.348
Fixed interest rate					
- Principal	214.104	-	1.474.862	-	1.688.966
- Interest	14.788	27.416	41.797	-	84.001
	228.892	27.416	1.516.659	-	1.772.967
Variable interest rate					
- Principal	41.129	-	-	-	41.129
- Interest	268	-	-	-	268
	41.397	-	-	-	41.397
	2.862.518	1.414.167	1.586.280	4.747	5.867.712

The following tables show details of remaining contracted maturities of the Company's liabilities. The presented amounts are based on undiscounted cash flows resulting from financial liabilities which the Company shall be obligated to settle on the earliest date.

38. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES (continued)

Liquiduty Risks (continued)

Tables of Liquidity Risks and Credit Risks (continued)

Maturity of Financial Liabilities

In thousands of dinars
December 31, 2013

	Less than a month	1-3 months	From 3 months to one year	From 1 to 5 years	Over 5 years	Total
Non-interest-bearing	2.170.992	118.876	156.179	5.617		2.451.664
Fixed interest rate						
- Principal	14.110	28.219				42.329
- Interest	85	88				173
	14.195	28.307				42.502
Variable interest rate						
- Principal	159.375	274.445	1.501.212	6.499.605	1.163.250	9.597.887
- Interest	36.564	59.084	284.374	728.375	24.657	1.133.054
	195.939	333.529	1.785.586	7.227.980	1.187.907	10.730.941
	2.381.126	480.712	1.941.765	7.233.597	1.187.907	13.225.107

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2013

In thousands of dinars
December 31, 2012

	Less than a month	1-3 months	From 3 months to one year	From 1 to 5 years	Over 5 years	Total
Non-interest-bearing	621.468	48.507	353.594	11.588	-	1.035.157
Fixed interest rate						
- Principal	-	13.996	125.965	41.988		181.949
- Interest	376	752	2.061	172	-	3.361
	376	14.748	128.026	42.160	-	185.310
Variable interest rate						
- Principal	261.336	969.221	3.128.044	2.264.328	-	6.622.929
- Interest	22.680	39.369	473.937	180.599	-	716.585
	284.016	1.008.590	3.601.981	2.444.927	-	7.339.514
	905.860	1.071.845	4.083.601	2.498.675	-	8.559.981

38. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES (continued)

Fair value of financial Instruments
Table below shows present value of financial assets and financial liabilities and their fair value as of December 31, 2013 and December 31, 2012, respectively:

In thousands of dinars

	December 31, 2013		December 31, 2012	
	Book value	Fair Value	Book value	Fair Value
Financial assets				
Interests in equity	123.382	123.382	3.012	3.012
Other long-term financial investments	728	728	1.186	1.186
Receivables	2.706.472	2.706.472	3.877.508	3.877.508
Short-term financial investments	-	-	1.773.348	1.773.348
Cash and cash equivalents	96.083	96.083	128.389	128.389
	2.926.665	2.926.665	5.783.443	5.783.443
Financial liabilities				
Long-term and short-term loans	9.640.216	9.640.216	6.804.878	6.804.878
Trade payables	2.208.884	2.208.884	663.202	663.202
Other liabilities	38.303	38.303	371.955	371.955
	11.887.403	11.887.403	7.840.035	7.840.035

Assumptions for Estimation of the Present Fair Value of Financial Instruments

Bearing in mind insufficient market experience, stability and liquidity in acquisition and disposal of financial assets and liabilities and the fact that no market information is available to be eventually used for disclosure of the fair value of financial assets and liabilities, the discounted cash flow method was used. When adopting this evaluation method interest rates of financial instruments of similar characteristics are used with the aim to achieve relevant estimates of the market value of financial instruments on the Balance Sheet date.

Assumptions used for evaluation of the present fair value were that the book value of short-term trade receivables and trade payables represent their approximated fair value since their maturity for payment/collection is within a relatively short time period.

Table below represents the analysis of evaluated financial instruments, after their initial recognition at fair value, and classified in levels 1-3, depending on the possibility of their fair value assessment.

- Level 1: Determining of the fair value is derived from the quoted market value (unadjusted) on the active markets of identical assets and liabilities.
- Level 2: Determining of fair value is derived from input parameters, different from a quoted market value covered under the Level 1, which are visible from assets or liabilities, either directly (price, for example) or indirectly (derived from price, for example).
- Level 3: Determining of fair value is derived from evaluation techniques which include input parameters of financial assets or liabilities, but which are not available on the market (unexplored input parameters).

38. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES (continued)

Fair value of financial Instruments (continued)

				In thousands of dinars December 31, 2013
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets				
Available for sale				
- Quoted securities (note 19)	951.551			951.551
Long-term loans granted to employees	728			728
Total	832.365			832.365

Table above includes only financial assets, since the Company had no financial liabilities which were presented after the initial recognition at their fair value.

Total gains / (losses) presented in total other results relate to financial assets available for sale and they were presented as the movement 'Unrealized Gains from Securities' within the item 'Equity'.

39. LIABILITIES ASSUMED ON THE BASIS OF LEASE

Callable operating lease relates to the lease of silo. Payment of due liabilities are recognized as operating expenses of the period.

Liabilities assumed by the Company based on callable operating lease contracts were as follows:

	In thousands of dinars Year ending as of December 31	
	2013	**2012**
Up to one year (contracts on fixed time period)	31.264	38.225
From one to five years (contracts on fixed time period)	12.600	26.371
	43.864	64.596

40. TAX RISKS

Tax regulations of the Republic of Serbia are often interpreted differently and they are subject to frequent amendments. Interpretation of tax regulations by tax authorities with respect to transactions and activities of the Company may differ from the Management's interpretations. Therefore, transactions may be disputed by the tax authorities and a certain additional amount of taxes, penalties and interests may be imposed on the Company. The limitation period of a tax liability is five years. In practice, it means that tax authorities are entitled to determine payment of outstanding liabilities within the five-year period from the date the liability was made.

41. DISPUTES

As of December 31, 2013 four disputes are pending against the Company whose estimated value is 26.279 thousand dinars.

In the dispute against Vojvodjanska Bank JSC, Novi Sad, on the basis of liabilities under the refinanced loans of the Paris Club creditor, which value is EUR 13.206.878, the Supreme Court of Cassation in its judgement No. Prev 75/2013, refused review by the Sojaprotein JSC against the judgement of the Commercial Court of Appeals, number pz 870/12, issued on behalf of Vojvodjanska Bank JSC, Novi Sad. On April 3, 2013, the Company has completely fulfilled the obligation under this judgement to Vojvodjanska Bank JSC. Sojaprotein JSC has submitted a constitutional complaint to the Constitutional Court of the Republic of Serbia, in order to protect their rights that have been violated in this case. Proceedings before the Contitutional Court is pending.

As of December 31, 2013 twenty six disputes are pending wherin the Company is a plaintiff and the estimated value of these disputes amounts to 91.216 thousand dinars and EUR 147.740.

42. EVENTS AFTER THE BALANCE SHEET DATE

Based on the decision of the Supervisory Board on acquiring its own shares on the market, the Company acquired 12.350 treasury shares at the Belgrade Stock Exchange.

The parent company, Victoria Group JSC Belgrade and five members of the Group (including the Company) signed Standstill Agreement with creditor banks, which entered into effect on April 7, 2014, with validity period of 30 days. In addition to defining exceptions, the contract established total exposure of the Group to creditor banks based on disbursed loans and contigent liabilities for guarantees and letters of credit as of February 1, 2014. In accordance with the Agreement, all the creditor banks agreed, regardless of the maturity of principal and/or occurence and duration of any other event representing the breach of the main contract on loan, not to start repayment or execution procedure provided by the main contract or law or during the standstill period.
In the standstill period, the Group is obliged to keep the level of indebtedness at the level defined in the Agreement and to seek the approval of creditor banks for certain activities such as investments and changes in the ownership structure. Moreover, liabilities based on regular and default interest, as well as based on bank fees, shall be accrued and paid in accordance with the provisions of the Agreement.
During the standstill period, the agreement should be reached on further extension of the grace period and restructuring of total liabilities of the Group towards the banks.

43. EXCHANGE RATES

Mean exchange rates established at the Interbank Market were used in translation in dinars of the Balance Sheet items carried in foreign currency, and they were as follows for individual main currencies:

	December 31, 2013	December 31, 2012
USD	83.1282	86.1763
GBP	136.9679	139.1901
EUR	114.6421	113.7183
CHF	93.5472	94.1922

In Becej, December 31, 2013

Legal representative

Sojaprotein
AKCIONARSKO DRUŠTVO
ZA PRERADU SOJE
BEČEJ 21

James Patrick King
General Manager

SOJAPROTEIN JSC, BECEJ
Financial Statements
As of December 31, 2013, and
Independent Auditor's Report

CONTENTS

Deloitte.

Deloitte LLC.
Terazije 8
11000 Belgrade
Serbia
TIN 10048772
ID No. 07770413
Tel: +381 11 3812 100; + 381 11 3812 200
Fax: +381 11 3812 101; + 381 11 3812 201
www.deloitte.com/rs

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Shareholders of Sojaprotein JSC, Becej

We audited the accompanying financial statements (pages 3 to 52) of the company Sojaprotein a.d., Becej (hereinafter referred to as: the "Company") which include the balance sheet as of December 31, 2012 and the income statement, statement on changes in equity and cash flow statement for the year ended on that date and reviewed significant accounting policies and notes to the financial statements.

Responsibility of the Management for the Financial Statements

Management of the Company is responsible to prepare true and fair presentation of these financial statements in accordance with the Law on Accounting of the Republic of Serbia, as well as for all internal controls which the Management considers necessary for preparation of the financial statements that are free of any material misstatements due to fraud or error.

Auditor's Responsibility

We are responsible to express our opinion on the accompanying financial statements based on the audit performed. We performed the audit in accordance with International Auditing Standards and the Law on Auditing of the Republic of Serbia.
These standards require that we comply with ethical standards and plan and perform the audit in the manner to obtain reasonable assurance that the financial statements are free of any substantially significant misstatements.

The audit includes procedures aimed to obtain audit evidence on amounts and disclosures in the financial statements. Procedures selected depend on the Auditor's judgment, including the assessment of risks of substantially significant misstatements as a result of fraud or errors. When assessing these risks, the Auditor considers internal controls relevant for preparation and true and fair presentation of financial statements in order to design the auditing procedures appropriate to the given circumstances, but not for expressing its opinion on the efficiency of the internal controls implemented by the legal entity. Furthermore, the audit includes an evaluation of the appropriateness of accounting policies applied as well as significant estimated made by the Management and assessment of the overall presentation of financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate and provide the base for expressing our opinion.

Opinion

In our opinion, the financial statements present, in all substantially significant aspects, a true and fair financial position of the Company Sojaproterin JSC, Becej as of December 31, 2013 and results of its operations and its cash flows in the year ending on that date, in accordance with the accounting regulations of the Republic of Serbia.

(continued)

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Shareholders of Sojaprotein JSC, Becej (continued)

Emphasis of Matter

We are drawing attention to the following facts:

a) As disclosed within notes number 30 and 41 to the financial statements, the parent company, Victoria Group LLC Belgrade and five company members of the Group signed the Standstill Agreement (the "Agreement") with creditor banks which entered into effect on April 7, 2014, with validity period of 30 days. As further disclosed in note number 41 to the financial statements, the Agreement defined liabilities of the Victoria Group LLC Belgrade and five members of the Group, including the Company, as well as consent of the creditor banks that during the term of the Agreement, regardless of the maturity of principal and /or occurence and duration of any event representing the beach of the main contract on loan, none of the creditor banks will start the repayment or execution procedure. In addition to that, during the standstill period an agreement should be reached on further extension of the grace period and restructuring of total liabilities of the Group towards the banks.

b) As of February 28, 2014, the Company submitted its financial statements for the year of 2013 approved by the Company's Management, to the Business Registers Agency of the Republic of Serbia. Based on the findings and corrections of the auditors, and in accordance with the regulations, enclosed financial statements have been restated for the effects identified during the audit. Restated financial statements were subsequently adopted by the Company's Management and submitted to the Business Registers Agency of the Republic of Serbia.

   Our opinion is not qualified in respect of this matter.

Other Issues

Financial Statements of the Company for 2012 were audited by another auditor who expressed its unqualified opinion in its report dated April 22, 2013.

Report on Other Legal and Regulatory Requirements

The Management of the Company is responsible for preparation of the Operating Report in accordance with the Law on Accounting of the Republic of Serbia, whereas aforementioned report is not an integral part of disclosed financial statements. In conformity of the Law on Audit of the Republic of Serbia, our responsibility is to express our opinion on conformity of the operating report for the year of 2013 with the financial statements for that financial year. In our opinion, financial information disclosed in the operating report for the year of 2013 are in accordance with the audited financial statements for the year ending as of December 31, 2013.

In Belgrade, April 30, 2014

Zoran Nesic
Statutory Auditor

Place of Seal
Deloitte LLC
Belgrade

INCOME STATEMENT
for the period from January 1, 2013 to December 31, 2013
(in thousands of dinars)

	Note	2013	2012
OPERATING REVENUES			
Sales revenue	5	10.657.341	15.091.557
Revenues from activation of goods and effects	7	210.180	41.501
(Decrease)/Inrease of the value of inventories		473.925	(249.379)
Other operating revenue	8	57.961	61.591
		11.399.407	14.945.270
OPERATING EXPENSES			
Cost of merchandise sold		(403.043)	(1.823.015)
Cost of material	9	(9.828.707)	(9.732.860)
Cost of salaries, fringe benefits and other peronal expenses	10	(574.599)	(492.693)
Costs of depriciation and provisions	11	(668.095)	(206.562)
Other operating expenses	12	(906.287)	(800.956)
		(12.380.731)	(13.056.086)
OPERATING (LOSS)/PROFIT			
Financial income	13	489.354	725.327
Financial expenses	14	(490.900)	(1.462.865)
Other income	15	202.136	359.589
Other expenses	16	(333.282)	(745.245)
(LOSS)/PROFIT FROM REGULAR OPERATIONS BEFORE TAXATION		(1.114.016)	765.990
PROFIT TAX	17		
Tax liabilities for the period		-	(53.603)
Deferred tax liabilities for the period		(37.277)	(23.387)
		(37.277)	(76.990)
NET (LOSS)/PROFIT		(1.151.293)	689.000
(Loss)/earnings per share (in dinars)	18	(77.29)	46.26

Notes given on the following pages
are an integral part of these financial statements

As of February 28, 2014, the Company submitted its financial statements for the year of 2013 approved by the Company's Management, to the Business Registers Agency of the Republic of Serbia. Based on the findings and corrections of the auditors, and in accordance with the regulations, enclosed financial statements have been restated for the effects identified during the audit. Restated financial statements were subsequently adopted by the Company's Management and submitted to the Business Registers Agency of the Republic of Serbia.

Signed on behalf of the Company:

James Patrick King
Director

Dragana Andjelkovic
Chief Accountant

BALANCE SHEET
for the period from January 1, 2013 to December 31, 2013
(in thousands of dinars)

	Note	December 31, 2013	December 31, 2012
ASSETS			
Fixed assets			
Intangible assets	19	13.668	16.437
Property, plant and equipment	19	8.793.828	8.055.231
Investment real estates	19	430.374	588.698
Biological assets	19	2.559	2.766
Interests in equity	20	951.551	831.179
Other long-term financial investments		728	1.186
		10.192.708	9.495.497
Working capital			
Inventories	21	3.996.827	5.531.714
Receivables	22	2.706.528	3.877.544
Receivables from overpaid corporate income tax		73.705	3.591
Short-term financial investments	23	6.015.291	1.784.961
Cash and cash equivalents	24	96.083	128.389
Value added tax and prepayments and accrued income	25	210.994	16.313
		13.099.428	11.342.512
Total assets		23.292.136	20.838.009
LIABILITIES			
Capital			
Share capital	26	6.906.480	6.906.480
Legal reserves	27	339.645	305.055
Statutory reserves	28	248.267	248.267
Revaluation reserves		2.358.356	2.359.864
Share issuing premiums		587.400	875.438
Unrealized losses based on securities		(23.402)	(23.817)
Retained profit		592.840	1.778.085
Own shares purchased		(381.133)	–
		10.628.253	12.449.372
Long-term provisions	29	136.090	24.815
Long-term liabilities			
Long-term loans	30	-	2.306.316
		-	2.306.316
Short-term liabilities			
Short-term financial liabilities	31	9.844.693	4.498.562
Operating liabilities	32	2.225.134	689.578
Other short-term liabilities	33	38.304	392.802
Value added tax and other public revenues, accruals and deferred income	34	10.993	104.905
		12.119.124	5.685.847
Deferred tax liabilities		408.669	371.659
Total liabilities		23.292.136	20.838.009
Off-balance assets/liabilities	34	19.349.934	10.705.965

Notes given on the following pages
are an integral part of these financial statements

STATEMENT ON CHANGES IN EQUITY
for the period from January 1, 2013 to December 31, 2012
(in thousands of dinars)

	Capital stock	Mandatory reserves	Statutory reserves	Revaluation reserves	Issue premium	Unrealized (losses/)gains on securities	Retained profit	Bought-up own shares	Total
Balance as of January 1, 2012	6.906.480	247.883	248.267	1.837.936	875.438	571	1.143.440	-	11.260.015
Transfer from retained earnings	-	57.172	-	-	-	-	(57.172)	-	-
Unrealized losses from interests in equity of legal entities	-	-	-	-	-	(24.389)	-	-	(24.389)
Fixed assets estimation effects									
Positive effects of estimates	-	-	-	747.547	-	-	-	-	747.547
Negative effects of estimates	-	-	-	(9.563)	-	-	-	-	(9.563)
Cancellation of deferred tax liabilities	-	-	-	174.024	-	-	-	-	174.024
Decrease of revaluation reserves based on estimates of deferred tax liabilities in 2012 in accordance with IAS 12	-	-	-	(386.660)	-	-	-	-	(386.660)
Retirements of equipment	-	-	-	(3.420)	-	-	-	-	(3.420)
Increase of retained profit of the current period based on equipment decommissioned	-	-	-	-	-	-	2.817	0	2.817
Profit in the current period	-	-	-	-	-	-	689.000	-	689.000
Other	-	-	-	-	-	1	-	-	1
Balance as of December 31, 2012	6.906.480	305.055	248.267	2.359.864	875.438	(23.817)	1.778.085	-	12.449.372
Balance as of January 1, 2013	6.906.480	305.055	248.267	2.359.864	875.438	(23.817)	1.778.085	-	12.449.372
Transfer from retained earnings	-	34.590	-	-	-	-	(34.590)	-	-
Disposal of fixed assets	-	-	-	(1.508)	-	-	-	-	(1.508)
Acquisition of own shares	-	-	-	-	(288.038)	-	-	(381.333)	(669.371)
Unrealized losses from interests in equity of legal entities	-	-	-	-	-	415	-	-	415
Loss in the current period	-	-	-	-	-		(1.151.293)		(1.151.293)
Other	-	-	-	-	-	-	638	-	630
Balance as of December 31, 2013									

Notes given on the following pages
are an integral part of these financial statements

CASH FLOW STATEMENT
For the period from January 1 to December 31, 2013
(in thousands of dinars)

	2013	2012
Cash flows from operating activities		
Sales and received advances	12.421.367	15.787.653
Interest received from operating activities	117.646	311.979
Other inflows from regular operating activities	95.715	177.995
Cash paid to suppliers and advances paid	(8.769.644)	(14.365.620)
Salaries, fringe benefits and other personal expenses	(580.927)	(477.120)
Interest paid	(579.544)	(220.695)
Income tax paid	(70.114)	(80.048)
Other public expenses paid	(23.331)	(17.844)
Net cash inflows from operating activities	2.611.168	1.116.300
Cash inflows from investment activities		
Sales of property, plant and equipment	1.230	1.202
Acquisition of intangible assets, property and equipment	(367.499)	(850.591)
Other financial investments (net outflows)	-	(1.750.302)
Net cash (outflow) from financing activities	(366.269)	(2.599.691)
Cash flow from financing activities		
Buy-up of treasury shares and stakes	(669.372)	–
Long-term and short-term loans – net inflow	(1.608.165)	1.088.564
Financial leasing	(68)	(717)
Net cash inflow frim financing activities	(2.277.605)	1.087.847
Net cash (outflow)/inflow	(32.706)	(395.544)
Cash at the beginning of the period	128.389	523.815
Exchange rate differences from cash translations – net	400	118
Cash at the end of period	96.083	128.389

Notes given on the following pages
are an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2013

1.BASIC INFORMATION ABOUT THE COMPANY

Sojaprotein JSC Becej (hereinafter referred to as "Company") is the major processor of soybean in Serbia and one of the most important soybean processors in Central and Eastern Europe. The Company was established in 1977 as the work organization for industrial processing of soybean in foundation, and its establishment was finalized in 1985.

In 1991, Management of the Company passed the decision on issuing internal shares to employees and thus performed the transformation into a joint stock company. In the course of 2000 and 2001, the Company had privatized the remaining socially owned capital by issuing free shares underwritten by employees and other natural persons in compliance with the provisions of the Law on Ownership Transformation from 1997.

The core business activity of the Company is processing of soybean for production of wide range of full-fat and defatted products such as flour, grits and textured forms, as well as soybean oil, soybean mean and soy lecithin. Additional segment of the Company's business activities is the provision of services in agricultural production, wholesale and retail trade and buy-up of agricultural products.

Registered office of the Company is located in Becej, N/N Industrijska zona. Identification number of the Company is 08114072. Taxpayer Identification Number (TIN) is 100741587.

As of the date of Financial Statement preparation, the Company had 416 employees (December 31, 2012 – 415 employees).

2.BASIS FOR PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS AND ACCOUNTING METHOD

2.1 Basis for Preparation and Presentation of Financial Statements

Legal entities and entrepreneurs in the Republic of Serbia are obliged to maintain their business books, to recognize and evaluate their assets and liabilities, income and expense, to prepare, present, deliver and disclose financial statements in compliance with the Law on Accounting (hereinafter referred to as „Law", published in the "Official Gazette of the Republic of Serbia", No. 62/2013). The company as a large legal entity is obliged to apply the International Financial Reporting Standards (IFRS) that in terms of the aforementioned Law include: the Framework for Preparation and presentation of Financial Statements (the "Framework"), International Accounting Standards („IAS"), International Financial Reporting Standards ("IFRS"), as well as related interpretations issued by International Financial Reporting Interpretations Committee ("IFRIC"), and additional amendments to IAS and corresponding interpretations, approved by the International Accounting Standards Board (the "Board"), which translation was adopted and published by the Ministry in charge for finance and which were in effect as of December 31, 2002.

The amendments to IAS as well as the new IFRS and corresponding interpretations issued by the Board and Committee in the period from December 31, 2002 to January 1, 2009 were officially adopted by the Decision of the Ministry of Finance of the Republic of Serbia ("Ministry") and published in the "Official Gazette of the Republic of Serbia" No. 77 from October 25, 2010.

However, until the date of preparation of the enclosed Financial Statements, not all the amendments to IAS/IFRS and IFRIC interpretations in effect for annual periods beginning as of January 1, 2009 have been translated. In addition, the enclosed Financial Statements are presented in format prescribed under the Rules on Contents and Form of the Chart of Accounts for companies, cooperatives and entrepreneurs (the "Official Gazette of the Republic of Serbia", No. 114/06, 5/07 – corrigendum, 119/08, 2/10, 101/12 and 118/12) integrating the legally defined complete set of financial statements which differs from the one defined under IAS 1 "Presentation of Financial Statements", and, in individual parts also deviates from the manner of certain balance items presentation prescribed thereunder.

Published standards and interpretations in effect in current period which have not yet been officially translated and adopted, as well as published standards and interpretations which have not yet been applied are disclosed in notes 2.2 and 2.3.

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2013

2.BASIS FOR PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS AND THE ACCOUNTING METHOD (continued)

2.1 Basis for Preparation and Presentation of Financial Statements (continued)

Furthermore, accounting regulations of the Republic deviate from IFRS in the following provisions:

- At the opinion of the Ministry, the employee's participation in the profit should be recorded as decrease of retained profit and not by charging results in the current period, as required by IAS 19 ("Employees Benefits")

The Company prepared these non-consolidated financial statements on the basis and in accordance with provisions of the laws and regulations of the Republic of Serbia whereby investments in subsidiaries in these financial statements were disclosed at the cost reduced by potential impairment. More detailed presentation of the Company's financial standing may be obtained by insight into the Consolidated Financial Statements which the Company is obliged to prepare and file to Business Registers Agency until April 30, 2013 at the latest, in accordance with the Law on Accounting and Audit.

The Financial Statements are prepared in accordance with the historical-cost principle unless otherwise stated in the accounting policies presented below.

When preparing the enclosed Financial Statements the Company applied accounting policies stated under the Note 3.

Financial Statements of the Company are presented in thousands of dinars. The dinar is the official reporting currency in the Republic of Serbia.

2.2 Published Standards and Interpretations in Effect for the Current Period which have not yet been Officially Translated and Adopted

As of the Financial Statement publishing date, the following standards and and amendments of standards have been issued by the International Accounting Standards Board and the following interpretations have been issued by the International Financial Reporting Interpretation Committee, but have not been officially adopted in the Republic of Serbia.

- Amendments to IFRS 7 "Financial Instruments: Disclosures" – amendments improving the disclosure of fair value and liquidity risk (revised in March 2009, effective for annual periods beginning on or after January 1, 2009);

- Amendments for IFRS 1 "First-Time Adoption of International Financial Reporting Standards" – additional exemptions for the First-time adopters of IFRS. These amendments are relate to assets in oil and gas industry and determine whether agreements contain leasing (revised in July 2009, effective for the annual periods beginning on or after January 1, 2010);

- Amendments to various standards and interpretations are result of Annual Quality Improvement of IFRS Project published on April 16, 2009 (IFRS 5, IFRS 8, IAS 1, IAS 7, IAS 17, IAS 36, IAS 39, IFRIC 16) primarily intended to remove inconsistencies and clarify wording in text (amendments will be applied for annual periods beginning on or after January 1, 2010 and amendment to IFRIC will be applied on or after July 1, 2009);

- Amendments to IAS 38 "Intangible assets" (effective for the annual periods beginning on or after July 1, 2009);

- Amendments to IFRS 2 "Share-based Payment": amendments resulting from Annual Quality Improvement of IFRS Project (revised in April 2009, effective for annual periods beginning on or after July 1, 2009) and amendments relating to group cash-settled share-based payment transactions (revised in June 2009, effective for the annual periods beginning on or after January 1, 2010);

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2013

2.BASIS FOR PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS AND THE ACCOUNTING METHOD (continued)

2.2 Published Standards and Interpretations in Effect for the Current Period which have not yet been Officially Translated and Adopted (continued)

- Amendments to IFRIC 9 “Reassesment of Embedded Derivatives” coming into force for annual periods beginning on or after July 1, 2009, and IAS 39 “Financial Instruments: Recognition and Measurement” – Embedded Derivatives (effective for the annual periods beginning on or after June 30, 2009);

- IFRIC 18 “Transfer of Assets from Customers” (effective for annual periods beginning on or after July 1, 2009)

- “Conceptual Framework for Financial Reporting in 2010” which represents amendment to the “Framework for the Preparation and Presentation of Financial Statements ” (effective for transfer of assets from customers received on or after September 2010);

- Supplements to IFRS 1 ”First-Time Adoption of International Financial Reporting Standards” – limited exemption from comparative disclosures prescribed under IFRS 7 for First-Time Adopters (effective for the annual periods beginning on or after July 1, 2010);

- Supplements to IFRS 24 “Related Parties Disclosure” – Simplified disclosure requirements for entities (significantly) controlled or under significant influence of the Government and clarification of related party definition (effective for the annual periods beginning on or after January 1, 2011);

- Supplements to IAS 32 “Financial Instruments: Presentation” - accounting procedure of issuers’ preemptive rights to new shares (effective for annual periods beginning on or after February 1, 2010)

- Supplements to various standards and interpretations of “Imrpovements to IFRS (2010)” resulting from Annual Quality Improvement of IFRS Project published on May 6, 2010 (IFRS 1, IFRS 3, IFRS 7, IAS 1, IAS 27, IAS 34, IFRIC 13) primarily intended to remove inconsistencies and clarify wording in text (majority of supplements will be effective for the annual periods beginning on or after January 1, 2011);

- Supplements to IFRIC 14 “IAS 19 – The Limit on a Defined Benefit Asset , Minimum Funding Requirements and their Interaction ” – Prepayments of Minimum Funding Requirements (effective for the annual periods beginning on or after January 1, 2011);

- IFRIC 19 “Extinguishing Financial Liabilities with Equity Instruments” (effective for the annual periods beginning on or after July 1, 2010);

- Supplements to IFRS 1 “First-time Adoption of International Financial Reporting Standards” – Major hyperinflation and elimination of fixed dates for persons doing the first-time adoption of IFRS (effective for the annual periods beginning on or after July 1, 2011);

- Supplements to IFRS 7 “Financial Instruments: Disclosures” - Transfer of financial assets (effective for the annual periods beginning on or after January 1, 2011);

- Supplements to IAS 12 “Profit Tax” – Deferred Tax: return of assets used for tax calculation (effective for the annual periods beginning on or after January 1, 2012);

- IFRS 10 “Consolidated Financial Statements“ (in effect for the annual periods beginning on or after January 1, 2013);

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2013

2.BASIS FOR PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS AND THE ACCOUNTING METHOD (continued)

2.2 Published Standards and Interpretations in Effect for the Current Period which have not yet been Officially Translated and Adopted (continued)

- IFRS 11 “Joint Agreements” (in effect for the annual periods beginning on or after January 1, 2013);
- IFRS 12 “Disclosure of Interests in Other Entities” (in effect for the annual periods beginning on or after January 1, 2013);
- IFRS 13 “Fair Value Measurement” (effective for annual period beginning on or after January 1, 2013);
- IAS 27 (revised in 2011) “Separate Financial Reports“ (effective for the annual periods beginning on or after January 1, 2013);
- IAS 28 (revised in 2011) “Investments in Associates and Joint Ventures” (effective for the annual periods beginning on or after January 1, 2013);
- Supplements to IRFS 1“First-Time Adoption of International Financial Reporting Standards” - Government Loans with a Below-Market Rate Interest (in effect for the annual periods beginning on or after January 1, 2013);
- Supplements to IFRS 7 “Financial Instruments: Disclosures” – Offsetting Financial Assets and Financial Liabilities (in effect for the annual periods beginning on or after January 1, 2013);
- Supplements to IFRS 10, IFRS 11 and IFRS 12 - “Consolidated Financial Statements”, “Joint Agreements”, “Disclosure of Interests in Other Entities”, Interim Application Instructions (effective for the annual periods beginning on or after January 1, 2013);
- Supplements to IAS 1 “Presentation of Financial Statements” – Presentation of Items of Other Comprehensive Income (in effect for the annual periods beginning on or after July 1, 2012);
- Supplements to IAS 19 ”Employee Benefits” – Post-Employment Benefit Accounting Consideration” (effective for annual period beginning on or after January 1, 2013).
- Annual Quality Improvements for the period from 2009 to 2011 issued in May 2012 related to various projects of IFRS improvements (IFRS 1, IAS 1, IAS 16, IAS 32, IAS 34) primarily intended to remove inconsistencies and clarify wording (in effect for the annual periods beginning on or after January 1, 2013);
- IFRIC 20 “Stripping Costs in Production Phase of a Surface Mine” (in effect for the annual periods beginning on or after January 1, 2013);

2.3 Published Standards and Interpretations not yet in the Effect

As of these Financial Statements publishing date, the following standards, its amendments and interpretations have been published but not yet become effective:

- IFRS 9 “Financial Instruments“ and suplements (date of entry into effect has not yet been determined);
- IFRS 14 “Regulatory Defferal Accounts“ (in effect for the annual periods beginning on or after January 1, 2016);

2.BASIS FOR PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS AND THE ACCOUNTING METHOD (continued)

2.3 Published Standards and Interpretations not yet in the Effect (continued)

- Supplements to IFRS 10, IFRS 12 and IAS 27 – Exemption from Consolidating a Subsidiary in accordance with IFRS 10 “Consolidated Financial Statements” (in effect for the annual periods beginning on or after January 1, 2014);
- Supplements to IAS 19 “Employee Benefits“ – defined benefit plans: Contributions for employees (in effect for the annual periods beginning on or after July 1, 2014);
- Supplements to IAS 32 “Financial Instruments: Presentation”– offsetting financial assets and financial liabilities (in effect for the annual periods beginning on or after January 1, 2014);
- Supplements to IAS 36 – “Impairment of Assets“ – disclosure of the recoverable amount of non-financial assets (in effect for the annual periods beginning on or after January 1, 2014);
- Supplements to IAS 39 “Financial Instruments“ – Novation of derivetives and continuation of hedge accounting (in effect for the annual periods beginning on or after January 1, 2014);
- Annual Improvements for the period from 2010 to 2012 issued in December 2013 resulted from Annual Quality Improvement of IFRS Project (IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 24 and IAS 38) primarily intended to remove inconsistencies and clarify wording (in effect for the annual periods beginning on or after July 1, 2014);
- Annual Improvements for the period from 2011 to 2013 issued in December 2013 resulted from Annual Quality Improvement of IFRS Project (IFRS 1, IFRS 3, IFRS 13 and IAS 40) primarily intended to remove inconsistencies and clarify wording (in effect for the annual periods beginning on or after July 1, 2014);
- IFRIC 21 “Levies“ (in effect for the annual periods beginning on or after January 1, 2014);

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Income and Expenses

Sales income is recognized when risks and benefits from ownership rights are transferred to the customer that is on the delivery date of products to the customer. Income from services rendered is recognized when the service is completed.

Income is presented at the fair value of an asset received or to be received, in the net amount after deduction of discounts granted and the value added tax.

Interest income and expenses are credited i.e. debited in the period they refer to.

Corresponding expenses are recorded on the same date as the respective income (the principle of casualty of income and expenses).

Maintenance and repair costs of fixed assets are covered from income of the accounting period they were incurred.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Translation of Assets and Liabilities Denominated in Foreign Currencies

Operating changes carried in foreign currencies were translated in dinars at the mean exchange rate determined in the Interbank Market and prevailing on the date of operating change.

Assets and liabilities carried in foreign currencies as of the Balance Sheet date were translated in dinars at the mean exchange rate determined in the Interbank Market and prevailing on that date.

Currency differential gains and losses resulting from operating transaction in foreign currencies and when translating the balance sheet items carried in foreign currencies were credited or debited in the Income Statement as currency differential gains and losses.

3.3 Borrowing Costs

Borrowing costs that may be allocated directly to acquisition, construction or production of qualified assets are included in the cost of the respective asset as incurred until the actual completion of all activities necessary for preparation of the asset for intended use or sale. The qualified assets are assets which require a significant time period to be ready for their intended use.

Investment income gained from temporary investment in loans are deducted from the accrued borrowing costs granted for financing of the qualified assets.

All the other borrowing costs are recognized in the profit and loss account in the period they were accrued.

3.4 Employee Benefits

a) Taxes and Contributions to the Employees Social Security Funds

In accordance with regulations applicable in the Republic of Serbia, the Company is obligated to pay taxes and contributions to tax authorities and state funds providing social security to employees. These liabilities include payment of taxes and contributions for employees charged to the employer that are calculated at legally prescribed rates. Furthermore, the Company is obligated to withhold contributions from employees' gross salaries and pay them to the funds, on behalf of its employees.Taxes and contributions charged to the employer and taxes and contributions charged to employees are debited as expenses of the period they were accrued.

b) Liabilities Related to Severance Pays and Jubilee Awards

Pursuant to the provisions of the Labour Law, the Company is obligated to disburse severance pays to employees at the end of their employment for the purpose of retirement in the amount equal to three average salaries paid in the Republic of Serbia in compliance with the last data published by the corresponding government body in charge of the statistics. In addition, the Company is obligated to pay jubilee awards to employees depending on their continuous service period in the Company equal to an average salary achieved in the Company in a month preceding the month in which the jubilee award shall be paid.

3.SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.5 Taxes and Contributions

3.5.1 Profit Tax

a) Current profit tax

Current profit tax represents the amount calculated by applying the prescribed 15% tax rate on the tax base determined in the tax balance, which represents the profit amount before tax after deduction of income and expenditures harmonization effects, in accordance with the tax regulations of the Republic of Serbia, subject to reductions required under the prescribed tax credits.

The Law on Profit Tax of the Republic of Serbia does not envisage a possibility of using any tax losses in the current period as the basis for recovery of taxes paid in previous periods. However, losses presented in tax balances up to the year of 2009 may be used for reduction of the tax base in future accounting periods in next ten years from the date of exercising right and losses presented in the tax balance for the year of 2010 and from that on, may be used for reduction of tax base in future accounting periods, but, however, not more than five years.

b) Deffered Profit Tax

Deferred profit tax is calculated by applying the balance sheet liability method for temporary differences resulting from the difference between a tax base in the balance sheet assets and liabilities and their book values. The currently enacted rates at the balance sheet date are applied for determination of the deferred profit tax. Deferred tax liabilities are recognized on all taxable temporary differences. Deferred tax assets are recognized on all deductible temporary differences and effects of losses carried forward and tax credits in the tax balance, which may be carried forward, to the extent of probable taxable profit available wherefrom the deferred tax assets shall be deducted.

Deferred tax is credited or debited in the Income Statement except when referred to an item directly credited or debited in capital when the deferred tax may also be classified in the capital.

3.5.2 Taxes and Contributions Not Depending On Results

Taxes and contributions not depending on results include property tax and other taxes and contributions which are paid in accordance with various Republic and municipal regulations. Other taxes and contributions are recognized as expenses of the period in which they were incurred.

3.6 Property, Investment Assets, Plants and Equipment

Initial measurement of properties, plant and equipment meeting the requirements for the recognition of an asset is performed at its purchase value or its cost. Additional expenses for property, plant and equipment are recognized as assets only if they upgrade assets above their originally evaluated standard performance. All other subsequently incurred expenditures are recognized as expenses in the period they were incurred.

After initial recognition, property (land and buildings) are carried at revaluated amounts, i.e. their fair value on the revaluation date reduced by total accrued depreciation and total losses resulting from impairment.

Fair value of a property is its evaluated market value. Revaluation is made only when a fair value of the revaluated asset significantly differs from its carrying value.

After initial recognition, plant and equipment are recorded at its purchase price or cost decreased by total accrued depreciation and total losses resulting from impairment.

Gains and losses resulting from right of disposal or removal are recognized as income or expense in the Income Statement.

3.SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.6.1 Depreciation

Depreciation of property, plant and equipment is calculated at the straight line method during the estimated useful life. The useful life and depreciation rates for the main groups of fixed assets are as follows:

Main Groups of Fixed Assets	2013-2012 (%)
Buildings	1.5 – 5 %
Production equipment	5 – 25 %
Field and passenger vehicles	10 – 20 %
Computers	20 – 33 %
Other equipment	1.5 – 50 %

Depreciation rates are revised annually in order to determine a depreciation rate which reflects the actual consumption of assets during operations based on their remaining useful life.

3.6.2 Investment Assets

Investment assets are the assets held by the Company, as the owner, for lease or increase of the equity value or both, but not to use it for service providing or administrative needs or for sale in the course of regular operations. Initial measurement of investment assets at the time of acquisition is made at the purchase price or cost. After initial recognition, investment assets are recorded at their revaluated amounts, i.e. their fair value on the revaluation date – assessment, reduced by the total accrued depreciation and total losses resulting from impairment.

3.7 Intangible Investments

Intangible investments refer to purchased software and trademark and they are recorded at purchase price reduced by depreciation. Intangible investments are written off at the straight line method within two to eight years.

3.8 Long-Term Financial Investments

Long term financial investments include stakes in equity of related parties, commercial banks and other legal entities and they are recorded at purchase price reduced by impairment in accordance with their recoverable value estimated by the Management. In addition to aforementioned, long-term financial investments include long-term loans to agricultural producers. These loans are recorded at nominal value.

3.9 Impairment

On every balance sheet date, the Company reviews book amounts of its material assets to determine whether there are any indications of their impairment. If such indications exist, the recoverable amount of assets is estimated in order to determine possible losses resulting from impairment. If evaluation of the recoverable amount of an individual asset is impossible, the Company shall estimate the recoverable amount of the cash generating unit wherein the respective asset is classified.

Recoverable value represents a net selling price or value in use, whichever is higher. When estimating the value in use, estimated future cash flows are discounted to their present value by applying a discount rate before tax that reflects current market assessment of the time value of cash and the risks specific to the respective asset.

3.SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.9 Impairment (continued)

If the estimated recoverable value of the asset (or cash generating unit) is lower than its book value, the book value of that asset (or cash generating unit) shall be reduced to the recoverable value. Impairment losses are recognized directly as expenses, except in case of land or building not used as investment assets recorded at revaluated value, when the impairment loss is recorded as impairment resulting from the asset revaluation.

In case of subsequent reversal of impairment losses, the book value of the asset (cash generating unit) shall be increased to the extent of the revised estimated recoverable value of the asset, provided that the increased book value should not exceed book value determined in previous years when no impairment losses were recognized for the respective asset (cash generating unit). Reversal of the impairment losses are directly recognized as income, unless the relevant asset is recorded at its estimated value in which case the reversal of impairment losses are recorded as an increase caused by revaluation.

3.10 Lease

Lease is classified as financial lease in all cases when all risks and benefits resulting from ownership of the assets are transferred to maximum possible extent to the lessee. Any other lease is classified as operating lease.

Company as Lessor

Income from operating lease (rent) is recognized by applying the straight line method during the lease_term. Indirect costs inccrued during negotiations and contracting of the operating lease are added to the book value of the leased asset and recognized pro rata basis during the lease term.

Company as Lessee

Assets leased under the contracts on financial lease are initially recognized as Company assets at the present value of minimum lease installments determined at the beginning of the lease term. Respective liability to the Lessor is included in the Balance Sheet as a financial lease liability.

Payment of lease installments is allocated to financial costs and reduction of lease liabilities with the objective of achieving a constant installment rate of the outstanding liability. Financial costs are recognized immediately in the Income Statement, unless they may be directly ascribed to assets prepared for use, when they are capitalized in accordance with the general borrowing costs policy of the Company (Note 3.3).

Company as Lessee (continued)

Installments based on operating lease are recognized as cost at the straight line basis during the lease term, unless there is some other systemic base which reflects better the time schedule of economic consumption benefits of a leased asset.

When lease reliefs are granted, they are included in an operating lease and recognized as a liability. Total relief benefits are recognized as reduction of lease costs at the straight line base, unless there is some other systemic base which reflects better the time schedule of economic consumption benefits of a leased asset.

3.11 Inventories

Inventories are recorded at cost or the net selling value, whichever is lower. Net expected selling value is the price at which inventories may be sold in the ordinary course of regular operations after reduction of the price for sale costs.

Value of inventory materials and spare parts on stock is determined at the average purchase cost method. The purchase cost includes the value invoiced by the supplier, transportation and dependent costs.

3.SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.11 Inventories (continued)

The value of the work in progress and finished goods includes all direct production costs, as well as the aliquot portion of the plant overhead costs.

Inventories held in the storehouse are recorded at purchase price and the inventories in the retail trade are recorded at their retail prices. At the end of the period, inventories are reduced to their purchase value by the allocation of the price difference, calculated on average base, between the purchase price of the goods sold and balance of inventories at the end of the year.

Adjustment of inventories is made by charging of other expenses when it is estimated that their value should be reduced to the expected net realizable selling value (including inventories with slow turnover, excess inventories and obsolete inventories). Damaged inventories and inventories whose quality does not correspond to standards are written-off.

3.12 Financial Instruments

Financial assets and financial liabilities are recorded in the Company's Balance Sheet from the moment the Company is tied to the instrument by contractual provisions. Acquisition or disposal of financial assets is recognized as accounted for on the settlement date, i.e. on the date the asset is delivered to the other party.

Financial assets cease to be recognized when the Company loses its control over the contracted rights on the instruments. This happens when the rights of exercising the instrument have been realized, expired, cancelled or assigned. Financial liabilities cease to be recognized when the anticipated contractual obligation is fulfilled, cancelled or expired.

a)Stakes in Equity

Stakes in equity of banks and other legal entities listed at the Stock Exchange are initially measured at their purchase value. Subsequent evaluation is made on each balance sheet date for adjustment of their value with the market value.

Long term financial investments which include stakes in equity of related legal entities, commercial banks and other legal entities not listed at the Stock Exchange are presented at the cost method reduced for impairment in accordance with the Management's estimates for their adjustment to their realizable value.

b)Trade Receivables, Short-Term Investments and Other Short-Term Receivables

Trade receivables, short term investments and other short term receivables are presented at their nominal value reduced by adjustments based on the Management's estimate of their collectability.

c) Cash and Cash Equivalents

Cash and cash equivalents in the Company's Financial Statements include cash in hand and balances on current accounts and other cash assets available up to three months.

d)Financial Liabilities

Financial liability instruments are classified in accordance with the contractual provisions. Financial liabilities are recorded at their nominal value increased by the interest agreed under the contracts which corresponds to the effective interest rate.

e) Operating Liabilities

Trade payables and other operating liabilities are recorded at the estimated value of assets received.

3.SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.13 Disclosures on Relations with Related Parties

For the purpose of these Financial Statements, legal entities are treated as related parties in case one of the legal entities is controlling the other or has significant influence on financial and operating decisions passed by the other party in accordance with IAS 24: "Related Party Disclosures".

In terms of the standards mentioned above, the Company treats legal entities as related parties wherein it has stakes in the equity of Victoria Group, i.e. related parties and legal entities having stake in the Company's equity.

The Company both provides services to related parties and uses their services. Relations between the Company and related parties are regulated by contract.

Related parties may enter transactions that the unrelated entities would not make and transactions with related parties may be executed under different terms and conditions and amounts as compared to the same transactions with unrelated parties.

Corporate service costs are corporate services provided by the Parent Company. Fee for the corporate services provided is determined at the level of operating expenses of the Parent Company reduced by provisions costs and increased by 5% margin. The margin is determined in accordance with the corporative analysis presented in the Transfer Price Study. Costs allocation principle of the Parent Company is determined either by direct or indirect allocation of costs, i.e. by costs assignment to actual services. Indirect costs allocation is made pro rata to participation of the Service User in the Group's income corrected by the amount of operating income of related legal entities not registered in the Republic of Serbia.

4.SUMMARY OF SIGNIFICANT ACCOUNTING ESTIMATES

Presentation of Financial Statements requires that the Company Management should make the best possible estimates and reasonable assumptions that affect the presented values of assets and liabilities as well as disclosures of contingent receivables and payables as of the date of the preparation of Financial Statements, and the income and expenses for the reporting period. These estimates and assumptions are based on information available as of the Financial Statements preparation date.

Key assumptions associated with the future and other sources of estimation of uncertainties as of the balance sheet date which represent significant risk for material correction of amounts presented in balance sheet items in the next financial year are given below.

4.1 Depreciation and Depreciation Rates

Calculation of depreciation and depreciation rates are based on the projected economic useful life of equipment and intangible investments. The Company annually estimates the economic useful life based on the current estimates.

4.2 Provisions for Litigations

In general, provisions significantly depend on estimates. The Company estimates a probability of occurrence of unwanted events resulting from past events and evaluates the amount required for the settlement of liabilities. Although the Company observes the prudence principle when making an estimate, in certain cases the actual results may differ from these assessments due to a high degree of uncertainty.

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2013

4.SUMMARY OF SIGNIFICANT ACCOUNTING ESTIMATES (continued)

4.3 Adjustment of Receivables and Short-Term Investments

The Company impairs doubtful trade receivables and receivables from other debtors on the basis of estimated losses that shall be incurred if the debtors fail to make payments. When estimating corresponding losses from impaired doubtful receivables, the Company relies on the age of receivables, previous experience with write-offs, the customer's financial standing and changes in the payment terms. This involves estimations of the future behavior of customers and the respective future collections. However, a significant portion of the Company's receivables relates to receivables from subsidiaries which are collectible in full current value, based on estimates and former experience.

4.4 Fair Value

Business policy of the Company is to disclose information on the fair value of assets and equity and liabilities available in the official market and even when the fair value significantly differs from the book value. In the Republic of Serbia, there is neither sufficient market experience nor stability and liquidity with respect to acquisition and sale of receivables and other financial assets and liabilities since official market information is not always available. Therefore, it is not possible to determine the fair value reliably in the absence of the active market. The Company Management estimates the risks and when it assesses that the value of assets presented in business book is not recoverable, makes corresponding adjustments. In the opinion of the Company Management, values presented in these Financial Statements reflect the value which, under the given circumstances, is the most plausible and the most useful for reporting purposes.

5.SALES INCOME

	In thousands of RSD	
	Year ending as of December 31, 2013	
	2013	**2012**
Income from goods sold:		
-Related parties (note 35)	76.586	1.769.240
-Other legal entities in the country	196.232	111.059
-Other foreign legal entities	114.876	-
	387.694	1.880.299
Income from products sold and services rendered:		
-Related parties (note 35)	909.396	2.183.473
-Other legal entities in the country	2.621.541	4.922.281
-Other foreign legal entities	6.738.710	6.105.504
	10.269.647	13.211.258
	10.657.341	15.091.

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2013

6.OPERATING AND MARKET SEGMENTATION

Products and Services within the Business Segments

The Company is organized in five Business Segments for the management purposes. These segments are the base for the Company's reporting on its primary information on segments. Key products and services within each of these segments are as follows:

Income from Sales by Business Segments

	In thousands of dinars Year ended as of December 31	
	2013	**2012**
Production sites:		
Crude oil	2.187.821	4.214.524
Meal	1.439.553	4.862.023
Other	6.599.144	3.929.387
Merchandise	387.694	1.880.299
Services	43.129	205.324
	10.657.341	15.091.557

Result by Business Segments

	In thousands of dinars Year ended as of December 31	
	2013	**2012**
Production sites:		
Crude oil	168.565	55.080
Meal	(65.784)	34.279
Other	(1.100.129)	389.596
Merchandise	(69.445)	13.372
Services	(47.225)	73.663
Income/loss before taxation	(1.114.016)	765.990
Tax expenses of the period	-	(53.603)
Deferred tax expenses of the period	(37.227)	(23.387)
Net loss	(1.151.293)	(689.000)

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2013

6.OPERATING AND MARKET SEGMENTATION (continued)

Income from Goods and Products Sold and Services Rendered in Foreign Markets by Geographic Areas

	In thousands of RSD Year ending as of December 31	
	2013	**2012**
Bulgaria	827.290	1.568.578
Romania	248.981	209.196
Bosnia and Herzegovina	50.221	85.590
Poland	369.171	299.790
Czech Republic	108.506	58.130
Slovakia	57.348	42.134
Macedonia	64.985	63.641
France	440.851	206.439
Croatia	39.891	22.856
Italia	216.432	176.430
Germany	182.286	192.343
Moldavia	15.223	12.350
Hungary	83.900	138.439
Spain	260.768	151.469
Slovenia	312.763	781.781
Greece	511.115	157.456
Israel	72.297	41.729
Portugal	40.320	19.046
Austria	10.471	17.665
Switzerland	80.548	229.896
Russia	407.012	330.933
Turkey	0	131.217
The Netherlands	1.238.888	1.151.398
United Kingdom	205.294	136.930
Others	1.301.135	211.074
Total	7.145.697	6.436.510

7. INCOME FROM THE OWN USE OF PRODUCTS AND MERCHANDISE

Income from the own use of products mostly refers to activities carried out in the procedures of trial production and achieving product quality SPC that meet the demands of the market and therefore are capitalized costs of trial production soybean protein concentrates in the amount of 153.443 thousands of dinars.

8.OTHER OPERATING INCOME

	In thousand of RSD Year ending as of December 31	
	2013	**2012**
Subsidies, incentives and donations	118	2.335
Rents	57. 676	57.526
Other operating income	167	1.730
	57.961	61.591

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2013

9. COSTS OF MATERIALS

In thousands of RSD
Year ending as of December 31

	2013	2012
Materials consumed in production	9.071.439	9.168.474
Other materials	76.768	66.059
Electric power	188.379	157.220
Gas	236.581	130.126
Fuel and lubricants	17.171	14.829
Biomass	238.369	191.889
Other fuel and energy		4.253
	9.828.707	9.732.860

10.COST OF SALARIES, SALARY COMPENSATIONS AND OTHER BENEFITS

In thousands of RSD
Year ending as of December 31

	2013	2012
Gross salaries	432.437	373.488
Contributions charged to the employer	75.345	66.013
Costs of remunerations according to author's contracts	16.886	4.752
Cost of remunerations to members of the Managing Board and Supervisory Board	1.999	1.039
Business trip allowances to employees	13.185	12.063
Transportation fares to employees	19.140	18.789
Scholarships	341	2.809
Severance pays and jubilee awards	9.631	6.678
Other benefits and allowances	5.635	7.062
	574.599	492.693

11.COSTS OF DEPRECIATION AND PROVISIONS

In thousands of RSD
Year ending as of December 31

	2013	2012
Depreciation	348.976	206.562
Long-term provisions (note 29)	319.119	-
	668.095	206.562

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2013

12. OTHER OPERATING EXPENSES

	In thousands of RSD Year ending as of December 31 2013	2012
Banking and Payment Transaction Services	9.967	24.009
Maintenance services	81.329	110.980
Laboratory Services	144.564	62.086
Transportation	210.320	166.778
Lease	64.257	65.856
Utility Services	34.457	28.665
Insurance premiums	32.430	19.602
Brokerage services	1.017	779
Lawyer and consulting services	3.123	203
Internet, telephone and PTT	10.954	8.575
Representation costs	14.634	22.195
Fairs and other events	8.969	9.479
Advertizing and promotion	6.044	2.538
Other production services	8.844	5.925
Indirect taxes and contributions	47.580	26.372
Corporate management	171.274	153.222
Other intangible costs	56.524	93.692
	906.287	800.956

13.FINANCIAL INCOME

	In thousands RSD Year ending as of December 31 2013	2012
Financial income – related parties	-	454
Currency differential gains	151.680	586.713
Currency clause effects	6.369	28.553
Interest income:		
- related parties (note 35)	308.131	67.933
- other legal entities in the country	23.173	38.290
Other financial income	1	3.384
	489.354	725.327

14.FINANCIAL EXPENSES

	In thousands of RSD Year ending as of December 31 2013	2012
Currency differential losses	181.563	979.573
Interest costs	264.043	482.387
Currency clause effects	4.594	905
Other financial expenses	40.700	-
	490.900	1.462.865

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2013

15.OTHER INCOME

	In thousands RSD	
	Year ending as of December 31	
	2013	2012
Gains from disposal of equipment and intangible investments, roperty, plant and equipment	1	1.040
Gains from disposal of raw materials	649	8.522
Surpluses	6.458	4.852
Indemnification by insurance companies	6.266	2.412
Gains from cancellation of long-term provisions	3.367	25.075
Income from reconciled property, plants and equipment based on estimates	18.794	295.728
Income from revaluation of receivables	153.818	13.541
Other income	12.783	8.419
	202.136	359.589

16.OTHER EXPENSES

	In thousands of RSD	
	Year ending as of December 31	
	2013	2012
Losses on writing-offs and disposals of Intangible assets and property, plant and equipment	233	1.901
Losses on disposals of raw materials	570	7.843
Shortfalls	6.005	20.479
Writing-offs of receivables	429	21.970
Write-off of granted housing loans	342	1.499
Impairment of natural assets	-	2.242
Impairment of property, pland and equipment	-	142.702
Impairment of long-term financial investments	-	120
Impairment of material and merchandise	257.165	129.912
Impairment of receivables and short-term financial investments	24.229	405.884
Other expenses	44.309	10.693
	333.282	745.245

17.PROFIT TAX

a) Profit Tax Components

		In thousands of RSD
	December 31, 2013	December 31, 2012
Tax liabilities of the period	-	53.603
Deferred tax expenses/(revenues) of the period	37.277	23.387
	37.277	76.990

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2013

17.PROFIT TAX (continued)

b) Reconciliation of Profit Tax in the Income Statement and the Product of Profit before Tax and the Prescribed Tax Rate

		In thousands of RSD
	December 31, 2013	**December 31, 2012**
Profit/loss before taxation	(1.114.016)	765.990
Profit tax at 15% tax rate (previous period 10%)	(167.102)	76.599
Tax effects of expenses not recognized in tax balance	45.214	30.607
Subsequently recognized income (transfer pricing)	34.341	-
Tax credit based on investments made in fixed assets realized in the current year	-	(53.603)
Unrecognized tax losses	87.547	
Total tax liabilities of the period	-	53.603
Deferred tax liabilities of the period	37.277	23.387
	37.277	76.990

c) Deferred Tax Liabilities

As of December 31, 2012 the deferred tax liabilities amounted to 408.669 thousands of dinars and related to the temporary difference at which the property, plant, equipment and intangible investments were recognized in the tax balance and the amounts at which these assets were presented in the Financial Statements.

Movements on the Deferred Tax Liabilities Account in 2013 are presented in the table below (in thousands of RSD).

	2013	**2012**
Balance as of January 1	371.659	135.636
Cancellation of deferred tax liabilities against revaluation reserves based on disposal of the equipment	(267)	212.636
Deferred tax expenses/(revenues) of the period	37.277	23.387
Balance as of December 31	408.669	371.659

d)Used, Unused and Unrecognized Tax Credits

In thousands of RSD

Year of Commencement	**Year of Expiry**	**Tax Credit Carried Forward**	**Used Tax Credit**	**Tax Credit Balance Carried Forward**
2003	2013	10.832	10.832	
2004	2014	14.048	14.048	
2005	2015	19.046	4.763	14.283
2006	2016	21.860	-	21.860
2007	2017	37.203	-	37.203
2008	2018	24.594	-	24.594
2009	2019	29.815	-	29.815
2010	2020	86.268	43.134	43.134
2011	2021	492.925	62.394	430.531
2012	2022	136.391	53.603	82.788
2013		123.492	61	123.431
		996.474	188.835	807.639

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2013

18. EARNINGS PER SHARE

	In thousands of RSD Year ending as of December 31	
	2013	**2012**
Net (loss)/profit	(1.151.293)	689.000
Average weighted number of shares	14.895.524	14.895.524
Base / (diluted) earnings per share (in dinars)	(77.29)	46.26

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2013

19. PROPERTY, PLANT AND EQUIPMENT, BIOLOGICAL ASSETS, INVESTMENT ASSETS AND INTANGIBLE INVESTMENTS

	Land	Building facilities	Equipment	Fixed assets under construction	Prepayments for fixed assets	Total	Biological assets	Investment property	Intangible assets
Cost value									
Balance as of January 1, 2012	67.826	1.878.679	2.345.057	2.954.314	462.435	7.708.311	6.343	331.953	28.993
Acquisitions in the course of the year	-	-	-	867.181	-	867.181	-	-	5.757
Interest capitalized	-	-	-	86.724	-	86.724	-	-	-
Transfers from fixed assets under conruction	43.149	458.528	258.227	(759.904)	-	-	-	-	-
Prepayments for fixed assets	-	-	-	-	486.947	486.947	-	-	-
Closing of prepayments for fixed assets	-	-	-	-	(593.843)	(593.843)	-	-	-
Transfers to investment property	-	(31.622)	(80)	-	-	(31.702)	-	27.144	-
Expenses	-	(48)	(24.973)	-	-	(25.021)	-	(38)	(601)
Disposal	-	-	(3.901)	-	-	(3.901)	-	-	-
Other transfers	-	-	-	90	-	90	-	(179)	-
Estimate effects - net	135.762	348.688	174.586	-	-	659.036	-	229.818	-
Equation to present value after evaluation	-	(279.067)	(819.524)	-	-	(1.098.591)	-	-	-
Balance as of December 31, 2012	246.737	2.375.158	1.929.392	3.148.405	355.539	8.055.231	6.343	588.598	34.149
Balance as of January 1, 2013	246.737	2.375.158	1.929.392	3.148.405	355.539	8.055.231	6.343	588.598	34.149
Acquisitions in the course of the year	-	-	2.620	679.757	-	682.377	-	-	-
Transfers from fixed assets under conruction	-	477.631	2.730.363	(3.208.080)	-	(86)	86	-	11.959
Prepayments for fixed assets	-	-	-	-	870.548	870.548	-	-	-
Closing of prepayments for fixed assets	-	-	-	-	(626.307)	(626.307)	-	-	-
Transfers to investment property	-	158.311	-	-	-	158.311	-	(158.311)	-
Expenses	-	-	(725)	-	-	(725)	-	(13)	-
Disposal	-	-	(980)	-	-	(980)	-	-	-
Capitalization of expenses	-	-	153.443	(153.443)	-	-	-	-	10.747
Balance as of December 31, 2013	246.737	3.011.100	4.814.113	466.639	599.780	9.138.369	6.429	430.374	35.361

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2013

19. PROPERTY, PLANT AND EQUIPMENT, BIOLOGICAL ASSETS, INVESTMENT ASSETS AND INTANGIBLE INVESTMENTS (continued)

	Land	Building facilities	Equipment	Fixed assets under construction	Prepayments for fixed assets	Total	Biological assets	Investment property	Intangible assets
Adjustments									
Balance as of January 1, 2012	-	234.839	691.600	-	-	926.439	3.291	-	15.206
Depreciation	-	48.753	154.416	-	-	203.169	286	-	3.107
Transfers to investment property	-	(4.487)	(71)	-	-	(4.558)	-	-	-
Expenses	-	(38)	(22.520)	-	-	(22.558)	-	-	(601)
Disposal	-	-	(3.901)	-	-	(3.901)	-	-	-
Equation to present value after evaluation	-	(279.067)	(819.524)	-	-	(1.098.591)	-	-	-
Balce as of December 31, 2012	-	-	-	-	-	-	3.577	-	17.712
Balance as of January 1, 2013	-	-	-	-	-	-	3.577	-	17.712
Depreciation	-	83.774	260.929	-	-	344.703	292	-	3.981
Transfers to investment property	-	-		-	-	-	-	-	-
Expenses	-	-	(139)	-	-	(139)	-	-	-
Disposal	-	-	(19)	-	-	(19)	-	-	-
Other	-	-	-	-	-	-	1	-	-
Balance as of December 31, 2013	-	83.774	260.767	-	-	344.541	3.870	-	21.693
Present value as of:									
December 31, 2013	246.737	2.927.326	4.553.346	466.639	599.780	8.793.828	2.559	430.374	13.668
January 1, 2013	246.737	2.375.158	1.929.392	3.148.405	355.539	8.055.231	2.766	588.698	16.437

As of December 31, 2013 the fixed assets in preparation process were presented in the total amount of 466.639 thousands of dinars and they mainly relate to the investments in facilities and equipment for the Concentrates Plant of annual capacity of 70,000 tons. Estimated investment value of the Concentrates Plant is 26.2 million EUR.

As of December 31, 2012, land, buildings and the equipment of the Company were assessed by the independent appraisers in accordance with international valuation standards.

Capitalized expenses in the amount of 153.443 thousand dinars refer to capitalized expenses that incurred in respect of activities implemented in the process of improving quality of the finished products and the new production programme of SPC, in order to meet the demands of the market.

The entire property and equipment of the Company, in its capacity of the pledger, is mortgaged, i.e. pledged as a security for regular settlement of loan liabilities of the Company to UniCredit Bank JSC Belgrade, as well as to creditors of the parent company and other related parties.

20.STAKES IN EQUITY

			In thousands of RSD
	Proportion in %	**December 31, 2013**	**December 31, 2012**
Stakes in equity of Subsidiaries			
ZAO Vobeks - Intersoy, Russia	85.00%	1.112	1.112
Veterinary Institute Subotica JSC	31.39%	783.617	783.617
Stakes in Equity of Related Parties			
”Bela Ladja” Hotel JSC , Becej	31.83%	64.626	64.626
Stakes in equity of banks		-	-
Novi Sad Fair JSC , Novi Sad		1.596	1.181
Stakes in equity of Atomic Spa “Gornja Trepca“ LLC		119.957	-
Stakes in equity of other legal entities		1.831	1.831
		123.384	3.012
		951.551	831.179

As of the December 31, 2013, stakes in equity of Atomic Spa LLC Gornja Trepca amounted to 119.956 thousand dinars in its entirety refers to shares acquired based on the Agreement on the transfer of shares with PS Bonide LLC Vladimirci. In accordance with the Agreement on pledge over the property and movables, and based on due unpaid receivables, the Company acquired stake in equity of the Company Natural Health Resort Atomic Spa LLC Gornja Trepca.

21.INVENTORIES

	In thousands of RSD	
	Year ending as of December 31	
	2013	**2012**
Material	3.122.859	3.803.535
Spare parts	151.255	143.848
Tools and accessories	49.575	46.068
Finished products	940.747	422.324
Work in progress	31.527	76.025
Prepayments made	76.673	1.055.046
Goods	14.669	125.609
	4.387.305	5.672.455
Minus: Adjustments of materials on stock	(390.478)	(140.741)
	3.996.827	5.531.714

22. RECEIVABLES

	December 31 2013	December 31 2012
		In thousands of RSD
Trade receivables:		
- Related parties (note 36)	743.208	1.745.496
- Domestic	709.752	1.437.484
- Foreign	1.046.312	1.039.210
Receivables from specific deals	52.738	59.335
Receivables from interest:		
- Related parties (note 36)	209.630	3.169
- Other	6.232	15.150
Receivables from state bodies and organizations	-	32
Prepaid other taxes and contributions	57	4
Other receivables		
- Related parties (note 36)	235.381	-
- Other	15.054	24.445
	3.018.364	4.324.325
Adjustments of trade receivables:		
-Receivables from domestic and foreign customers	(244.979)	(376.421)
-Receivables from specific deals	(52.739)	(56.242)
-Other receivables	(14.118)	14.118
	(311.836)	(446.781)
	2.706.528	3.877.544

23. SHORT-TERM FINANCIAL INVESTMENTS

	December 31 2013	December 31 2012
		In thousands of RSD
Short term loans to related parties:		
- Victoria Group LSC, Belgrade	1.011.814	1.474.862
- Victoria Logistic JSC, Novi Sad	4.598.360	
Short-term loans in the country	99.799	140.316
Loans for winter provisions	10.882	11.613
Portion of housing credits granted to employees due within a year	168	732
Term cash deposits	345.168	229.133
Adjustments of short term financial investments	(50.900)	(97.795)
	6.015.291	1.784.961

As of December 31, 2013, short-term loans in the amount of 1.011.814 thousands of dinars were granted to Victoria Group JSC, Belgrade, as a related party, on the basis of several loan agreements concluded during 2013 for ensuring current liquidity (repayment period up to June 30, 2014).

Short-term loans in the amount of 4.598.360 thousand dinars were granted to related party Victoria Logistics LLC, Novi Sad for ensuring current liquidity (repayment period up to December 31, 2014).

As of December 31, 2013 term cash deposits amounted 345.168 thousand dinars, deposited at UniCredit and EFG Bank (maturity date within 2014).

Short-term loans and term cash deposits are granted at the interest rate ranging from 3% to 17.11% per year.

24. CASH AND CASH EQUIVALENTS

	December 31 2013	December 31 2012
		In thousands of RSD
Current account		
- In dinars (RSD)	3.373	22.342
- In foreign currencies	88.080	102.773
Cash allocated for payments and open letters of credit	4.630	19
Other cash	-	3.255
	96.083	128.389

25. VALUE ADDED TAX AND PREPAYMENTS AND ACCRUED INCOME

	December 31 2013	December 31 2012
		In thousands of RSD
Prepayment of costs up to one year	20.047	12.075
VAT paid in advance	134.038	-
Deferred VAT	6.765	3.487
Other prepayments and accrued income	50.144	751
	210.994	16.313

26. CAPITAL STOCK

Issue of 10th shares issue based on distribution of retained profit in capital stock was made in accordance with the Decision of the Company's Assembly dated June 30, 2011 and Decision No. 4/0-24-2926/5-11 dated July 14, 2011 of the Securities Committee. 5.050.680 shares with voting rights, no par value and individual book value equal to 463.661404 dinars were issued in total value of 2.341.806 thousand dinars. The shares of 10th issue were entered in the database of the Central Securities Depository and Clearing House on August 9, 2011.

Capital stock of the Company amounts to 6.906.480 thousand dinars after its increase as mentioned above and it is divided in 14.895.524 shares with no par value.

As of December 31, 2013 and December 31, 2012, respectively, the structure of the Company share capital was as follows:

In thousands of dinars

Stakeholders	December 31, 2013 Stakes in %	December 31, 2013 Number of shares	December 31, 2013 Value of capital	December 31, 2012 Stakes in %	December 31, 2012 Number of shares	December 31, 2012 Value of capital
Victoria Group LLC, Belgrade	50.94	7.587.503	3.518.021	50.94%	7. 587.503	3.518.032
Mitrovic Zoran	6.07	904.675	419.462	6.07%	904.675	419.463
Babovic Milija	6.02	897.835	416.290	6.02%	897.835	416.291
Raiffeisen Bank JSC – Custody account	5.89	876.626	406.456	5.89%	876.626	406.458
Raiffeisenbank JSC Belgrade – Custody account	10.69	1.593.242	738.722	2.77%	413.325	191.643
Raiffeisenbank JSC Belgrade – Custody account	0.52	76.933	35.671	1.62%	241.082	111.780
Societe Generale Bank Serbia – Custody account	-	-	-	1.50%	223.859	103.795
Gustaviadavegardh Fonder Aktie	-	-	-	1.13%	168.137	77.959
UniCredit Bank Serba JSC	0.28	41.946	19.449	1.10%	163.135	75.639
Polunin Discovery Funds	0.57	85.500	36.643	0.57%	85.500	39.643
The Royal Bank	0.27	40.389	18.727	-	-	-
Erste Bank JSC, Novi Sad				-	-	-
Gustavus Cap. Asset Mngt.				-	-	-
Hypo Alpe Adria Bank JSC, Belgrade				-	-	-
DDOR A.D.O., Novi Sad				-	-	-
NLB Bank JSC, Belgrade				-	-	-
Other legal entities and and natural persons	18.75	2.790.875	1.294.039	22.39	3.333.847	1.545.777
		14.895.524	6.906.480	100%	14.895.524	6.906.480
Acquired shares		845.907	-		23.466	-
Share capital	100%	14.049.617	6.906.480	100%	14.872.058	6.906.480

26. CAPITAL STOCK (continued)

In the previous period, the Company had aquired 23.466 own shares. The Company had purchased 822.441 own shares from dissenting shareholders.

27. MANDATORY RESERVES

As of December 31, 2012 mandatory reserves of the Company amounting to 339.645 thousand dinars represent allocations from the retained profit in accordance with the Company Law whereby the Company is obligated to allocate minimum 5% of net profit to the Mandatory Reserves Account in a fiscal year, until they are equal to 10% of the Company's original capital.

28. STATUTORY RESERVES

As of December 31, 2012 statutory reserves of the Company amounted to 248,267 thousand dinars. The Company allocates funds for these reserves in compliance with the Statute at the time of net profit distribution of the fiscal year. The statutory reserve is freely available to the Company and the existing internal enactments do not specifically define their purpose.

29. LONG-TERM PROVISIONS

		In thousands of RSD
	December 31 2013	**December 31 2012**
Provisions for severance payments	14.301	15.642
Provisions for jubilee awards	7.147	9.173
Other long-term provisions (note 31)	229.284	-
	250.732	24.815
Current maturity	(114.642)	-
	136.090	24.815

Assumptions used by the Actuary's estimates were as follows:

	2013	**2012**
Nominal discount rate	5.50%	7.11%
Expected nominal rate of salary growth	3.50%	6.20%

Movement in long-term provisions in 2013 and 2012 (regarding severance pay and jubilee awards) were as follows:

		In thousands of dinars
	2013	**2012**
Balance as of January	24.815	49.890
Cancellation of provisions in the course of the year	(3.367)	(25.075)
Balance as of December 31	21.448	24.815

30. LONG-TERM LOANS

		In thousands of dinars	
	Amount in Euros	**December 31 2013**	**December 31 2012**
Long-term loans – domestic			
UniCredit Bank Srbija JSC, Belgrade	15.965.430	-	1.815.562
Eurobank EFG JSC Belgrade	1.600.000	-	181.949
Societe Generale Bank JSC, Belgrade, Serbia	5.000.000	573.211	1.250.901
Banca Intesa JSC, Belgrade	3.000.000	-	341.155
Banca Intesa JSC, Belgrade	1.166.667	-	132.672
Banca Intesa JSC, Belgrade	1.333.333	-	151.624
Eurobank EFG JSC Belgrade	-	92.307	400.000
Eurobank EFG JSC Belgrade	1.600.000	42.329	-
UniCredit Bank JSC, Belgrade, Serbia	60.000.000	6.742.278	-
Vojvodjanska Banka JSC, Novi Sad	10.756.277	-	1.223.185
		7.450.125	5.479.048
Long-term loans – abroad			
European Bank for Reconstruction and Development	1.000.000	-	113.718
European Bank for Reconstruction and Development	1.785.714	204.718	284.296
IFC	5.600.000	641.997	
Erste bank	3.718.000	426.239	
		1.272.954	398.014
Current maturity (note 31)		(8.723.079)	(3.588.746)
		-	2.306.316

As of December 31, 2013, long-term loan liabilities in the amout of 8.723.079 thousand dinars refer to accrued liabilities for long-term loans from banks. Specifically, based on the preliminary financial statements for the financial year of 2013, it was determined that the Company as well as parent company Victoria Group JSC Belgrade (hereinafter referred to as the "Group") in consolidated financial statements will not be capable of meeting certain financial and non-financial performance indicators, and therefore, would violate the liablities under the contract, which makes the long-term liability payable on demand. As the consent of the creditors of not requesting the payment as the consequence of breaching the terms and conditions of the contract was not obtained by preparation of the financial statements, long-term liailities were classified as matured, i.e as short-term financial liabilities.

Pursuant to the agreements on loans used for financing the members of the Gropu by the Victoria Group JSC Belgrade, financial and non-financial indicators were determined at the consolidated level of the Group. In accordance with that, disclosure of the violated covenant, by such contracts, was made in the consolidated financial statements of the Group.

As for the contracts signed by the Company with the creditors, the following financial and non-financial indicators were violated:

			Financial and non-financial indicators
Creditor	**Description of the conditions from the contract**	**Value/ratio per contract**	**Condition of the Company As of December 31, 2013**
European Bank for Reconstruction and Development	**EBIT/expense**	>= 3	2.22
	debt/EBIT	< 3.5	20.68

30.LONG-TERM LOANS (continued)

Above-mentioned long-term loans were granted with the maturity period of up to 5 years with interest rates ranging from one-month and three-month EURIBOR increased by the percentage ranging from 2.50% to 4.25% p.a.

Maturity of long-term loans is presented in table below:

		In thousands of dinars
	December 31, 2013	December 31, 2012
- Up to 1 year	8.723.079	3.588.746
- From 1 to 2 years	-	597.746
- From 2 to 3 years	-	999.064
- From 3 to 4 years	-	422.836
- From 4 to 5 years	-	286.670
- Over 5 years	-	-
	8.723.079	5.895.062

After the balance sheet date, the Company signed a standstill agreement with creditor banks, as disclosed in more details within the note 42.

31.SHORT-TERM FINANCIAL LIABILITIES

		In thousands of dinars
	December 31, 2013	December 31 2012
Current maturities:		
- long-term loans	8.723.079	3.588.746
- other long-term liabilities	-	68
Short-term loans - domestic	917.137	909.747
Other	204.477	1
	9.844.693	4.498.562

Other short-term liabilities as of December 31, 2013 in the amount of 204.477 thousand dinars contain current maturities of long-term liabilities to the Company PIK “Becej“ in the amount of 114.642 (note 29) and liabilities arising from the transfer of shares of the hotel “Bela Ladja“ JSC Becej in the amount of 89.835 thousand dinars. Specifically, as of March 7, 2014 judicial settlement was achieved, based on the Dispute from previous period, according to which the Company has the liability towards PIK “Becej Agriculture“ JSC Becej, in total amount of EUR 2.783.611.

The Company shall settle specified amount in four equal installments of 5UER 500.000 and difference to the total amount of the debt, the Company shall transfer shares of the Hotel “Bela Ladja free of encumbrance, which makes 31.83% of total shares.

Short-term loans – domestic

Creditor	Maturity	Amount in EUR	In thousands of dinars December 31 2013
Credit Agricole Serbia JSC Novi Sad	August 19, 2014	5.000.000	573.210
Societe Generale Bank Serbia JSC Belgrade	October 2, 2014	3.000.000	343.927
			917.137

Domestic short-term loans were granted for financing permanent working capital with interest rate equal to one-month EURIBOR increased by the percentage ranging from 3.90% to 4.30% p.a.

Collateral for these loans are finished products and raw materials, guarantees and promissory notes.

32.OPERATING LIABILITIES

	December 31, 2013	December 31 2012
		In thousands of dinars
Liabilities based on received prepayments	16.250	26.376
Trade payables:		
- Parent and subsidiaries (note 35)	-	29.453
- Other related parties (note 35)	1.755.367	245.484
- Domestic suppliers	363.568	286.109
- Foreign suppliers	36.301	46.174
- Other operating liabilities	53.648	55.982
	2.225.134	689.578

33.OTHER SHORT-TERM LIABILITIES

	December 31, 2013	December 31 2012
		In thousands of dinars
Net salaries and salary compensations	-	12.610
Taxes and contributions on salaries	-	7.857
Interest on refinanced loans from the Paris Club of creditors	-	346.855
Other Interest and financing costs	-	21.895
Dividends	-	3.017
Fees to natural persons engaged under contract	350	188
Other liabilities	-	380
	38.304	392.802

34. LIABILITIES FOR VALUE ADDED TAX AND OTHER PUBLIC DUTIES, ACCRUALS AND DEFERRED INCOME

	December 31, 2013	December 31 2012
		In thousands of dinars
Liabilities for VAT	-	85.072
Liabilities for taxes, customs and other duties	334	119
Deferred income	9.248	256
Deferred VAT	1.411	4.181
Other accruals and deferred income	-	15.277
	10.993	104.905

35. OFF-BALANCE ASSETS/LIABILITIES

	December 31, 2013	December 31 2012
		In thousands of dinars
Assets of other entities	482.385	117.236
Finished products in processing	-	6.423
Sureties and guarantees	18.867.549	10.582.306
	19.349.934	10.705.965

36.TRANSACTIONS WITH RELATED PARTIES

a)Income and Expenses from Transactions with Related Parties are presented in the table below:

		In thousands of dinars
	2013	**2012**
Income		
Sales (note 5)		
Victoriaoil JSC, Sid	29.097	1.772.562
Victoria Group JSC, Belgrade	20	888
Fertil LLC, Backa Palanka	514	9.439
Victoria Logistic LLC, Novi Sad	210.855	1.269.122
SP Laboratory JSC, Becej	12.141	12.192
Veterinary Institute Subotica, JSC Subotica	326.308	557.481
Port Backa Palanka JSC, Backa Palanka	8	8
Victoria Phosphate JSC, Bosilegrad	-	-
Vobex	406.987	331.006
Victoria Starch LLC, Zrenjanin	52	15
	985.982	3.952.713
Other Operating Income		
Victoria Logistic LLC, Novi Sad	51.887	51.509
Port Backa Palanka JSC, Backa Palanka	120	120
Victoria Group JSC, Belgrade	40	-
SP Laboratorija a.d., Becej	-	7
Veterinary Institute Subotica, JSC Subotica	806	2.735
Victoriaoil JSC, Sid	-	28
	52.853	54.392
Financial Income (note 13)		
Victoria Group JSC, Belgrade	169.622	65.448
Victoriaoil JSC, Sid	3.960	13
Victoria Logistic LLC, Novi Sad	109.313	205
Sinteza Invest Group, Belgrade	251	2.721
Veterinary Institute Subotica, JSC Subotica	24.985	-
	308.131	68.387
Other Income		
Victoria Group JSC, Belgrade	8	-
Victoria Logistic LLC, Novi Sad	313	-
Victoriaoil JSC, Sid	141	-
	462	-
Total income	1.347.428	4.075.492

36.TRANSACTIONS WITH RELATED PARTIES (continued)
a)Income and Expenses from Transactions with Related Parties are presented in the table below (continued)

	In thousands of dinars	
	2013	**2012**
Expenses		
Cost of goods sold		
Victoriaoil JSC, Sid	90.767	229.774
Veterinary Institute Subotica, JSC Subotica	-	256
Victoria Logistic LLC, Novi Sad	59.786	1.545.458
	150.553	1.775.488
Material costs		
Victoriaoil JSC, Sid	7.133	184.604
Victoria Logistic LLC, Novi Sad	5.909.799	6.625.934
Victoria Starch, Zrenjanin	1.459	989
Veterinary Institute Subotica JSC, Subotica	715	9.156
Fertil LLC, Backa Palanka	1.158	
	5.920.264	6.820.683
Other Operating Expenses		
SP Laboratory JSC, Novi Sad	144.500	66.287
Victoria Group JSC, Belgrade	184.922	162.121
Victoria Logistic LLC, Novi Sad	50.245	70.731
Veterinary Institute Subotica JSC, Subotica	6.220	-
Sinteza Invest Group, JSC Belgrade	471	-
“Bela Ladja” Hotel, Becej	56	58
Port Backa Palanka JSC, Backa Palanka	3.616	-
Vitoria Starch LLC, Zrenjanin	3.233	-
Victoriaoil JSC, Sid	908	16.587
	394.171	315.784
Financial expenses		
Victoria Logistic LLC, Novi Sad	26	-
	26	-
Other Expenses		
Victoria Logistic LLC, Novi Sad	-	205
Veterinary Institute Subotica, JSC Subotica	143	449
	143	654
Total expenses	6.465.157	8.912.609
Net expenses	(5.117.729)	(4.837.117)

36.TRANSACTIONS WITH RELATED PARTIES (continued)

b) Receivable and liability balances from transactions with related legal entities are presented in table below:

		In thousands of dinars
	2013	**2012**
Prepayments made		
Victoria Logistic LLC, Novi Sad	-	939.790
Receivables		
Trade receivables		
Victoriaoil JSC, Sid	-	633.656
Vobex Moscow	88.640	
Victoria Logistic LLC, Novi Sad	79.218	436.845
Veterinary Institute Subotica, JSC Subotica	579.350	674.995
	747.208	1.745.496
Receivables from interest		
Victoria Group JSC, Belgrade	71.495	-
Sinteza Invest Group JSC, Belgrade	1.944	3.156
Veterinary Institute Subotica, JSC Subotica	24.985	-
Victoria Logistic LLC, Novi Sad	109.313	-
Victoriaoil JSC, Sid	1.893	13
	209.630	3.169
Specific receivables		
Victoria Group JSC, Belgrade	235.381	-
	235.381	-
Short-term financial investments		
Victoria Group JSC, Belgrade	1.011.814	1.475.862
Victoria Logistic LLC, Novi Sad	4.598.360	-
Sinteza Invest Group JSC, Belgrade	-	26.100
	5.610.174	1.500.962
Total receivables	6.802.393	4.189.417
Liabilities		
Trade payables		
Victoria Group JSC, Belgrade		29.453
SP Laboratory JSC, Becej	125.467	40.299
Victoria Logistic LLC, Novi Sad	1.548.082	204.683
Port Backa Palanka	898	
Victoriaoil JSC, Sid	80.919	
Sinteza Invest Group a.d., Beograd		485
Hotel Bela Ladja JSC, Becej	-	17
	1.755.366	274.937
Other operating liabilities		
SP Laboratory JSC, Becej	-	2.334
Victoria Logistic LLC, Novi Sad	53.648	53.648
	53.648	55.982
Other liabilities		
Victoriaoil JSC, Sid	653	
Victoria Logistic LLC, Novi Sad	26	10.776
	679	10.776
Total liabilities	1.809.693	341.695
Receivables – net	4.992.700	3.847.722

38. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES

Capital Risk Management

The objective of the capital risk management is to maintain the going concern of the Company operations within unlimited time period in a foreseeable future in order to keep the optimal capital structure with minimum capital costs and to secure a capital yield to its owners. The structure of the Company capital consists of debts, longterm loans disclosed in note 29 including, other long-term liabilities, long-term and short-term investments, cash and cash equivalents and capital attributable to owners makes which includes interests, other capital, reserves and accumulated profit.

Persons in charge of the Company finances make reviews of the capital structure on annual basis.

Debt indicators of the Company with balance at the end of the year were as follows:

		In thousands of dinars
	December 31, 2013	**December 31, 2012**
Indebtedness a)	9.844.693	6.804.878
Cash and cash equivalents	96.083	128.389
Net indebtedness	9.940.776	6.676.489
Equity b)	10.628.253	12.449.372
Total debts to equity ratio	0.94	0.54

a) Indebtedness relates to long-term and short-term financial liabilities.
b) Equity includes total capital.

Significant Accounting Policies Relevant for Financial Instruments

Details on significant accounting policies as well as criteria and bases for income and expenses recognition for all types of financial assets and liabilities are disclosed in note 3 of these financial statements.

Financial Instrument Categories

		In thousands of dinars
	December 31, 2013	**December 31, 2012**
Financial assets		
Interests in equity	123.382	3.012
Other long-term financial investments	728	1.186
Receivables	2.706.471	3.877.508
Short-term financial investments	6.004.409	1.773.348
Cash and cash equivalents	96.083	128.389
	8.931.074	5.783.443
Financial liabilities		
Long-term and short-term loans	9.640.216	6.804.878
Trade payables	2.208.884	663.202
Other liabilities	242.781	371.955
	12.091.881	7.840.035

Main financial instruments of the Company are cash and cash equivalents, receivables, financial investments resulting directly from the Company operations, as well as long-term loans, trade payables and other liabilities whose basic purpose is to finance the current Company operations. In usual operating environment, the Company is exposed to the below stated risks.

38. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES (continued)

Financial Risk Management Objectives

Financial risks include market risks (currency risk and interest risk), credit risks and liquidity risks. Financial risks are assessed on a timely basis and they are evaded primarily by reducing the exposure of the Company to these risks. Company does not use any financial instruments to evade effects of financial risks since these instruments are not used in and no organized market of these instruments is established in the Republic of Serbia.

Market Risks

In its operations the Company is exposed to financial risks resulting from fluctuation of exchange rates and interest rates. Exposure to the market risks is assessed through the sensitivity analysis. Neither significant changes in exposure of the Company to market risks were observed nor in the manner in which the Company manages and measures the market risks.

Currency Risks

Company is exposed to currency risks mainly through cash and cash equivalents, trade receivables, long-term loans and trade payables denominated in foreign currencies. Company does not use any specific financial instruments as a protection measure against the risks since these are not common in the Republic of Serbia.

Stability of the economic environment in which the Company is operating depends to a great extent on economic measures of the Government, including implementation of an adequate legal and regulatory framework.

Book value of monetary assets and liabilities carried in foreign currencies on the Company reporting date were as follows:

	Assets		Liabilities	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
EUR	1.315.512	946.723	10.029.893	7.201.333
USD	260.232	497.399	-	-
GBP	38.038	10.074	-	-
CHF	-		-	
	1.613.782	1.454.196	10.029.893	7.201.333

The Company is sensitive to movements of Euro (EUR) and American dollar (USD) exchange rates. Table below shows detailed sensitivity analysis of the Company in case of 10% increase and decrease of exchange rate dinar against a particular foreign currency. 10% sensitivity rate is used in internal presentation of currency risks and represents the Management's estimate of reasonably expected movements in foreign currency exchange rates. Sensitivity analysis includes only unsettled receivables and outstanding payables carried in foreign currencies and equates their translation at the end of the period for 10% change of foreign currency exchange rates. Positive figure in the table indicates increase of performance results in the period in case of dinar devaluation against the specified foreign currencies. In case of 10% devaluation of dinar against the specified foreign currencies, effects on the performance results in the current period would be contrary to the effects given in the previous case.

		In thousands of dinars
	December 31, 2013	December 31, 2012
EUR currency	(871.437)	(625.461)
USD currency	26.023	49.740
GBP currency	3.804	1.007
CHF currency		-
Performance results in the current period	(841.610)	(574.714)

The Company's sensitivity to exchange rate fluctuations is increased in the period primarily due to increased credit commitments.

38. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES (continued)

Market Risks (continued)

Interest Rate Fluctuation Risks

The Company is exposed to the interest rate fluctuation risks with respect to its assets and liabilities with variable interest rate. The risks depend on the financial market and there are no available instruments whereby the Company can mitigate these effects.

The book value of financial assets and liabilities at the end of the observed period is presented in the table below.

		In thousands of dinars
	December 31, 2013	**December 31, 2012**
Financial Assets		
Non-interest-bearing		
Long-term financial investments	123.382	3.012
Other long-term financial investments	728	1.186
Trade receivables	2.706.472	3.877.508
Short-term financial investments	49.338	43.253
Cash and cash equivalents	96.083	128.389
	2.976.003	4.053.348
Fixed interest rate		
Short-term financial investments	5.954.687	1.688.966
Variable interest rate		
Short-term financial investments	384	41.129
	8.931.074	5.783.443
Financial Liabilities		
Non-interest-bearing		
Trade payables	2.208.884	663.202
Other payables	242.780	371.955
	2.451.665	1.035.157
Fixed interest rate		
Long-term and short-term credits	42.329	181.949
Variable interest rate		
Long-term and short-term credits	9.597.887	6.622.929
	12.091.880	7.840.035

Sensitivity analysis presented below is based on exposure to interest rates movements of non-derivative instruments as of the Balance Sheet date. With respect to liabilities with variable rate, the analysis was made under the assumption that the remaining balance of assets and liabilities as of the Balance Sheet remained unchanged throughout the entire year. 1% increase or decrease was the Management's estimate of a reasonable potential change in interest rates. Should the interest rate increase/decrease by 1% and all other variables remain unchanged, the Company would suffer operating gain/(loss) amounting to 95.975 thousand dinars in the year ending on December 31, 2013. This situation is assigned to the Company's exposure to variable interest rates contracted for long-term loans.

38. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES (continued)

Credit Risks

Management of Trade Receivables

Company is exposed to credit risks which represent a risk that debtors shall not be able to settle their debts in full and on a timely basis and, therefore, the Company would suffer losses. On the balance sheet date, the Company was mainly exposed to credit risks limited to trade receivables. Trade receivables include numerous receivables of which the major portion relates to receivables from related legal entities – 27.61% of total trade receivables as of December 31, 2013, whereas receivables from third parties make 55.68% of total trade receivables as of December 31, 2013.

Trade receivables were as follows:

	In thousands of dinars	
	2013	**2012**
Customers		
-related parties	747.208	1.745.496
-third legal parties	1.507.084	1.563.801
Other receivables from related parties		
-third parties	7.168	565.042
-related parties	445.011	3.169
	2.706.471	3.877.508

Structure of trade receivables as of December 31, 2013 is presented in table below:

	In thousands of dinars		
	Gross exposure	**Adjustment**	**Net exposure**
Undue trade receivables	1.130.238	-	1.130.238
Due and adjusted trade receivables	311.836	(311.836)	-
Due and unadjusted trade receivables	1.576.233	-	1.576.233
	3.018.307	(311.836)	2.706.471

Structure of trade receivables as of December 31, 2012 is presented in table below:

	In thousands of dinars		
	Gross exposure	**Adjustment**	**Net exposure**
Undue trade receivables	2.946.159	–	2.946.159
Due and adjusted trade receivables	446.781	(446.781)	-
Due and unadjusted trade receivables	931.349	–	931.349
	4.324.289	(446.781)	3.877.508

38. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES (continued)

Credit Risks (continued)

Management of Trade Receivables (continued)

Undue Trade Receivables

Undue trade receivables presented as of December 31, 2013 in the amount of 1.130.238 thousand dinars (December 31, 2012: 2.946.159 thousand dinars) mainly relate to trade receivables from sale of soybean meal, crude soybean oil, soybean textures and soybean flour and soybean concentrate. Maturity of these trade receivables ranges mainly within 60 days from the date of invoicing, depending on the agreed payment terms.

Due and Adjusted Trade Receivables

In the observed period the Company impaired the value of due trade receivables by 311.836 thousand dinars (December 31, 2012: 446.781 thousand dinars) since it established that the financial standing of customers have changed and, therefore, the receivables shall not be collected in full.

Due, Unadjusted Trade Receivables

The Company did not impair due trade receivables presented as of December 31, 2013 in the amount of 1.576.233 thousand dinars (December 31, 2012: 931.349 thousand dinars) since no changes in the customers' creditworthiness were established and all these receivables refer to receivables from the related parties and the Management was of the opinion that the total present value of these receivables shall be collected

Age structure of due, unadjusted trade receivables is given in the following table:

		In thousands of dinars
	December 31, 2013	**December 31, 2012**
Less than 30 days	774.035	144.648
31 - 90 days	233.407	333.704
91 - 180 days	64.071	9.258
181 - 365 days	490.708	426.745
Over 365 days	14.012	16.994
	1.576.233	931.349

Trade Payables Management

Trade payables as of December 31, 2013 were presented in the amount of 2.208.884 thousand dinars (December 31, 2012: 663.202 thousand dinars). The suppliers charge no default interest on due receivables whereas the Company makes payments within the agreed terms in accordance with the Risk Management Policies. The average time for the settlements of trade payables in 2013 was 54 days (in 2012: 16 days).

Liquidity Risks

The Company Management is finally responsible for the liquidity risk management and the Management implemented the corresponding management system required for short-term, medium-term and long-term financing of the Company and liquidity management. The Company manages the liquidity risks by keeping adequate cash reserves and continuous monitoring of the planned and actual cash flows as well as maintaining the adequate maturity ratio of financial assets and liabilities.

38. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES (continued)

Credit Risks (continued)

Tables of Liquidity Risks and Credit Risks

The following tables show details of remaining contracted maturities of the Company's liabilities. The presented amount are based on undiscounted cash flows resulting from financial liabilities which the Company shall be obligated to settle on the earliest date.

Maturities of financial assets

In thousands of dinars
December 31, 2013

	Less than a month	**1-3 months**	**From 3 months to one year**	**From 1 to 5 years**	**Total**
Non-interest-bearing	2.161.296	655.840	34.756	124.111	2.976.003
Fixed interest rate					
- Principal	344.513		5.610.174		5.954.687
- Interest	258		671.691		671.949
	344.771		6.281.865		6.626.636
Variable interest rate					
- Principal	384				384
- Interest	-				
	384				384
	2.506.451	655.840	6.316.621	124.111	9.603.023

In thousands of dinars
December 31, 2012

	Less than a month	**1-3 months**	**From 3 months to one year**	**From 1 to 5 years**	**Total**
Non-interest-bearing	2.592.229	1.386.751	69.621	4.747	4.053.348
Fixed interest rate					
- Principal	214.104	-	1.474.862	-	1.688.966
- Interest	14.788	27.416	41.797	-	84.001
	228.892	27.416	1.516.659	-	1.772.967
Variable interest rate					
- Principal	41.129	-	-	-	41.129
- Interest	268	-	-	-	268
	41.397	-	-	-	41.397
	2.862.518	1.414.167	1.586.280	4.747	5.867.712

The following tables show details of remaining contracted maturities of the Company's liabilities. The presented amounts are based on undiscounted cash flows resulting from financial liabilities which the Company shall be obligated to settle on the earliest date.

38. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES (continued)

Liquiduty Risks (continued)

Tables of Liquidity Risks and Credit Risks (continued)

Maturity of Financial Liabilities

In thousands of dinars
December 31, 2013

	Less than a month	1-3 months	From 3 months to one year	From 1 to 5 years	Over 5 years	Total
Non-interest-bearing	2.170.992	118.876	156.179	5.618		2.451.665
Fixed interest rate						
- Principal	14.110	28.219				42.329
- Interest	85	88				173
	14.195	28.307				42.502
Variable interest rate						
- Principal	159.375	274.445	1.501.212	6.499.605	1.163.250	9.597.887
- Interest	36.564	59.084	284.374	728.375	24.657	1.133.054
	195.939	333.529	1.785.586	7.227.980	1.187.907	10.730.941
	2.381.126	480.712	1.941.765	7.233.598	1.187.907	13.225.108

In thousands of dinars
December 31, 2012

	Less than a month	1-3 months	From 3 months to one year	From 1 to 5 years	Over 5 years	Total
Non-interest-bearing	621.468	48.507	353.594	11.588	-	1.035.157
Fixed interest rate						
- Principal	-	13.996	125.965	41.988		181.949
- Interest	376	752	2.061	172	-	3.361
	376	14.748	128.026	42.160	-	185.310
Variable interest rate						
- Principal	261.336	969.221	3.128.044	2.264.328	-	6.622.929
- Interest	22.680	39.369	473.937	180.599	-	716.585
	284.016	1.008.590	3.601.981	2.444.927	-	7.339.514
	905.860	1.071.845	4.083.601	2.498.675	-	8.559.981

38. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES (continued)

Fair value of financial Instruments

Table below shows present value of financial assets and financial liabilities and their fair value as of December 31, 2013 and December 31, 2012, respectively:

				In thousands of dinars
	December 31, 2013		**December 31, 2012**	
	Book value	**Fair Value**	**Book value**	**Fair Value**
Financial assets				
Interests in equity	123.383	123.383	3.012	3.012
Other long-term financial investments	728	728	1.186	1.186
Receivables	2.706.471	2.706.472	3.877.508	3.877.508
Short-term financial investments	6.004.409	6.004.409-	1.773.348	1.773.348
Cash and cash equivalents	96.083	96.083	128.389	128.389
	8.931.074	8.931.074	5.783.443	5.783.443
Financial liabilities				
Long-term and short-term loans	9.640.216	9.640.216	6.804.878	6.804.878
Trade payables	2.208.884	2.208.884	663.202	663.202
Other liabilities	242.781	242.781	371.955	371.955
	12.091.881	11.887.403	7.840.035	7.840.035

Assumptions for Estimation of the Present Fair Value of Financial Instruments

Bearing in mind insufficient market experience, stability and liquidity in acquisition and disposal of financial assets and liabilities and the fact that no market information is available to be eventually used for disclosure of the fair value of financial assets and liabilities, the discounted cash flow method was used. When adopting this evaluation method interest rates of financial instruments of similar characteristics are used with the aim to achieve relevant estimates of the market value of financial instruments on the Balance Sheet date.

Assumptions used for evaluation of the present fair value were that the book value of short-term trade receivables and trade payables represent their approximated fair value since their maturity for payment/collection is within a relatively short time period.

Table below represents the analysis of evaluated financial instruments, after their initial recognition at fair value, and classified in levels 1-3, depending on the possibility of their fair value assessment.

- Level 1: Determining of the fair value is derived from the quoted market value (unadjusted) on the active markets of identical assets and liabilities.

- Level 2: Determining of fair value is derived from input parameters, different from a quoted market value covered under the Level 1, which are visible from assets or liabilities, either directly (price, for example) or indirectly (derived from price, for example).

- Level 3: Determining of fair value is derived from evaluation techniques which include input parameters of financial assets or liabilities, but which are not available on the market (unexplored input parameters).

38. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES (continued)

Fair value of financial Instruments (continued)

				In thousands of dinars December 31, 2013
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets				
Available for sale				
- Quoted securities (note 19)	951.136			951.136
Long-term loans granted to employees	728			728
Total	951.864			951.864

Table above includes only financial assets, since the Company had no financial liabilities which were presented after the initial recognition at their fair value.

Total gains / (losses) presented in total other results relate to financial assets available for sale and they were presented as the movement 'Unrealized Gains from Securities' within the item 'Equity'.

39. LIABILITIES ASSUMED ON THE BASIS OF LEASE

Callable operating lease relates to the lease of silo. Payment of due liabilities are recognized as operating expenses of the period.

Liabilities assumed by the Company based on callable operating lease contracts were as follows:

		In thousands of dinars Year ending as of December 31
	2013	**2012**
Up to one year (contracts on fixed time period)	31.264	38.225
From one to five years (contracts on fixed time period)	12.600	26.371
	43.864	64.596

39. TAX RISKS

Tax regulations of the Republic of Serbia are often interpreted differently and they are subject to frequent amendments. Interpretation of tax regulations by tax authorities with respect to transactions and activities of the Company may differ from the Management's interpretations. Therefore, transactions may be disputed by the tax authorities and a certain additional amount of taxes, penalties and interests may be imposed on the Company. The limitation period of a tax liability is five years. In practice, it means that tax authorities are entitled to determine payment of outstanding liabilities within the five-year period from the date the liability was made.

40. DISPUTES

As of December 31, 2013 four disputes are pending against the Company whose estimated value is 26.279 thousand dinars.

In the dispute against Vojvodjanska Bank JSC, Novi Sad, on the basis of liabilities under the refinanced loans of the Paris Club creditor, which value is EUR 13.206.878, the Supreme Court of Cassation in its judgement No. Prev 75/2013, refused review by the Sojaprotein JSC against the judgement of the Commercial Court of Appeals, number pz 870/12, issued on behalf of Vojvodjanska Bank JSC, Novi Sad. On April 3, 2013, the Company has completely fulfilled the obligation under this judgement to Vojvodjanska Bank JSC. Sojaprotein JSC has submitted a constitutional complaint to the Constitutional Court of the Republic of Serbia, in order to protect their rights that have been violated in this case. Proceedings before the Contitutional Court is pending.

As of December 31, 2013 twenty six disputes are pending wherin the Company is a plaintiff and the estimated value of these disputes amounts to 91.216 thousand dinars and EUR 147.740

41. EVENTS AFTER THE BALANCE SHEET DATE

Based on the decision of the Supervisory Board on acquiring its own shares on the market, the Company acquired 12.350 treasury shares at the Belgrade Stock Exchange.

The parent company, Victoria Group JSC Belgrade and five members of the Group (including the Company) signed Standstill Agreement with creditor banks, which entered into effect on April 7, 2014, with validity period of 30 days. In addition to defining exceptions, the contract established total exposure of the Group to creditor banks based on disbursed loans and contigent liabilities for guarantees and letters of credit as of February 1, 2014. In accordance with the Agreement, all the creditor banks agreed, regardless of the maturity of principal and/or occurence and duration of any other event representing the breach of the main contract on loan, not to start repayment or execution procedure provided by the main contract or law or during the standstill period.

In the standstill period, the Group is obliged to keep the level of indebtedness at the level defined in the Agreement and to seek the approval of creditor banks for certain activities such as investments and changes in the ownership structure. Moreover, liabilities based on regular and default interest, as well as based on bank fees, shall be accrued and paid in accordance with the provisions of the Agreement.

During the standstill period, the agreement should be reached on further extension of the grace period and restructuring of total liabilities of the Group towards the banks.

42. EXCHANGE RATES

Mean exchange rates established at the Interbank Market were used in translation in dinars of the Balance Sheet items carried in foreign currency, and they were as follows for individual main currencies:

	December 31, 2013	**December 31, 2012**
USD	83.1282	86.1763
GBP	136.9679	139.1901
EUR	114.6421	113.7183
CHF	93.5472	94.1922

Entered by: Legal entity - Entrepreneur

08114072		100741587
Identification number	NACE code	TIN

Entered by Business Registers Agency

750								
123	19	20	21	22	23	24	25	26

Type of Business

Name: Sojaprotein JSC

Registered Office: Becej, Industrijska 1

STATISTICAL ANNEX

7005024336183

for the year 2013

I GENERAL DATA ON LEGAL ENTITY I.E. ENTREPRENEUR

ITEM	ADP	Current Year	Previous Year
1	2	3	4
1.Number of months in business operation (designation from 1 to 12)	601	12	12
2.Designation for size (designation from 1 to 4)	602	4	4
3.Designation of ownership (designation from 1 to 5)	603	2	2
4.Number of foreign (legal or natural) persons having share in the capital	604	240	274
5.Average number of employees at the end of each month (whole number)	605	416	408

II GROSS CHANGES IN INTANGIBLE INVESTMENTS AND PROPERTY, PLANTS, EQUIPMENT AND BIOLOGICAL ASSETS

-in thousands of dinars

Group of accounts, Account	ITEM	ADP	Gross	Value adjustment	Net (col. 4-5)
1	2	3	4	5	6
01	**1.Intangible assets**				
	1.1 Opening balance	606	34148	17711	16437
	1.2 Increase (procurement) during the year	607	11959	XXXXXXXXXXXX	11959
	1.3 Decrease during the year	608	10747	XXXXXXXXXXXX	14728
	1.4 Revaluation	609		XXXXXXXXXXXX	
	1.5 Closing balance (606+607-608+609)	610	35360	21692	13668
02	**2. Property, plants, equipment and biological assets**				
	2.1 Opening balance	611	8650273	3578	864
	2.2 Increase (procurement) during the year	612	5039369	XXXXXXXXXXXX	5039369
	2.3 Decrease during the year	613	4114468	XXXXXXXXXXXX	4459303
	2.4 Revaluation	614		XXXXXXXXXXXX	
	2.5 Closing balance (611+612-613+614)	615	9575174	348413	9226761

III STRUCTURE OF INVENTORIES -in thousands of dinars

Group of accounts, Account	ITEM	ADP	Current Yeat	Previous Year
1	2	3	4	5
10	1.Raw material inventories	616	2930890	3852710
11	2.Production in progress	617	31527	76025
12	3.Finished products	618	943068	422324
13	4.Goods	619	14669	125609
14	5.Permanent assets for sale	620		
15	6.Prepayments	621	76673	1055046
	7.TOTAL (616+617+618+619+620+621 = 013+014)	622	3996827	5531714

IV STRUCTURE OF CAPITAL STOCK -in thousands of dinars

Group of accounts, Account	ITEM	ADP	Current Yeat	Previous Year
1	2	3	4	5
300	1.Share capital	623	6906480	6906480
	Within it: foreign capital	624	253687	585975
301	2.Stakes of the limited liability company	625		
	Within it: foreign capital	626		
302	3.Stakes of partnersip and limited partnership members	627		
	Within it: foreign capital	628		
303	4.State capital	629		
304	5.Socially-owned capital	630		
305	6.Stakes of cooperatives	631		
309	7.Other capital	632		
30	TOTAL (623+625+627+629+630+631+632 = 102)	633	6906480	6906480

V STRUCTURE OF SHARE CAPITAL -number of shares in round number
-in thousands of dinars

Group of accounts, Account	ITEM	ADP	Current Yeat	Previous Year
1	2	3	4	5
	1.Ordinary shares			
	1.1 Number of ordinary shares	634	14895524	14895524
part of 300	1.2 Par value of ordinary shares - total	635	6906480	6906480
	2. Preference shares			
	2.1 Number of preference shares	636		
Part of 300	2. Par value of preference shares - total	637		
300	**3.TOTAL – par value of shares (635+637=623)**	638	6906480	6906480

VI RECEIVABLES AND LIABILITIES

-in thousands of dinars

Group of accounts, Account	ITEM	ADP	Current Yeat	Previous Year
1	2	3	4	5
20	1.Receivables from sale (closing balance 639 < = 016)	639	2254293	3845768
43	2.Liabilities from business operations (closing balance 640 < = 119)	640	2225134	689578
part of 228	3.Receivables for damage compensation from insurance companies during the year (debit transactions without opening balance)	641	6266	2086
27	4.VAT – previous tax (annual amount by tax returns)	642	1002036	1359171
43	5.Operating liabilities (credit transactions without opening balance)	643	23710328	18386563
450	6.Liabilities for net salaries and fringe benefits (credit transactions without opening balance)	644	313931	266915
451	7.Liabilities for taxes on salaries and fringe benefits charged to employees (credit transactions without opening balance)	645	41876	40233
452	8.Liabilities for contributions on salaries and fringe benefits charged to employees	646	80242	66013
461, 462 and 723	9.Liabilities for dividends, stakes in profit and personal earnings of employer (credit transactions without opening balance)	647		
465	10.Liabilities to natural persons for contracted fees (credit transactions without opening balance)	648	11430	3258
47	11.Liabilities for VAT (annual amount by tax returns)	649	736124	1438244
	12.Check sum (from 639 to 649)	650	30381660	26097829

VII OTHER COSTS AND EXPENSES

-in thousands of dinars

Group of accounts, Account	ITEM	ADP	Current Yeat	Previous Year
1	2	3	4	5
513	1.Fuel and energy costs	651	680500	498327
520	2.Costs of salaries and fringe benefits (gross)	652	432437	373161
521	3.Costs of taxes and contributions on salaries and fringe benefits charged to employer	653	75345	66013
522, 523, 524 and 525	4.Costs of remunerations to natural persons (gross) according to contracts	654	16847	5079
526	5.Costs of remunerations to members of Managing Board and Supervisory Board (gross)	655	1999	1039
529	6.Other personal expenses and remunerations	656	47971	47401
53	7.Costs of production services	657	569739	395028
533, part of 540 and part of 525	8.Rental costs	658	64257	65855
part of 533, part of 540 and part of 525	9.Rental costs for land	659		
536, 537	10.Costs of research and development activities	660		
540	11.Depreciation costs	661	348976	206562
552	12.Insurance premium costs	662	32430	19602
553	13.Payment transaction costs	663	9967	24009

-in thousands of dinars

Group of accounts, Account	ITEM	ADP	Current Yeat	Previous Year
1	2	3	4	5
554	14.Membership fees	664	2117	2080
555	15.Tax costs	665	42617	23328
556	16.Contribution costs	666	4963	3044
562	17. Interest costs	667	264043	482387
part of 560, part of 561 and 562	18.Interest costs and part of financial expenses	668	264043	482387
part of 560, part of 561 and part of 562	19.Interest costs of loans from banks and other financial organizations	669	262776	347923
part of 579	20.Expenses for humanitarian, cultural, educational, scientific and religious purposes, for environment protection and sports purposes	670	671	947
	21.Check sum (from 651 to 670)	671	3121698	3044172

VIII OTHER REVENUES

-in thousands of dinars

Group of accounts, Account	ITEM	ADP	Current Yeat	Previous Year
1	2	3	4	5
60	1.Revenues from the sale of merchandise	672	387694	1880299
640	2.Revenues from premiums, subsidies, donations, recourse, compensation and tax returns	673		
641	3.Revenues from donations under specified conditions	674	118	2335
part of 650	4.Revenues from rental of land	675		
651	5.Revenues from membership fees	676		
part of 660, part of 661, 662	6.Interest gains	677	314363	67993
part of 660, part of 661 and part of 662	7.Interest gains on accounts and deposits at banks and other financial organizations	678	16941	38478
part of 660, part of 661 and part of 669	8.Revenues from dividends and share in the profit	679		
	9.Check sum (from 672 to 679)	**680**	719116	1989105

IX OTHER DATA

-in thousands of dinars

ITEM	ADP	Current Yeat	Previous Year
1	2	3	4
1.Liabilities for excise (according to annual excise duty calculation)	681		
2.Calculated customs and other import duties (total annual amount according to calculation)	682	1189	3232
3. Capital subsidies and other state grants for construction and procurement of fixed assets and intangible investments	683		
4. State allocations for premiums, recourse and the current operating costs	684		
5.Other state allocations	685		
6.Foreign donations and other non-repayable grants in cash or in kind from foreign legal entities and natural persons	686		
7. Personal earnings of entrepreneurs from net profit (filled in by entrepreneurs only)	687		
8.Check sum (from 681 to 687)	688	1189	3232

X DEFERRED NEGATIVE NET EFFECTS OF CONTRACTED FOREIGN CURRENCY CLAUSE AND EXCHANGE DIFFERENCES

-in thousands of dinars

ITEM	ADP	Current Yeat	Previous Year
1	2	3	4
1.Opening balance of deferred net effect of contracted foreign currency clause	689		
2.Deferred net effect off contracted foreign currency clause	690		
3.Proportional part of cancelled net effect of contracted foreign currency clause	691		
4.Remaining amount of net effect of contracted foreign currency clause (Ord.No. 1 + Ord.No 2-Ord.No.3)	692		
5. Opening balance of deferred net effect of exchange differences	693		
6.Deferred net effect of exchange diffferences	694		
7. Proportional part of cancelled net effect of exchange differences	695		
8.Remaining amount of net effect of exchange differences (Ord.No. 5+ Ord.No. 6 - Ord.No. 7)	696		

XI DEFERRED POSITIVE NET EFFECTS OF CONTRACTED FOREIGN CURRENCY CLAUSE AND EXCHANGE DIFFERENCES

-in thousands of dinars

ITEM	ADP	Current Yeat	Previous Year
1	2	3	4
1.Opening balance of deferred net effect of contracted foreign currency clause	697		
2.Deferred net effect off contracted foreign currency clause	698		
3.Proportional part of cancelled net effect of contracted foreign currency clause	699		
4.Remaining amount of net effect of contracted foreign currency clause (Ord.No. 1 + Ord.No 2-Ord.No.3)	700		
5. Opening balance of deferred net effect of exchange differences	701		
6.Deferred net effect of exchange diffferences	702		
7. Proportional part of cancelled net effect of exchange differences	703		
8.Remaining amount of net effect of exchange differences (Ord.No. 5+ Ord.No. 6 - Ord.No. 7)	704		

In Becej April 16, 2014

Person responsible
for the preparation
of the financial statement

PLACE OF SEAL
SOJAPROTEIN
Joint Stock Company
Becej

Legal Representative

Signature

Sojaprotein
AKCIONARSKO DRUŠTVO
ZA PRERADU SOJE
BEČEJ

Signature

Form prescribed by the Regulations on Contents and Forms of Financial Statements for companies, cooperatives, other legal entities and entrepreneurs ("Official Gazette of the Republic of Serbia", No. 114/06, 5/07, 119/08, 2/10, 101/12, 118/12 and 3/2014).

Deloitte.

Deloitte LLC
Terazije 8
1000 Belgrade
Serbia

TIN 10048772
ID No.07770413

Tel: +381 11 3812 100; + 381 11 3812 200
Fax: +381 11 3812 101; + 381 11 3812 201
www.deloitte.com/rs

DELOITTE LLC
8 Terazije Street
11000 Belgrade

Contract No. 306/IIA from December 5, 2013

SOJAPROTEIN JSC
Industrijska zona bb, Becej

Subject: DECLARATION OF INDEPENDENCE

To the Director of
the Company

Dear Sir,

According to the Article 42. Paragraph 2. of the Law on Audit ("the Official Gazette of the Republic of Serbia", No. 62/2013) and Article 453 of the Company Law ("the Official Gazette of the Republic of Serbia", No.36/2011 and 99/2011) as a licensed statutory auditor, employed at the Company for audit and consulting “DELOITTE“ LLC Belgrade, Terazije 8, at the position of Director of Audit, in charge for managing the audit of financial statements of the public Company „Sojaprotein JSC Becej (hereinafter referre to as “Public Company“) for the year of 2013, hereby I confirm my independence in relation to a public company in terms of Article 34. Of the Law on Audit and Article 54. Of the Law on the Capital Market (“Official Gazette of the Republic of Serbia“, No. 31/2011).

Belgrade, April 30, 20

Zoran Nesic
Director of Audit
Deloitte LLC Belgrade

Republic of Serbia
Business Registers Agency
Register of Financial Statamentsand Data on Solvency

APPLICATION FOR THE FINANCIAL STATEMENTS REGISTRATION

DATA ABOUT THE SUBMITTER

Business name: SOJAPROTEIN JSC

Identification number: 0811407 TIN: 1007415 Municipality: Becej

Place: Becej ZIP code: 2122

Street: Industrijska Number: 1

TYPE OF FINANCIAL STATEMENT

Regular annual financial statement for the year of 2013

CLASSIFICATION NOTICE (mandatory field to be filled out by companies, associations, other legal entities and its branches)

Pursuant to article 6 of the Law on Accounting, and based on the data referred to under Financial Statements for 2013 the Submitter was classified as error legal entity.

MANNER OF SERVICING THE NOTIFICATION ON ESTABLISHED DEFICITS/CONFIRMATION OF THE REGISTRATION

Manner of servicing: To the Submitter on its registered address

Name:

Municipality:

Place: ZIP code:

Street: Number:

DATA ABOUT THE PERSON RESPONSIBLE FOR PREPARATION OF FINANCIAL STATEMENTS

Name/First name and surname: 1405968855046 – DRAGANA ANDJELKOVIC

Place: ZRENJANIN

Street: RADNICKA Number: 49

Email: dragana.andjelkovic@victoriagroup.rs

Telephone: 021/6811623

STATEMENT: I warrant the accuracy of data entered

Legal representative of the Submitter

Signature SEAL

Sojaprotein

Name: James Patrick

Entered by: Legal entity - Entrepreneur		
08114072		100741587
Identification number	NACE code	TIN

Entered by Business Registers Agency

850								
123	19	20	21	22	23	24	25	26
Type of Business								

Name: Sojaprotein JSC

Registered Office: Becej, Industrijska 1

BALANCE SHEET - consolidated

7005024383798 as of December 31, 2013 -in thousands of dinars

Group of accounts, Account	ITEM	ADO	Note No.	Amount	
				Current Year	Previous Year
1	2	3	4	5	6
	ASSETS				
	A.FIXED ASSETS (002+003+004+005+009)	001		10191596	9494392
00	I.SUBSCRIBED CAPITAL UNPAID	002			
012	II.GOODWILL	003			
01 without 012	III.INTANGIBLES	004		13668	16437
	IV.PROPERTY, PLANTS, EQUIPMENT AND NATURAL ASSETS (006+007+008)	005		9226761	8646702
020, 022, 023, 026, 027 (part), 028 (part), 029	1.Propety, plants and equipment	006		8793828	8055238
024, 027 (part), 028 (part)	2.Investment property	007		430374	588698
021, 025, 027 (part), 028 (part)	3.Biological assets	008		2559	2766
	V.LONG-TERM FINANCIAL INVESTMENTS (010+011)	009		951167	831253
030 to 032, 039 (part)	1.Stakes in capital	010		950439	830067
033 to 038, 039 (part) minus 37	2.Other long-term financial investments	011		728	1186
	B.CURRENT ASSETS (013+014+015)	012		13122403	11361715
10 to 13, 15	I.INVENTORIES	013		4028273	5546744
14	II.NON-CURRENT ASSETS HELD FOR SALE OF DISCONTINUED OPERATIONS	014			
	III.SHORT-TERM RECEIVEABLES, INVESTMENTS AND CASH (016+017+018+019+020)	015		9094130	5814971
20, 21 and 22, excluding 223	1.Trade receivables	016		2688956	3843544
223	2.Receivables for overpaid profit tax	017		73705	3591
23 minus 237	3.Short-term financial investments	018		6015291	1784961
24	4.Cash and cash equivalents	019		105047	166400

-in thousands of dinars

Group of accounts, Account	ITEM	ADO	Note No.	Amount	
				Current Year	Previous Year
1	2	3	4	5	6
27, 28 excluding 288	5.Value added tax and prepayments and accrued income	020		211131	16475
288	**C.DEFERRED TAX ASSETS**	021			
	D.OPERATING ASSETS (001+012+021)	022		23313999	20856107
29	**E.LOSS OVER CAPITAL**	023			
	F.TOTAL ASSETS (022+023)	024		23313999	20856107
88	**G.OFF-BALANCE ASSETS**	025		19349934	10705965
	LIABILITIES				
	A.CAPITAL (102+103+104+105+106-107+108-109-110)	101		10642447	12458069
30	I.CAPITAL STOCK	102		6906541	6906541
31	II.SUBSCRIBEED CAPITAL UNPAID	103			
32	III.RESERVES	104		1175461	1428909
330 and 331	IV.REVALUATION RESERVES	105		2358932	2362112
332	V.UNREALIZED GAINS BASED ON SECURITIES	106			
333	VI.UNREALIZED LOSSES BASED ON SECURITIES	107		23402	23817
34	VII.RETAINED PROFIT	108		1757541	1784324
35	VIII.LOSS	109		1151293	0
037 and 237	IX.OWN SHARES PURCHASED	110		381333	0
	B.LONG-TERM PROVISIONS AND LIABILITIES (112+113+116)	111		12263166	8026570
40	I.LONG-TERM PROVISIONS	112		137313	24815
41	II.LONG-TERM LIABILITIES (114+115)	113		0	2306316
414, 415	1.Long-term loans	114		0	2306316
41 without 414 and 415	2.Other long-term liabilities	115			
	III.SHORT-TERM LIABILITIES (117+118+119+120+121+122)	116		12125853	5695439
42 excluding 427	1.Short-term financial liabilities	117		9844693	4498562
427	2.Liabilities related to assets held for sale and assets of discontinued operations	118			
43 and 44	3.Operating liabilities	119		2231863	698338
45 and 46	4.Other short-term liabilities	120		38304	392802
47, 48 excluding 481 and 49 excluding 498	5.Liabilities for value added tax and other public revenues, accruals and deferred income	121		10993	105737
481	6.Profit tax liabilities	122			

-in thousands of dinars

Group of accounts, Account	ITEM	ADO	Note No.	Amount	
				Current Year	Previous Year
1	2	3	4	5	6
498	**C.DEFERRED TAX LIABILITIES**	123		408386	371468
	D.TOTAL LIABLITIES (101+111+123)	124		23313999	20856107
89	**E.OFF-BALANCE LIABILITIES**	125		19349934	10705965

In Becej April 29, 2014

Person responsible
for the preparation
of the financial statements

A Zlojatka

Signature

PLACE OF SEAL
SOJAPROTEIN
Joint Stock Company
Becej

Sojaprotein
AKCIONARSKO DRUŠTVO
ZA PRERADU SOJE
BEČEJ 21

Legal Representative

Signature

Form prescribed by the Regulations on Contents and Forms of Financial Statements for companies, cooperatives, other legal entities and entrepreneurs ("Official Gazette of the Republic of Serbia", No. 114/06, 5/07, 119/08, 2/10, 101/12, 118/12 and 3/2014).

Entered by: Legal entity - Entrepreneur

08114072		100741587
Identification number	NACE code	TIN

Entered by Business Registers Agency

850								
123	19	20	21	22	23	24	25	26

Type of Business

Name: SOJAPROTEIN JSC

Registered Office: BECEJ, INDUSTRIJSKA 1

INCOME STATEMENT - consolidated

7005024383804

for the period from January 1, 2013 to December 31, 2013

-in thousands of dinars

Group of accounts, Account	ITEM	ADO	Note No.	Amount	
				Current Year	Previous Year
1	2	3	4	5	6
	A.OPERATING REVENUES AND EXPENSES				
	I.OPERATING REVENUES (202+203+204+205+206)	201		11559381	17632126
60 and 61	1.Sales revenue	202		10806342	17768508
62	2.Revenues from activation of goods and effects	203		210180	42179
630	3.Increase of the value of inventories	204		481180	11502
631	4.Decrease of the value of inventories	205		0	249379
64 and 65	5.Other operating revenue	206		61679	59316
	II.OPERATING EXPENSES (208 to 212)	207		12518820	15505781
50	1.Cost of merchandise sold	208		487436	2042224
51	2.Cost of material	209		9829034	11409012
52	3.Cost of salaries, fringe benefits and other peronal expenses	210		590179	762415
54	4.Costs of depriciation and provisions	211		668104	304633
53 and 55	5.Other operating expenses	212		944067	987497
	III.OPERATING PROFIT (201-207)	213		0	2126345
	IV.OPERATING LOSS (207-201)	214		959439	0
66	**V.FINANCIAL INCOME**	215		505914	803014
56	**VI.FINANCIAL EXPENSES**	216		513229	1587933
67 and 68	**VII.OTHER INCOME**	217		202259	382299
57 and 58	**VIII.OTHER EXPENSES**	218		343552	809136
	IX.PROFIT FROM REGULAR OPERATIONS BEFORE TAXATION (213-214+215-216+217-218)	219		0	914589
	X.LOSS FROM REGULAR OPERATIONS BEFORE TAXATION (214-213-215+216-217+218)	220		1114016	0
69-59	**XI.NET INCOME FROM DISCONTINUED OPERATIONS**	221			
59-69	**XII.NET LOSS FROM DISCONTINUED OPERATIONS**	222			

-in thousands of dinars

Group of accounts, Account	ITEM	ADO	Note No.	Amount	
				Current Year	Previous Year
1	2	3	4	5	6
	B.PROFIT BEFORE TAXATION (219-220+221-222)	223		0	914589
	C.LOSS BEFORE TAXATION (220-219+222-221)	224		1108047	0
	D.PROFIT TAX				
721	1.Tax liabilities for the period	225		1809	71943
722	2.Deferred tax liabilities for the period	226		37142	23197
722	3.Deferred tax assets for the period	227			
723	**E.Paid personal earnings of the employer**	228			
	F.NET PROFIT (223-224-225-226+227-228)	229		0	819449
	G.NET LOSS (224-223+225+226-227+228)	230		1146998	0
	H.NET PROFIT OF MINORITY SHAREHOLDERS	231		0	60348
	I.NET PROFIT OF THE PARENT LEGAL ENTITY OWNERS	232		0	759101
	J.EARNINGS PER SHARE				
	1.Basic earnings per share	233			
	2.Diluted earnings per share	234			

In Becej April 29, 2014

Person responsible for the preparation of the financial statements

PLACE OF SEAL
SOJAPROTEIN
Joint Stock Company
Becej

Legal Representative

Sojaprotein
AKCIONARSKO DRUŠTVO
ZA PRERADU SOJE
BEČEJ

Signature

Signature

Form prescribed by the Regulations on Contents and Forms of Financial Statements for companies, cooperatives, other legal entities and entrepreneurs ("Official Gazette of the Republic of Serbia", No. 114/06, 5/07, 119/08, 2/10, 101/12, 118/12 and 3/2014).

Entered by: Legal entity - Entrepreneur

08114072		100741587
Identification number	NACE code	TIN

Entered by Business Registers Agency

850								
123	19	20	21	22	23	24	25	26

Type of Business

Name: Sojaprotein JSC

Registered Office: Becej, Industrijska 1

CASH FLOW STATEMENT - consolidated

7005024383811 for the period from January 1, 2013 to December 31, 2013 -in thousands of dinars

ITEM	ADO	Amount	
		Current Year	Previous Year
1	2	3	4
A.CASH FLOWS FROM OPERATING ACTIVITIES			
I.Cash inflows from operating activities (1 to 3)	301	12829735	18780608
1.Sales and received advances	302	12605983	18239688
2.Interest received from operating activities	303	117646	329825
3.Other inflows from regular operating activities	304	106106	211095
II.Cash outflows from operating activities (1 to 5)	305	10244972	17609280
1.Cash paid to suppliers and advances paid	306	8901317	16434818
2.Salaries, fringe benefits and other personal expenses	307	591741	739152
3.Interest paid	308	579544	739152
4.Income taxes paid	309	75198	89993
5.Other public expenses paid	310	97172	92289
III.Net cash inflows from operating activities (I-II)	311	2584763	1171328
IV.Net cash outflows from operating activities (II-I)	312		
B.CASH FLOWS FROM INVESTMENT ACTIVITIES			
I.Cash inflows from investment activities (1 to 5)	313	1230	167341
1.Sale of shares and stakes (net inflows)	314		
2.Sale of intangible assets, property, plants, equipment and biological assets	315	1230	1202
3.Other financial investments (net inflows)	316	0	166139
4.Interest received from investment activities	317		
5.Dividends received	318		
II.Cash outflows from investment activities (1 to 3)	319	367499	3575087
1.Acquisition of shares and stakes (net outflows)	320		
2.Acquisition of intangible assets, preoperty, plants, equipment and biological assets	321	367499	854245
3.Other financial placements (net inflows)	322	0	2720842
III.Net cash inflows from investment activities (I-II)	323		
IV.Net cash outflows from investment activities (II-I)	324	366269	3407746

-in thousands of dinars

ITEM	ADO	Amount	
		Current Year	Previous Year
1	2	3	4
C.CASH FLOWS FROM FINANCING ACTIVITIES			
I.Cash inflows from financing activities (1 to 3)	325	0	1965485
1.Capital stock increase	326		820000
2.Long-term and short-term loans (net inflows)	327	0	1088564
3.Other long-term and short-term liabilities	328	0	56921
II.Cash outflows from financing activities (1 to 4)	329	2277605	152103
1.Buy-up of treasury shares and stakes	330	669372	0
2.Long-term and short-term loans and other liabilities (net outflows)	331	1608165	151386
3.Financial leasing	332	68	717
4.Dividends paid	333		
III.Net cash inlow from financing activities (I-II)	334	0	1813382
IV.Net cash outflow from financing activities (II-I)	335	2277605	0
D.TOTAL CASH INFLOWS (301+313+325)	336	12830965	20913434
E.TOTAL CASH OUTFLOWS (305+319+329)	337	12890076	21336470
F.NET CASH INFLOW (336-337)	338		
G.NET CASH OUTFLOW (337-336)	339	59111	423036
H.CASH AT THE BEGINNING OF ACCOUNTING PERIOD	340	166400	582718
I.FOREIGN CURRENCY TRANSLATION GAIN	341	1202	8098
J.FOREIGN CURRENCY TRANSLATION LOSS	342	802	1237
K.CASH AT THE END OF ACCOUNTING PERIOD (338-339+340+341-342)	343	105047	166400

In Becej April 29, 2014

Person responsible
for the preparation
of the financial statement

PLACE OF SEAL
SOJAPROTEIN
Joint Stock Company
Becej

Legal Representative

Sojaprotein
AKCIONARSKO DRUŠTVO
ZA PRERADU SOJE
BEČEJ 21

Signature

Signature

Form prescribed by the Regulations on Contents and Forms of Financial Statements for companies, cooperatives, other legal entities and entrepreneurs ("Official Gazette of the Republic of Serbia", No. 114/06, 5/07, 119/08, 2/10, 101/12, 118/12 and 3/2014).

	Entered by: Legal entity - Entrepreneur	
08114072		100741587
Identification number	NACE code	TIN
	Entered by Business Registers Agency	

850								
123	19	20	21	22	23	24	25	26

Type of Business

Name: Sojaprotein JSC

Registered Office: Becej, Industrijska 1

STATEMENT ON CHANGES IN EQUITY - consolidated

7005024383835 for the period from January 1, 2013 to December 31, 2013 –in thousands of dinars

Ord. No.	DESCRIPTION	ADP	Capital stock (group 30 without 309)	ADP	Other capital (account 309)	ADP	Subscribed capital unpaid (group 31)	ADP	Issue premium (account 320)
	1		2		3		4		5
1	Balance as of January 1 of the previous year _______	401	7280506	414		427		440	1255565
2	Adjustment of fundamental errors and change of accounting policies in the previous year – increase	402		415		428		441	
3	Adjustment of fundamental errors and change of accounting policies in the previous year – decrease	403		416		429		442	
4	**Adjusted opening balance as of Jannary 1 of the previous year __________ (Ord. No. 1+2-3)**	404	7280506	417		430		443	1255565
5	Total increase in the previous year	405		418		431		444	
6	Total decrease in the previous year	406	373965	419		432		445	217540
7	**Balance as of December 31 of the previous year ________ (Ord.No. 4+5-6)**	407	6906541	420		433		446	1038025
8	Adjustment of fundamental errors and change of accounting policies in the current year – increase	408		421		434		447	
9	Adjustment of fundamental errors and change of accounting policies in the previous year – decrease	409		422		435		448	
10	**Adjusted opening balance as of Jannary 1 of the current year ___________ (Ord. No. 7+8-9)**	410	6906541	423		436		449	1038025
11	Total increase in the current year	411		424		437		450	
12	Total decrease in the current year	412		425		438		451	288039
13	**Balance as of December 31 of the current year _______(Ord.No. 10+11-12)**	413	6906541	426		439		452	749986

-in thousands of dinars

Ord. No.	DESCRIPTION	ADP	Reserves (account 321, 322)	ADP	Revaluation reserves (acc. 330 and 331)	ADP	Unrealized gains on securities (acc. 332)	ADP	Unrealized losses on securities (acc. 333)
	1		6		7		8		9
1	Balance as of January 1 of the previous year _______	453	333712	466	2512500	479	571	492	
2	Adjustment of fundamental errors and change of accounting policies in the previous year – increase	454		467		480		493	
3	Adjustment of fundamental errors and change of accounting policies in the previous year – decrease	455		468		481		494	
4	**Adjusted opening balance as of Jannary 1 of the previous year __________ (Ord. No. 1+2-3)**	456	333712	469	2512500	482	571	495	
5	Total increase in the previous year	457	57172	470	751387	483	2629	496	23817
6	Total decrease in the previous year	458		471	901775	484	3200	497	
7	**Balance as of December 31 of the previous year ______ (Ord.No. 4+5-6)**	459	390884	472	2362112	485		498	23817
8	Adjustment of fundamental errors and change of accounting policies in the current year – increase	460		473		486		499	
9	Adjustment of fundamental errors and change of accounting policies in the previous year – decrease	461		474		487		500	
10	**Adjusted opening balance as of Jannary 1 of the current year ___________ (Ord. No. 7+8-9)**	462	390884	475	23612112	488		501	23817
11	Total increase in the current year	463	34591	476		489		502	
12	Total decrease in the current year	464		477	3180	490		503	415
13	**Balance as of December 31 of the current year ______ (Ord.No. 10+11-12)**	465	425475	478	2358932	491		504	23402

-in thousands of dinars

Ord. No.	DESCRIPTION	ADP	Retained profit (group 34)	ADP	Losses up to equity (group 35)	ADP	Bought-up treasury shares and stakes (acc. 037, 237)	ADP	Total (col.2+3+4+5+ 6+7+ 8+9+10-11-12)
	1		10		11		12		13
1	Balance as of January 1 of the previous year _______	505	1607608	518		531		544	12990462
2	Adjustment of fundamental errors and change of accounting policies in the previous year – increase	506		519		532		545	
3	Adjustment of fundamental errors and change of accounting policies in the previous year – decrease	507		520		533		546	
4	**Adjusted opening balance as of Jannary 1 of the previous year __________ (Ord. No. 1+2-3)**	508	1607608	521		534		547	12990462
5	Total increase in the previous year	509	1835406	522		535		548	2646594
6	Total decrease in the previous year	510	1658690	523		536		549	3178987
7	**Balance as of December 31 of the previous year ______ (Ord.No. 4+5-6)**	511	1784324	524		537		550	12458069
8	Adjustment of fundamental errors and change of accounting policies in the current year – increase	512		525		538		551	
9	Adjustment of fundamental errors and change of accounting policies in the previous year – decrease	513		526		539		552	
10	**Adjusted opening balance as of Jannary 1 of the current year ___________ (Ord. No. 7+8-9)**	514	1784324	527		540		553	12458069
11	Total increase in the current year	515	7808	528	1151293	541	381333	554	42814
12	Total decrease in the current year	516	34591	529		542		555	1858851
13	**Balance as of December 31 of the current year ______ (Ord.No. 10+11-12)**	517	1757541	530	1151293	543	381333	556	10642447

-in thousands of dinars

Ord. No.	DESCRIPTION	ADP	Losses over equity (group 29)
	1		14
1	Balance as of January 1 of the previous year _______	557	
2	Adjustment of fundamental errors and change of accounting policies in the previous year – increase	558	
3	Adjustment of fundamental errors and change of accounting policies in the previous year – decrease	559	
4	**Adjusted opening balance as of Jannary 1 of the previous year __________ (Ord. No. 1+2-3)**	560	
5	Total increase in the previous year	561	
6	Total decrease in the previous year	562	
7	**Balance as of December 31 of the previous year ______ (Ord.No. 4+5-6)**	563	
8	Adjustment of fundamental errors and change of accounting policies in the current year – increase	564	
9	Adjustment of fundamental errors and change of accounting policies in the previous year – decrease	565	
10	**Adjusted opening balance as of Jannary 1 of the current year __________ (Ord. No. 7+8-9)**	566	
11	Total increase in the current year	567	
12	Total decrease in the current year	568	
13	**Balance as of December 31 of the current year ______ (Ord.No. 10+11-12)**	569	

In Becej April 29, 2014

Person responsible for the preparation of the financial statements

Signature

PLACE OF SEAL
SOJAPROTEIN
Joint Stock Company
Becej

Legal Representative

Sojaprotein
AKCIONARSKO DRUŠTVO
ZA PRERADU SOJE
BEČEJ

Signature

Form prescribed by the Regulations on Contents and Forms of Financial Statements for companies, cooperatives, other legal entities and entrepreneurs ("Official Gazette of the Republic of Serbia", No. 114/06, 5/07, 119/08, 2/10, 101/12, 118/12 and 3/2014).

Entered by: Legal entity - Entrepreneur

08114072		100741587
Identification number	NACE code	TIN

Entered by Business Registers Agency

850								
123	19	20	21	22	23	24	25	26

Type of Business

Name: Sojaprotein JSC

Registered Office: Becej, Industrijska 1

STATISTICAL ANNEX - consolidated

7005024383828

for the year 2013

I GENERAL DATA ON LEGAL ENTITY I.E. ENTREPRENEUR

ITEM	ADP	Current Year	Previous Year
1	2	3	4
1.Number of months in business operation (designation from 1 to 12)	601	12	12
2.Designation for size (designation from 1 to 4)	602	4	4
3.Designation of ownership (designation from 1 to 5)	603	2	2
4.Number of foreign (legal or natural) persons having share in the capital	604	240	274
5.Average number of employees at the end of each month (whole number)	605	425	417

II GROSS CHANGES IN INTANGIBLE INVESTMENTS AND PROPERTY, PLANTS, EQUIPMENT AND BIOLOGICAL ASSETS

-in thousands of dinars

Group of accounts, Account	ITEM	ADP	Gross	Value adjustment	Net (col. 4-5)
1	2	3	4	5	6
01	**1.Intangible assets**				
	1.1 Opening balance	606	34749	18312	16437
	1.2 Increase (procurement) during the year	607	11959	XXXXXXXXXXXX	11959
	1.3 Decrease during the year	608	11348	XXXXXXXXXXXX	14728
	1.4 Revaluation	609		XXXXXXXXXXXX	
	1.5 Closing balance (606+607-608+609)	610	35360	21692	13668
02	**2. Property, plants, equipment and biological assets**				
	2.1 Opening balance	611	8650279	3577	8646702
	2.2 Increase (procurement) during the year	612	5039369	XXXXXXXXXXXX	5039369
	2.3 Decrease during the year	613	4114468	XXXXXXXXXXXX	4459310
	2.4 Revaluation	614		XXXXXXXXXXXX	
	2.5 Closing balance (611+612-613+614)	615	9575180	348419	9226761

III STRUCTURE OF INVENTORIES -in thousands of dinars

Group of accounts, Account	ITEM	ADP	Current Yeat	Previous Year
1	2	3	4	5
10	1.Raw material inventories	616	2930890	3852710
11	2.Production in progress	617	31527	76025
12	3.Finished products	618	943068	422324
13	4.Goods	619	46115	140639
14	5.Permanent assets for sale	620		
15	6.Prepayments	621	76673	1055046
	7.TOTAL (616+617+618+619+620+621 = 013+014)	622	4028273	5546744

IV STRUCTURE OF THE CAPITAL STOCK -in thousands of dinars

Group of accounts, Account	ITEM	ADP	Current Yeat	Previous Year
1	2	3	4	5
300	1.Share capital	623	6906541	6906541
	Within it: foreign capital	624	253687	585975
301	2.Stakes of the limited liability company	625		
	Within it: foreign capital	626		
302	3.Stakes of partnersip and limited partnership members	627		
	Within it: foreign capital	628		
303	4.State capital	629		
304	5.Socially-owned capital	630		
305	6.Stakes of cooperatives	631		
309	7.Other capital	632		
30	TOTAL (623+625+627+629+630+631+632 = 102)	633	6906541	6906541

V STRUCTURE OF SHARE CAPITAL -number of shares in round number
-in thousands of dinars

Group of accounts, Account	ITEM	ADP	Current Yeat	Previous Year
1	2	3	4	5
	1.Ordinary shares			
	1.1 Number of ordinary shares	634	14895524	14895524
part of 300	1.2 Par value of ordinary shares - total	635	6906541	6906541
	2. Preference shares			
	2.1 Number of preference shares	636		
Part of 300	2. Par value of preference shares - total	637		
300	**3.TOTAL – par value of shares (635+637=623)**	638	6906541	6906541

VI RECEIVABLES AND LIABILITIES

-in thousands of dinars

Group of accounts, Account	ITEM	ADP	Current Yeat	Previous Year
1	2	3	4	5
20	1.Receivables from sale (closing balance 639 < = 016)	639	2325361	3809544
43	2.Liabilities from business operations (closing balance 640 < = 119)	640	2231863	698338
part of 228	3.Receivables for damage compensation from insurance companies during the year (debit transactions without opening balance)	641	6266	2086
27	4.VAT – previous tax (annual amount by tax returns)	642	1002036	1359171
43	5.Operating liabilities (credit transactions without opening balance)	643	24232023	18386563
450	6.Liabilities for net salaries and fringe benefits (credit transactions without opening balance)	644	326163	468484
451	7.Liabilities for taxes on salaries and fringe benefits charged to employees (credit transactions without opening balance)	645	45224	40233
452	8.Liabilities for contributions on salaries and fringe benefits charged to employees	646	80242	66013
461, 462 and 723	9.Liabilities for dividends, stakes in profit and personal earnings of employer (credit transactions without opening balance)	647		
465	10.Liabilities to natural persons for contracted fees (credit transactions without opening balance)	648	11430	3258
47	11.Liabilities for VAT (annual amount by tax returns)	649	736124	1438244
	12.Check sum (from 639 to 649)	**650**	30996732	26271934

VII OTHER COSTS AND EXPENSES

-in thousands of dinars

Group of accounts, Account	ITEM	ADP	Current Yeat	Previous Year
1	2	3	4	5
513	1.Fuel and energy costs	651	680500	595831
520	2.Costs of salaries and fringe benefits (gross)	652	444669	574730
521	3.Costs of taxes and contributions on salaries and fringe benefits charged to employer	653	78693	99400
522, 523, 524 and 525	4.Costs of remunerations to natural persons (gross) according to contracts	654	16847	23675
526	5.Costs of remunerations to members of Managing Board and Supervisory Board (gross)	655	1999	1039
529	6.Other personal expenses and remunerations	656	47971	63571
53	7.Costs of production services	657	569739	410664
533, part of 540 and part of 525	8.Rental costs	658	64257	65855
part of 533, part of 540 and part of 525	9.Rental costs for land	659		
536, 537	10.Costs of research and development activities	660		
540	11.Depreciation costs	661	348985	304633
552	12.Insurance premium costs	662	32430	25251
553	13.Payment transaction costs	663	12000	25627

-in thousands of dinars

Group of accounts, Account	ITEM	ADP	Current Yeat	Previous Year
1	2	3	4	5
554	14.Membership fees	664	2117	3508
555	15.Tax costs	665	42623	23328
556	16.Contribution costs	666	4963	10032
562	17. Interest costs	667	264043	513928
part of 560, part of 561 and 562	18.Interest costs and part of financial expenses	668	264043	513928
part of 560, part of 561 and part of 562	19.Interest costs of loans from banks and other financial organizations	669	262776	347923
part of 579	20.Expenses for humanitarian, cultural, educational, scientific and religious purposes, for environment protection and sports purposes	670	671	947
	21.Check sum (from 651 to 670)	**671**	3139326	3603870

VIII OTHER REVENUES -in thousands of dinars

Group of accounts, Account	ITEM	ADP	Current Yeat	Previous Year
1	2	3	4	5
60	1.Revenues from the sale of merchandise	672	943681	2421564
640	2.Revenues from premiums, subsidies, donations, recourse, compensation and tax returns	673		
641	3.Revenues from donations under specified conditions	674	118	2335
part of 650	4.Revenues from rental of land	675		
651	5.Revenues from membership fees	676		
part of 660, part of 661, 662	6.Interest gains	677	314363	80423
part of 660, part of 661 and part of 662	7.Interest gains on accounts and deposits at banks and other financial organizations	678	16941	38478
part of 660, part of 661 and part of 669	8.Revenues from dividends and share in the profit	679		
	9.Check sum (from 672 to 679)	**680**	1275103	2542800

IX OTHER DATA -in thousands of dinars

ITEM	ADP	Current Yeat	Previous Year
1	2	3	4
1.Liabilities for excise (according to annual excise duty calculation)	681		
2.Calculated customs and other import duties (total annual amount according to calculation)	682	1189	3232
3. Capital subsidies and other state grants for construction and procurement of fixed assets and intangible investments	683		
4. State allocations for premiums, recourse and the current operating costs	684		
5.Other state allocations	685		
6.Foreign donations and other non-repayable grants in cash or in kind from foreign legal entities and natural persons	686		
7. Personal earnings of entrepreneurs from net profit (filled in by entrepreneurs only)	687		
8.Check sum (from 681 to 687)	688	1189	3232

X DEFERRED NEGATIVE NET EFFECTS OF CONTRACTED FOREIGN CURRENCY CLAUSE AND EXCHANGE DIFFERENCES

-in thousands of dinars

ITEM	ADP	Current Yeat	Previous Year
1	2	3	4
1.Opening balance of deferred net effect of contracted foreign currency clause	689		
2.Deferred net effect off contracted foreign currency clause	690		
3.Proportional part of cancelled net effect of contracted foreign currency clause	691		
4.Remaining amount of net effect of contracted foreign currency clause (Ord.No. 1 + Ord.No 2-Ord.No.3)	692		
5. Opening balance of deferred net effect of exchange differences	693		
6.Deferred net effect of exchange diffferences	694		
7. Proportional part of cancelled net effect of exchange differences	695		
8.Remaining amount of net effect of exchange differences (Ord.No. 5+ Ord.No. 6 - Ord.No. 7)	696		

XI DEFERRED POSITIVE NET EFFECTS OF CONTRACTED FOREIGN CURRENCY CLAUSE AND EXCHANGE DIFFERENCES

-in thousands of dinars

ITEM	ADP	Current Yeat	Previous Year
1	2	3	4
1.Opening balance of deferred net effect of contracted foreign currency clause	697		
2.Deferred net effect off contracted foreign currency clause	698		
3.Proportional part of cancelled net effect of contracted foreign currency clause	699		
4.Remaining amount of net effect of contracted foreign currency clause (Ord.No. 1 + Ord.No 2-Ord.No.3)	700		
5. Opening balance of deferred net effect of exchange differences	701		
6.Deferred net effect of exchange diffferences	702		
7. Proportional part of cancelled net effect of exchange differences	703		
8.Remaining amount of net effect of exchange differences (Ord.No. 5+ Ord.No. 6 - Ord.No. 7)	704		

In Becej April 29, 2014

Person responsible for the preparation of the financial statements	PLACE OF SEAL SOJAPROTEIN Joint Stock Company Becej	Legal Representative
Signature		Sojaprotein AKCIONARSKO DRUŠTVO ZA PRERADU SOJE BEČEJ 21 Signature

Form prescribed by the Regulations on Contents and Forms of Financial Statements for companies, cooperatives, other legal entities and entrepreneurs ("Official Gazette of the Republic of Serbia", No. 114/06, 5/07, 119/08, 2/10, 101/12, 118/12 and 3/2014).

SOJAPROTEIN JSC, BECEJ

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2013

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2013

1.BUSINESS ACTIVITIES

Sojaprotein A.D. Becej ("Group") is the leading soybean processor in Serbia and one of the major processors in the Central and Eastern Europe. The Group was established in 1977 as a work organization for industrial soybean processing in incorporation and its establishment had been completed in 1985.

Core activity of the Group is soybean grain processing, whereby the whole range of full-fat and defatted products in the form of flour, grits and textured forms, as well as soybean oil, soybean meal and soybean lecithin is produced.

Registered office of the Company is located at 1, Industrijska street, Becej.

2.BASES FOR PREPARATION AND PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND THE ACCOUNTING METHOD

2.1 Consolidation Base

Consolidated Financial Statements include statements of the Parent Company Sojaprotein jsc, Becej and the following subsidiaries in the country and abroad.

	Percentage of interests in equity	
	December 31, 2013	December 31 2012
1.ZAO Vobexs – Intersoy, Russia	85.00%	85.00%

All materially significant amounts of intercompany transactions between the subsidiaries mentioned above were eliminated in the consolidated financial statements. The method of full consolidation was applied in preparation of the consolidated financial statements.

Company assets and liabilities abroad were translated in dinars at the rate prevailing on the balance sheet date. Income statement and cash flows were translated in dinars at the official mean exchange rates of the National Bank of Serbia.

Official mean exchange rate was used for translation of the value of subsidiary abroad in the Income Statement, and the average exchange rate was used for translations of transactions in the Income Statement and the Cash Flow Statement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2013

2.BASES FOR PREPARATION AND PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND THE ACCOUNTING METHOD

Pursuant to the Law on Accounting and Auditing ("Official Gazette of the Republic of Serbia", No. 46 dated June 2, 2006 and No. 111 dated December 29, 2009) legal entities and entrepreneurs operating in the Republic of Serbia are obligated: to maintain business books; to recognize and evaluate their assets and liabilities and income and expense; to prepare, present, file and disclose their consolidated financial statements in accordance with legal and professional regulations, which includes, the Framework for Preparation and Presentation of Financial Statements ("Framework"), International Accounting Standards ("IAS"), i.e. International Financial Reporting Standards ("IFRS"), as well as interpretations which make an integral part of standards in effect on December 31, 2002.

Amendments to IAS and the new IFRS and the corresponding interpretations issued by the International Accounting Standards Board ("Board") and the International Financial Reporting Interpretations Committee ("Committee") had been officially adopted by the Decision of the Ministry of Finance of the Republic of Serbia ("Ministry") in the period from December 31, 2002 to January 1, 2009 and published in the "Official Gazette of the Republic of Serbia", No. 77 dated October 25, 2010.

However, until the date of preparation of the accompanying Consolidated Financial Statements, not all amendments to IAS/IFRS and the IFRIC interpretations which came in effect for annual periods beginning on January 1, 2009 have been translated. Furthermore, the accompanying Consolidated Financial Statements are presented in the format prescribed under the Rules on Contents and Form of the Chart of Accounts for Companies, Cooperatives, Other Legal Entities and Entrepreneurs ("Official Gazette of the Republic of Serbia" No. 114 dated December 22, 2006, and No.119 dated December 26, 2008 , No. 9 dated February 6, 2009, No. 4 dated January 29, 2010 and No. 3 dated January 24, 2011) whereby the entire set of financial statements defined under the Law has been determined and differed from the set of consolidated financial statements defined under IAS 1- "Presentation of Financial Statements" and, furthermore, in individual parts it deviates from the manner of presentation of certain balance items prescribed thereunder.

On the publishing date of these Financial Statements, the below listed standards and amendments thereto were issued by the International Accounting Standards Board and the following interpretations were published by the International Financial Reporting Interpretations Committee but, however, not officially adopted in the Republic of Serbia.

Aforementioned amendments and supplements refer to the following standards:

- Amendments for IFRS 1 "First-Time Adoption of International Financial Reporting Standards" – (effective for the annual periods beginning on or after January 1, 2010);
- Amendments to IFRS 7 "Financial Instruments: Disclosures" (effective for annual periods beginning on or after January 1, 2009);
- Amendments to IAS 38 "Intangible assets" (effective for the annual periods beginning on or after July 1, 2009);
- Amendments to IFRS 2 "Share-based Payment" (first amendments, effective for annual periods beginning on or after July 1, 2009 and second amendments, effective for the annual periods beginning on or after January 1, 2010);
- Amendments to IAS 24 "Related Parties Disclosure" (effective for the annual periods beginning on or after July 1, 2010);
- Amendments to IAS 32 "Financial Instruments: Presentation" (effective for annual periods beginning on or after February 1, 2010), and
- Amendments to various IFRS and IAS (IFRS 5, IFRS 8, IAS 1, IAS 7, IAS 17, IAS 36 and IAS 39) as a result of Annual Quality Improvement of IFRS Project in effect for for the annual periods beginning on or after January 1, 2010);
- Supplements to IFRS 1 "First-Time Adoption of International Financial Reporting Standards" (effective for the annual periods beginning on or after July 1, 2010 and July 1, 2011);
- Supplements to IAS 24 "Related Parties Disclosure" (effective for the annual periods beginning on or after January 1, 2011);
- Supplements to IAS 32 "Financial Instruments: Presentation" (effective for the annual periods beginning on or after February 1, 2010)
- Supplements to IFRS 7 "Financial Instruments: Disclosures" (effective for the annual periods beginning on or after January 1, 2011);
- Supplements to IAS 12 "Profit Tax" (effective for the annual periods beginning on or after January 1, 2012);

2.BASES FOR PREPARATION AND PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND THE ACCOUNTING METHOD (continued)

In accordance with the mentioned above and considering a potentially materially significant effects of deviations of the accounting regulations in the Republic of Serbia from IFRSs and IASs on trueness and fairness of the Consolidated Financial Statements of the Group, enclosed Consolidated Financial Statements may not be considered as consolidated financial statements prepared in accordance with IFRSs and IASs.

The Consolidated Financial Statements are prepared in accordance with the historical-cost principle unless otherwise stated in the accounting policies presented below.

When preparing the enclosed Financial Statements the Group applied accounting policies stated under the Note 3 to financial statements.

Consolidated Financial Statements of the Group are presented in thousands of dinars. The dinar is the official reporting currency in the Republic of Serbia.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Income and Expenses

Sales income is recognized when risks and benefits from ownership rights are transferred to the customer that is on the delivery date of products to the customer. Income is presented at the fair value of an asset received or to be received, in the net amount after deduction of discounts granted and the value added tax.

Interest income and expenses are credited i.e. debited in the period they refer to.

Expenses are calcluated on the basis of accrual accounting.

Maintenance and repair costs of fixed assets are covered from income of the accounting period they were incurred.

3.2 Translation of Assets and Liabilities Denominated in Foreign Currencies

Operating changes carried in foreign currencies were translated in dinars at the mean exchange rate determined in the Interbank Market and prevailing on the date of operating change.

Assets and liabilities carried in foreign currencies as of the Balance Sheet date were translated in dinars at the mean exchange rate determined in the Interbank Market and prevailing on that date.

Currency differential gains and losses resulting from operating transaction in foreign currencies and when translating the balance sheet items carried in foreign currencies were credited or debited in the Income Statement as currency differential gains and losses.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.3 Borrowing Costs

Borrowing costs that may be allocated directly to acquisition, construction or production of qualified assets are included in the cost of the respective asset as incurred until the actual completion of all activities necessary for preparation of the asset for intended use or sale. The qualified assets are assets which require a significant time period to be ready for their intended use.

Investment income gained from temporary investment in loans are deducted from the accrued borrowing costs granted for financing of the qualified assets.

All the other borrowing costs are recognized in the profit and loss account in the period they were accrued.

3.4 Employee Benefits

a) Taxes and Contributions to the Employees Social Security Funds

In accordance with regulations applicable in the Republic of Serbia, the Company is obligated to pay taxes and contributions to tax authorities and state funds providing social security to employees. These liabilities include payment of taxes and contributions for employees charged to the employer that are calculated at legally prescribed rates. Furthermore, the Group is obligated to withhold contributions from employees' gross salaries and pay them to the funds, on behalf of its employees.Taxes and contributions charged to the employer and taxes and contributions charged to employees are debited as expenses of the period they were accrued.

b) Liabilities Related to Severance Pays and Jubilee Awards

Pursuant to the provisions of the Labour Law, the Group is obligated to disburse severance pays to employees at the end of their employment for the purpose of retirement in the amount equal to three average salaries paid in the Republic of Serbia in compliance with the last data published by the corresponding government body in charge of the statistics.

In addition, the Group is obligated to pay jubilee awards to employees depending on their continuous service period in the Group equal to an average salary achieved in the Company in a month preceding the month in which the jubilee award shall be paid. In the opinion of the Group Management provisions mentioned above has no materially significant impact on the Consolidated Financial Statements.

3.5 Fair value

International Accounting Standards 32 – "Financial Instruments – Disclosure and Presentation" enivisages disclosures of fair value of financial assets and financial liabilities in notes to the consolidated financial statements. For this purpose the fair value is defined as an amount for which an asset may be exchanged, or a liability settled, in a transaction entered by well informed and willing parties. The Group is obligated to disclose all information relevant to a fair value of assets, receivables and liabilities for which market information is available and with identified materially significant difference between their book value and their fair value.

There is insufficient market experience in the Republic of Serbia and lack of stability and liquidity with respect to acquisition and disposal of receivables and other financial assets and liabilities as well as other financial instruments, since the official market information is not always available. Therefore, it is impossible to determine a reliable fair value in the absence of an organized market as required under IASs and IFRSs. In the Management's opinion, amounts presented in the Consolidated Financial Statements reflect the real value which is, in the given circumstances, most accurate and adequate for reporting purposes. Adjustment of value, based on the decision of the Group Management, is made equal to the amount of identified estimated risks that the book value shall not be recoverable.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2013

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.6 Taxes and Contributions

3.6.1 Profit Tax

a) Current profit tax

Current profit tax represents the amount calculated by applying the prescribed 10% tax rate on the tax base determined in the tax balance, which represents the profit amount before tax after deduction of income and expenditures harmonization effects, in accordance with the tax regulations of the Republic of Serbia, subject to reductions required under the prescribed tax credits. In accordance with the amendments to tax regulations profit tax rate applied as of January 1, 2013 is 15%.

The Law on Profit Tax of the Republic of Serbia does not envisage a possibility of using any tax losses in the current period as the basis for recovery of taxes paid in previous periods. However, losses presented in tax balances up to the year of 2009 may be used for reduction of the tax base in future accounting periods in next ten years from the date of exercising right and losses presented in the tax balance for the year of 2010 and from that on, may be used for reduction of tax base in future accounting periods, but, however, not more than five years.

b) Deffered Profit Tax

Deferred profit tax is calculated by applying the balance sheet liability method for temporary differences resulting from the difference between a tax base in the balance sheet assets and liabilities and their book values. The currently enacted rates at the balance sheet date are applied for determination of the deferred profit tax. Deferred tax liabilities are recognized on all taxable temporary differences. Deferred tax assets are recognized on all deductible temporary differences and effects of losses carried forward and tax credits in the tax balance, which may be carried forward, to the extent of probable taxable profit available wherefrom the deferred tax assets shall be deducted.

Deferred tax is credited or debited in the Income Statement except when referred to an item directly credited or debited in capital when the deferred tax may also be classified in the capital.

3.6.2 Taxes and Contributions Not Depending On Results

Taxes and contributions not depending on results include property tax and other taxes and contributions which are paid in accordance with various Republic and municipal regulations. Other taxes and contributions are recognized as expenses of the period in which they were incurred.

3.7 Property, Plant and Equipment

Property, plant and equipment acquired before December 31, 2005 were carried at the value determined on the basis of assessment made by independent licensed appraisers on December 31, 2005.

Initial measurement of properties, plant and equipment meeting the requirements for the recognition of an asset is performed at its purchase value or its cost. Additional expenses for property, plant and equipment are recognized as assets only if they upgrade assets above their originally evaluated standard performance. All other subsequently incurred expenditures are recognized as expenses in the period they were incurred.

After initial recognition, property (land and buildings) are carried at revaluated amounts, i.e. their fair value on the revaluation date reduced by total accrued depreciation and total losses resulting from impairment.

Fair value of a property is its evaluated market value. Revaluation is made only when a fair value of the revaluated asset significantly differs from its carrying value.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.7 Property, Plant and Equipment (continued)

After initial recognition, plant and equipment are recorded at its purchase price or cost decreased by total accrued depreciation and total losses resulting from impairment.

Gains and losses resulting from right of disposal or removal are recognized as income or expense in the Income Statement.

3.8 Depreciation

Depreciation of property, plant and equipment is calculated at the straight line method during the estimated useful life. The useful life and depreciation rates for the main groups of fixed assets are as follows:

Main Groups of Fixed Assets	2013-2012 (%)
Buildings	1.5 – 5 %
Production equipment	5 – 25 %
Field and passenger vehicles	10 – 20 %
Computers	20 – 33 %
Other equipment	1.5 – 50 %

Depreciation rates are revised annually in order to determine a depreciation rate which reflects the actual consumption of assets during operations based on their remaining useful life.

3.9 Investment Assets

Investment assets of the Group are the assets held by the Group, as the owner, for lease or increase of the equity value or both, but not to use it for service providing or administrative needs or for sale in the course of regular operations. Initial measurement of investment assets at the time of acquisition is made at the purchase price or cost. After initial recognition, investment assets are recorded at their revaluated amounts, i.e. their fair value on the revaluation date – assessment, reduced by the total accrued depreciation and total losses resulting from impairment.

3.10 Intangible Investments

Intangible investments refer to purchased software and trademark and they are recorded at purchase price reduced by depreciation. Intangible investments are written off at the straight line method within two to eight years.

3.11 Impairment

On every balance sheet date, the Group reviews book amounts of its material assets to determine whether there are any indications of their impairment. If such indications exist, the recoverable amount of assets is estimated in order to determine possible losses resulting from impairment. If evaluation of the recoverable amount of an individual asset is impossible, the Group shall estimate the recoverable amount of the cash generating unit wherein the respective asset is classified.

Recoverable value represents a net selling price or value in use, whichever is higher. When estimating the value in use, estimated future cash flows are discounted to their present value by applying a discount rate before tax that reflects current market assessment of the time value of cash and the risks specific to the respective asset.

If the estimated recoverable value of the asset (or cash generating unit) is lower than its book value, the book value of that asset (or cash generating unit) shall be reduced to the recoverable value. Impairment losses are recognized directly as expenses, except in case of land or building not used as investment assets recorded at revaluated value, when the impairment loss is recorded as impairment resulting from the asset revaluation.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.11 Impairment (continued)

In case of subsequent reversal of impairment losses, the book value of the asset (cash generating unit) shall be increased to the extent of the revised estimated recoverable value of the asset, provided that the increased book value should not exceed book value determined in previous years when no impairment losses were recognized for the respective asset (cash generating unit). Reversal of the impairment losses are directly recognized as income, unless the relevant asset is recorded at its estimated value in which case the reversal of impairment losses are recorded as an increase caused by revaluation.

As of December 31, 2012 and based on the Group Management estimates, there are no indications on impairment of property, plant and equipment.

3.12 Lease

Lease is classified as financial lease in all cases when all risks and benefits resulting from ownership of the assets are transferred to maximum possible extent to the lessee. Any other lease is classified as operating lease.

Group as Lessor

Income from operating lease (rent) is recognized by applying the straight line method during the lease term. Indirect costs inccrued during negotiations and contracting of the operating lease are added to the book value of the leased asset and recognized pro rata basis during the lease term.

Group as Lessee

Assets leased under the contracts on financial lease are initially recognized as Group's assets at the present value of minimum lease installments determined at the beginning of the lease term. Respective liability to the Lessor is included in the Balance Sheet as a financial lease liability.

Payment of lease installments is allocated to financial costs and reduction of lease liabilities with the objective of achieving a constant installment rate of the outstanding liability. Financial costs are recognized immediately in the Income Statement, unless they may be directly ascribed to assets prepared for use, when they are capitalized in accordance with the general borrowing costs policy of the Group (Note 3.3).

Installments based on operating lease are recognized as cost at the straight line basis during the lease term, unless there is some other systemic base which reflects better the time schedule of economic consumption benefits of a leased asset.

When lease reliefs are granted, they are included in an operating lease and recognized as a liability. Total relief benefits are recognized as reduction of lease costs at the straight line base, unless there is some other systemic base which reflects better the time schedule of economic consumption benefits of a leased asset.

3.13 Inventories

Inventories are recorded at cost or the net selling value, whichever is lower. Net expected selling value is the price at which inventories may be sold in the ordinary course of regular operations after reduction of the price for sale costs.

Value of inventory materials and spare parts on stock is determined at the average purchase cost method. The purchase cost includes the value invoiced by the supplier, transportation and dependent costs.

The value of the work in progress and finished goods includes all direct production costs, as well as the aliquot portion of the plant overhead costs.

Inventories held in the storehouse are recorded at purchase price and the inventories in the retail trade are recorded at their retail prices. At the end of the period, inventories are reduced to their purchase value by the allocation of the price difference, calculated on average base, between the purchase price of the goods sold and balance of inventories at the end of the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2013

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.13 Inventories (continued)

Adjustment of inventories is made by charging of other expenses when it is estimated that their value should be reduced to the expected net realizable selling value (including inventories with slow turnover, excess inventories and obsolete inventories). Damaged inventories and inventories whose quality does not correspond to standards are written-off.

3.14 Financial Instruments

All contractual rights resulting in financial asset or financial liability or equity instrument is recognized as a financial instrument on the settlement date.

At the time of initial recognition, financial assets and financial liabilities are measured at their acquisition value which represents a fair value of indemnification given (in case of an asset) or received (in case of a liability).

Long-term Financial Investments
After initial recognition, long-term financial investments are measured:

- At fair value, if held for trade,
- At amortized value, if with fixed maturity term,
- At acquisition value if no fixed maturity term is agreed.

Long-term financial investments held for trade whose market value may not be established due to lack of the organized market are carried at their acquisition value.

Short-term Receivables and Investments
Short-term receivables and investments include trade receivables and other receivables as well as short-term borrowings to employees and farmers.

Trade receivables from sale of finished products, services and goods are measured at the value specified in original invoices. Interest invoiced with respect to sales of goods and services are recognized as other receivables and presented in the income of the period they occured.

Other receivables and investments of the company are measured at their depreciated and amortized values.

All differences between the presented amount and subsequent measurement are recognized as profit or loss of the period they occurred.

Impairment of Financial Assets

On each balance sheet date assessment of objective evidence on assets value is made analyzing the expected net cash inflows.

All receivables with established reasonable doubt that they shall not be collected in their nominal value are adjusted accordingly. Direct write-off is made only after completion of the respective dispute or pursuant to a decision passed by a management body.

Cash and Cash Equivalents

Cash and cash equivalents are included in cash on accounts maintained with banks and petty cash.

Financial Liabilities

Financial liabilities include long-term liabilities (long-term loans and other long-term liabilities), short-term financial liabilities (short-term loans and other short-term financial liabilities), short-term operating liabilities and other liabilities).

Initially, financial liabilities are recognized in the amount of assets received. After the initial recognition, financial liabilities are carried in the amount of initially recognized value of the liability reduced by paid principal, increased by the capitalized interest and reduced by any write-offs approved by creditors. Liabilities from interest accrued on financial liabilities are charged in financial expenses of the period they relate to and they are recognized in other short-term liabilities and accruals and deferred payment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2013

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)
3.15 Disclosures on Relations with Related Parties

For the purpose of these Consolidated Financial Statements, legal entities are treated as related parties in case one of the legal entities is controlling the other or has significant influence on financial and operating decisions passed by the other party in accordance with IAS 24: "Related Party Disclosures".

In terms of the standards mentioned above, the Group treats legal entities as related parties wherein it has stakes in the equity of Victoria Group, i.e. related parties and legal entities having stake in the Group's equity.

Related parties may enter transactions that the unrelated entities would not make and transactions with related parties may be executed under different terms and conditions and amounts as compared to the same transactions with unrelated parties.

The Group both provides services to related parties and uses their services. Relations between the Group and related parties are regulated by contract in accordance with market terms and conditions.

4.SUMMARY OF SIGNIFICANT ACCOUNTING ESTIMATES

Presentation of Consolidated Financial Statements requires that the Group Management should make the best possible estimates and reasonable assumptions that affect the presented values of assets and liabilities as well as disclosures of contingent receivables and payables as of the date of the preparation of Concolidated Financial Statements, and the income and expenses for the reporting period. These estimates and assumptions are based on information available as of the Consolidated Financial Statements preparation date.

4.1 Estimates and Assumptions

Key assumptions related to the future and other sources to assess uncertainties which represent a significant risk on the balance sheet date are given below and they are used to make material correction of the balance sheet item amounts in the next financial year.

4.2 Depreciation and Depreciation Rates

Calculation of depreciation and depreciation rates are based on the projected economic useful life of equipment and intangible investments. The Group annually estimates the economic useful life based on the current estimates.

4.3 Provisions for Litigations In general, provisions significantly depend on estimates. The Group estimates a probability of occurrence of unwanted events resulting from past events and evaluates the amount required for the settlement of liabilities. Although the Group observes the prudence principle when making an estimate, in certain cases the actual results may differ from these assessments due to a high degree of uncertainty.

4.4 Adjustment of Receivables and Short-Term Investments The Group impairs doubtful trade receivables and receivables from other debtors on the basis of estimated losses that shall be incurred if the debtors fail to make payments. When estimating corresponding losses from impaired doubtful receivables, the Group relies on the age of receivables, previous experience with write-offs, the customer's financial standing and changes in the payment terms. This involves estimations of the future behavior of customers and the respective future collections.

4.5 Fair Value

Business policy of the Group is to disclose information on the fair value of assets and equity and liabilities available in the official market and even when the fair value significantly differs from the book value. In the Republic of Serbia, there is neither sufficient market experience nor stability and liquidity with respect to acquisition and sale of receivables and other financial assets and liabilities since official market information is not always available. Therefore, it is not possible to determine the fair value reliably in the absence of the active market. The Group Management estimates the risks and when it assesses that the value of assets presented in business book is not recoverable, makes corresponding adjustments. In the opinion of the Group Management, values presented in these Consolidated Financial Statements reflect the value which, under the given circumstances, is the most plausible and the most useful for reporting purposes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2013

5.SALES INCOME

	In thousands of RSD Year ending as of December 31, 2013 2013	 2012
Income from goods sold:		
-Related parties	76.586	1.674.652
-Other legal entities in the country	196.232	640.328
-Other foreign legal entities	670.863	496.602
Income from products sold and services rendered:		
-Related parties	502.409	1.486.638
-Other legal entities in the country	2.621.541	7.173.498
-Other foreign legal entities	6.738.711	6.296.790
	10.806.342	17.768.508

Business and Geographical Segments

Products and Services within the Business Segments

The Group is organized in five business segments for the management purposes. These segments are the base for the Group's reporting on its primary information on segments. Key products and services within each of these segments are as follows:

Finished products – Crude Soybean Oil – production and sale of crude soybean oil.

*Finished Products – Soybean Meal –*production and sale of toasted soybean meal, bulk, toasted soybean meal 44/40 kg and toasted soybean meal 44/10 kg

Finished Products – Other - production and sale of other finished products: Sopro-Peab, Sopro-ptb, soybean flour, Sporotex-textures, soybean lecithin, Sopro Mixes, Soja-Vita programme.

Mechandise – retail trade and wholesale of merchandise.

Services – Other – providing storing services.

Sales by Business Segments

In thousands of dinars

	External sales		Intergroup sales		Total	
	2013	2012	2013	2012	2013	2012
Production sites:						
Crude oil	2.187.820	4.214.524		-	2.187.820	4.214.524
Meal	1.439.553	4.526.792		335.231	1.439.553	4.862.023
Concentrates	2.307.065	-	2.600	-	2.309.665	-
TSP	1.417.013	-	257.650	-	1.674.663	-
BIG	2.162.037	-	146.736	-	2.308.773	-
Other	306.042	4.320.780	-	361.326	306.042	4.682.106
Feedstuff		1.498.315		248.909		1.747.224
Merchandise	943.681	2.965.179	-	104.245	943.681	3.069.424
Services	43.131	242.918	-	11.045	43.131	253.963
Total in all segments	10.806.342	17.768.508	406.986	1.060.756	11.213.328	18.829.264
Elimination of Intergroup sales					(406.986)	(1.060.756)
Consolidated income from sales					10.806.342	17.768.508

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2013

5.SALES INCOME (continued)

Business and Geographical Segments (continued)

Results by Business Segments

	In thousands of dinars For the year ending as of December 31	
	2013	**2012**
Production sites:		
Crude oil	168.565	255.080
Meal	(65.784)	34.279
Concentrates	(737.396)	-
TSP	(399.444)	-
BIG	38.015	-
Other	(1.304)	431.221
Feedstuff	-	96.621
Merchandise	(62.940)	23.640
Services	(47.223)	76.622
Total in all segments	(1.107.511)	917.463
Eliminations	(536)	(2.874)
Income before tax	(1.108.047)	914.589

Other Information by Segments

	Acquisition of fixes assets and intangible assets		*In thousands of dinars* Depreciation costs	
	2013	**2012**	**2013**	**2012**
Production sites:				
Crude oil	748.066	38.192	148.205	65.894
Meal	492.216	45.192	97.516	76.018
Concentrates	788.838		156.282	
TSP	484.509	-	95.990	-
BIG	739.250	-	146.458	-
Other	104.643	61.436	20.732	156.434
Services	14.748	38.191	2.921	3.214
	3.372.270	206.562	668.104	304.633

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2013

5.SALES INCOME (continued)

Business and Geographical Segments (continued)

Income from Goods and Products Sold and Services Rendered in Foreign Markets by Geographic Areas

	In thousands of RSD	
	Year ending as of December 31	
	2013	**2012**
Albania	-	1.835
Great Britain	205.294	136.930
The Netherlands	1.238.888	1.151.398
Russia	670.889	-
Turkey	0	131.217
Bulgaria	827.290	1.568.578
Belarus	-	144.729
Romania	248.981	209.196
Bosnia and Herzegovina	50.221	85.590
Poland	369.171	299.790
Czech Republic	108.506	58.130
Slovakia	57.348	42.134
Macedonia	64.985	63.641
France	440.851	206.439
Latvia	-	14.929
Croatia	39.891	22.856
Italia	216.432	176.430
Montenegro	-	7.467
Germany	182.286	192.343
Moldavia	15.223	12.349
Hungary	83.900	138.439
Spain	260.768	151.469
Slovenia	312.763	781.781
Ukraine	-	13.262
Greece	511.115	157.456
Israel	72.297	41.729
Portugal	40.320	19.046
Austria	10.471	17.665
Switzerland	80.548	229.896
Others	1.301.135	716.668
	7.409.574	6.793.392

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2013

6.OTHER OPERATING INCOME

	In thousand RSD	
	Year ending as of December 31	
	2013	2012
Income from related parties	52.854	51.845
Premiums, subsidies and donations	118	2.335
Rents	4.989	3.399
Other operating income	3.718	1.737
	61.679	59.316

7. COSTS OF MATERIALS

	In thousands RSD	
	Year ending as of December 31	
	2013	2012
Materials consumed in production	9.071.439	10.651.621
Other materials	77.095	161.608
Energy	680.500	595.783
	9.829.034	11.409.012

10.COST OF SALARIES, SALARY COMPENSATIONS AND OTHER BENEFITS

	In thousands of RSD	
	Year ending as of December 31	
	2013	2012
Gross salaries	444.669	575.056
Contributions charged to the employer	78.693	99.400
Costs of remunerations according to author's contracts	-	-
Cost of remunerations according to contract on temporary and occasional jobs	-	-
Cost of remunrations to natural persons based on other contracts	16.886	22.234
Cost of remunerations to members of the Managing Board and Supervisory Board	1.999	2.154
Business trip allowances to employees	13.185	12.063
Transportation fares to employees	19.140	18.789
Scholarships	341	2.809
Severance pays and jubilee awards	9.631	6.678
Other	5.635	23.232
	590.179	762.415

9.COSTS OF DEPRECIATION AND PROVISIONS

	In thousands RSD	
	Year ending as of December 31	
	2013	2012
Depreciation	348.985	304.633
Provisions for allowances and other benefits to employees	319.119	-
	668.104	304.633

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2013

10. OTHER OPERATING EXPENSES

	In thousands of RSD	
	Year ending as of December 31	
	2013	2012
Services for output production	-	680
Transportation services	210.590	214.075
PTT services	11.451	8.575
Maintenance services	81.329	118.504
Lease costs	75.764	99.130
Fair costs	11.308	11.119
Advertizing and promotion	6.044	2.538
Other services	8.844	16.998
Laboratory Services	144.836	62.086
Water supply and other utility services	34.457	28.665
Non-production services	4.140	982
Costs of corporate services	171.274	153.222
Representation costs	14.634	28.814
Insurance premiums	32.430	25.251
Payment transaction costs	9.008	25.627
Banking services of guarantees issue	13.732	1.069
Agents' commissions	959	29.811
Membership fees	2.117	1.428
Indirect taxes and contributions	47.580	33.361
Other	63.570	125.562
	944.067	987.497

11.FINANCIAL INCOME

	In thousands RSD	
	Year ending as of December 31	
	2013	2012
Financial income – related parties	308.131	70.144
Currency differential gains	157.409	651.920
Interest income	23.173	48.962
Gains from currency clause effects	17.016	28.553
Other financial income	185	3.435
	505.914	803.014

12.FINANCIAL EXPENSES

	In thousands RSD	
	Year ending as of December 31	
	2013	2012
Currency differential losses	201.056	1.071.854
Interest expenses	264.043	513.928
Losses from currency clause effects	7.430	905
Other financial expenses	40.700	1.246
	513.229	1.587.933

13. OTHER INCOME

	In thousands of dinars Year ended as of December 31, 2013	2012
Surpluses	6.571	5.639
Gains from cancellation of long-term provisions	3.367	25.075
Written-off receivables collected	10	-
Revenues from disposal of equipment	1	1.449
Damage compensations	6.266	2.931
Revenues from disposal of material	649	8.580
Revenues from reduction of liabilities	-	-
Gains from equating the value of receivables and short-term financial investments	153.818	13.541
Proceeds from equating the value property, plant and equipment	18.794	295.728
Other	12.783	29.356
	202.259	382.299

14. OTHER EXPENSES

	In thousands of dinars Year ended as of December 31, 2013	2012
Shortfalls	6.005	20.479
Losses from equipment disposal and decommissioning	233	1.901
Direct write-offs of receivables	10.439	21.970
Impairment of biological assets	-	2.242
Impairment of property, plant and equipment based on estimates	-	142.702
Impairment of long-term financial investments	-	120
Impairment of material and goods inventories	257.165	129.912
Impairment of receivables and short-term investments	24.229	405.884
Impairment of intangible assets – goodwill	-	-
Losses from disposal of material	570	7.861
Net losses from discontinued operations	-	-
Other	44.911	76.065
	343.552	809.136

15. EARNINGS PER SHARE

	In thousands of RSD 2013	2012
Net profit	(1.151.293)	819.449
Average weighted number of shares	14.895.524	14.895.524
Base earnings per share (in dinars)	77.29	55.01

16.CORPORATE INCOME TAX

a) Corporate Income Tax Elements

	In thousands of RSD December 31 2013	December 31 2012
Tax expenses of the period	(1.809)	(71.943)
Deferred tax (expenses)/income of the period	(37.142)	(23.197)
	(38.951)	(95.140)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2013

16. CORPORATE INCOME TAX (continued)

b) Equating Corporate Income Tax Presented in the Income Statement and Product of Profit Before Tax and the Prescribed Tax Rate

In thousands of RSD

	2013	**2012**
Net income before tax	-	914.589
Loss before tax	(1.108.047)	
Corporate income tax calculated at 10% rate	-	91.459
Tax effects of expenses not recognized in the tax balance	-	30.607
Tax credit based on investment in fixed assets, plant and Equipment	-	(53.603)
Other	-	3.480
Tax expenses of the period	1.809	71.943
Deferred tax expenses/(income) of the period	37.142	23.197
Total tax expenses of the period	38.951	95.140
Effective tax rate	0	10.39%

c) Deferred Tax Liabilities

As of December 31, 2013 the deferred tax liabilities amounted to 408.386 thousands of dinars and related to the temporary difference at which the property, plant, equipment and intangible investments were recognized in the tax balance and their value recognized for tax purposes.

Movements on the Deferred Tax Liabilities Account in 2013 and 2012 are presented in the table below (in thousands of RSD).

	2013	**2012**
Balance as of January 1	371.468	180.485
Increase of deferred tax liabilities in favor of revaluation reserves based on estimates of fixed assets	(359)	212.636
Cancellation of deferred tax liabilities in favor of revaluation reserves based on disposal of the equipment		-
Deferred tax expenses/(revenues) of the period	37.277	23.197
Loss of control	-	(44.849)
Other	-	(1)
Balance as of December 31	408.386	371.468

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2013

17. PROPERTY, PLANT AND EQUIPMENT, BIOLOGICAL ASSETS, INVESTMENT ASSETS AND INTANGIBLE INVESTMENTS

In thousands of dinars

	Land and building facilities	Equipment	Prepayments for fixed assets under construction	Investments in fixed assets of others	Total fixed assets	Investment property and Goodwill	Intangible assets	Intangible assets under construction
Acquisition value								
Balance as of January 1, 2012	3.153.417	3.282.357	3.442.641	18,437	9,896,852	516,712	122,051	6,632
Acquisitions in the period	-	-	867,181		867.181	-	-	5.757
Interest capitalized	-	-	86,724		86.724	-	-	-
Transfers	501,677	258.227	(759,904)		-	-	2,854	2,854
Prepayments for fixed assets	-	-	486.947	-	486.947	-	-	-
Closing of prepayments	-	-	(593.843)	-	(593.843)	-	-	-
Transfers to investment property	(31,622)	(80)	-		(31.702)	27.144	-	-
Expenses	(48)	(24.973)	-		(25.021)	(38)	(601)	-
Disposal	-	(3.901)	-	-	(3.901)	-	-	-
Other transfers	-	-	91		91	(179)	-	-
Estimate effects - net	484,450	174.586	-	-	659.036	229.819	-	-
Equation to present value after evaluation	(279,067)	(819.524)	-	-	(1.098.591)	-	-	-
Loss of control	(1,200,569	(937,300)	(25,893)	(18,437)	(2,182,199)	(184,759)	(99,690)	-
Balance as of December 31, 2012	2,628,238	1,929,39	3,503,944		8,061.574	588,699	24,614	9,535
Balance as of January 1, 2013	2,628,238	1,929,39	3,503,944		8,061.574	588,699	24,614	9,535
Acquisitions in the period	-	2.620	1,550,305		1,552,925	-	-	-
Interest capitalized	-	-	-	-	-	-	-	-
Transfers	477,717	2,883,806	(3,361,523)	-	-	-	10,747	(9,535)
Prepayments for fixed assets	-	-	-	-	-	-	-	-
Closing of prepayments	-	-	(626,307)		(626,307)	-	-	-
Transfers to investment property	158,311	-	-	-	158,311	(158,311)	-	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2013

Expenses	-	(725)	-	-	(725)	(14)		
Disposal	-	(980)	-	-	(980)	-	-	-
Other transfers	-	-	-	-	-	-	-	-
Estimate effects - net	-	-	-	-	-	-	-	-
Equation to present value after evaluation	-	-	-	-	-	-	-	-
Loss of control	-	-	-	-	-	-	-	-
Balance as of December 31, 2013	3,264,266	4.814.113	1,066,419		9,144,798	430.374	35.361	-

	Land and building facilities	Equipment	Prepayments for fixed assets under construction	Investments in fixed assets of others	Total fixed assets	Investment property and Goodwill	Intangible assets	Intangible assets under construction
Adjustments								
Balance as of January 1, 2012	459,456	1,100,061	-	5,162	1,564,679	1,432	80,208	-
Depreciation	83,531	204,613	-	1,836	289,980	528	14,125	-
Transfers to investment property	(4,487)	(71)	-	-	(4,558)	-	-	-
Expenses	(38)	(22,520)	-	-	(22,558)	-	(601)	-
Disposal	-	(3.901)	-	-	(3.901)	-	-	-
Evaluation	(279,067)	(819,524)	-	-	(1,098,591)	-	-	-
Other	-	-	-	-	-	-	-	-
Loss of control	(255,817)	(458,658)	-	(6,998)	(721,473)	(1,960)	(76.020)	-
Balance as of December 31, 2012	3,578	-	-	-	3,578	-	17,712	-
Balance as of January 1, 2013	3,578	-	-	-	3,578	-	17,712	-
Depreciation	84,065	260,929	-	-	344,944	-	3,981	-
Transfers to investment property	-	-	-	-	-	-	-	-
Expenses	-	(22)	-	-	(22)	-	-	-
Disposal	-	(139)	-	-	(139)	-	-	-
Evaluation	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Loss of control	-	-	-	-	-	-	-	-
Balance as of December 31, 2013	87,643	260,768	-	-	348,411	-	212,693	-
Balance as of January 1, 2013 - net	2,624,660	1,929,392	3,503,944	-	8,057,996	588,699	6,902	9,535
Balance as of December 31, 2013 - net	3,176,623	4,553,345	1,066,419	-	8,796,387	430,374	13,668	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2013

The entire property and equipment of the Group, in its capacity of the pledger, is mortgaged, i.e. pledged as a security for regular and timely settlement of loan liabilities of the company Victoria Logistic LLC, Novi Sad to UniCredit Bank JSC, Belgrade.

As of December 31, 2013, prepayments for fixed assets and investments in progress were presented in the total amount of 1.066.419 thousand dinars and they mainly relate to investments in facilities and equipment of the Concentrates Plant of annual capacity of 70,000 tons. Estimated investment value of the Concentrates Plant is 26.2 million EUR.

18.STAKES IN EQUITY

			In thousands of RSD
	Proportion in %	**December 31, 2013**	**December 31, 2012**
Stakes in equity of other legal entities			
”Bela Ladja” Hotel JSC , Becej	31.83%	43.438	64.626
Novi Sad Fair JSC , Novi Sad		1.596	4.381
Veterinary Institute Subotica JSC	31.39%	783.617	783.617
Atomic Spa “Gornja Trepca“ LLC	9.4958%	119.956	
Other legal entities			1.951
Stakes in equity of other banks		1.832	-
		950.439	854.575
Adjustment of stakes in equity		-	24.508

By converting receivables on Bonida Vladimirci, the Company acquired stakes in equity of the Natural Health Resort Atomic Spa LLC Gornja Trepca in the percentage of 9.4958%.

19. OTHER LONG-TERM FINANCIAL INVESTMENTS

		In thousands of RSD
	December 31 2013	**December 31 2012**
Long-term loans granted to employees	728	1.186
Other	-	-
	728	1.186

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2013

20.INVENTORIES

	In thousands of RSD Year ending as of December 31 2013	2012
Material	2.865.694	3.803.535
Spare parts	148.934	24.623
Tools and accessories	49.575	46.068
Work in progress	31.527	76.025
Finished products	943.068	422.324
Marketable merchandise:		
-wholesale trade	33.408	140.491
-retail trade	698	148
-stored with other legal entities	12.014	-
Prepayments for inventories and services	76.673	1.055.046
	4.161.585	5.568.260
Minus: Adjustments of materials on stock	(133.312)	(21.516)
	4.028.273	5.546.744

21. RECEIVABLES

	December 31 2013	In thousands of RSD December 31 2012
Trade receivables:		
- Related parties	658.568	1.745.496
- other legal entities in the country	709.752	1.437.484
- other legal entities abroad	1.113.380	988.386
Receivables from specific deals	52.738	5.687
Receivables from interest	215.862	-
Receivables from state bodies	-	18.319
Prepaid other taxes and contributions	57	37
Other receivables	250.435	24.445
	3.000.792	4.219.854
Adjustments:		
-trade receivables	(244.979)	(376.310)
-other receivables	(66.857)	-
	(311.836)	(376.310)
	2.688.956	3.843.544

22. SHORT-TERM FINANCIAL INVESTMENTS

	December 31 2013	In thousands of RSD December 31 2012
Short term loans to related parties:		
- Victoria Group LSC, Belgrade	1.011.814	1.474.862
- Victoria Logistic JSC, Novi Sad	4.598.360	-
		26.100
Short-term loans in the country	99.799	140.316
Term cash deposits	345.168	229.133
Portion of long-term liabilities maturing within a year	168	732
Other short-term financial investments	10.882	11.613
	6.066.191	1.882.756
Adjustments:		
-other short-term financial investments	(50.900)	(97.795)
	6.015.291	1.784.961

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2013

As of December 31, 2013, short-term loans in the amount of 1.011.814 thousand of dinars were granted to Victoria Group JSC, Belgrade, as a related party, on the basis of several loan agreements concluded during 2013 for ensuring current liquidity (repayment period up to June 30, 2014).

Loan was granted to related party Victoria Logistics Novi Sad for ensuring current liquidity (repayment period up to December 31, 2014).

As of December 31, 2013 term cash deposits amounted 345.168 thousand dinars, deposited at UniCredit and EFG Bank (up to January 8, 2014).

23. CASH AND CASH EQUIVALENTS

	In thousands of RSD Year ending as of December 31 2013	2012
Current account		
- In dinars (RSD)	3.373	22.342
- In foreign currencies	97.044	140.784
Allocated cash and letters of credit	4.630	19
Other cash	-	3.255
	105.047	166.400

24. CAPITAL

Capital Stock

Issue of 10th shares issue based on distribution of retained profit in capital stock was made in accordance with the Decision of the Company's Assembly dated June 30, 2011 and Decision No. 4/0-24-2926/5-11 dated July 14, 2011 of the Securities Committee. 5.050.680 shares with voting rights, no par value and individual book value equal to 463.661404 dinars were issued in total value of 2.341.805.375.95 dinars. Capital stock of theGroup amounts to 6.906.479.571.15 dinars after its increase as mentioned above and it is divided in 14.895.524 shares with no par value. The shares of 10th issue were entered in the database of the Central Securities Depository and Clearing House on August 9, 2011.

Capital stock of the Group amounts to 6.906.479.571.15 dinars and it is divided in 14.895.524 shares with no par value.

As of December 31, 2013 and December 31, 2012, respectively, the structure of the Group share capital was as follows:

In thousands of dinars

Stakeholders	December 31, 2013 Stakes in %	Number of shares	Value of capital	December 31, 2012 Stakes in %	Number of shares	Value of capital
Victoria Group LLC, Belgrade	50.94	7.587.503	3.518.021	50.94%	7. 587.503	3.518.032
Mitrovic Zoran	6.07	904.675	419.462	6.07%	904.675	419.463
Babovic Milija	6.02	897.835	416.290	6.02%	897.835	416.291
Raiffeisen Bank JSC – Custody account	5.89	876.626	406.456	5.89%	876.626	406.458
Raiffeisenbank JSC Belgrade – Custody account	10.69	1.593.242	738.722	2.77%	413.325	191.643
Raiffeisenbank JSC Belgrade – Custody account	0.52	76.933	35.671	1.62%	241.082	111.780
Societe Generale Bank Serbia – Custody account	-	-	-	1.50%	223.859	103.795
Gustaviadavegardh Fonder Aktie	-	-	-	1.13%	168.137	77.959
UniCredit Bank Serba JSC	0.28	41.946	19.449	1.10%	163.135	75.639
Polunin Discovery Funds	0.57	85.500	36.643	0.57%	85.500	36.643
39.643						
The Royal Bank	0.27	40.389	18.727	-	-	-
Other legal entities and and natural persons	18.75	2.790.875	1.294.039	22.39%	3.333.847	1.545.777
		14.895.524	6.906.480	100%	14.895.524	6.906.480
Acquired shares		845.907	-		(23.466)	-
Share capital	100%	14.049.617	6.906.480	100%	14.872.058	6.906.480

In the previous period, the Company had aquired 23.466 own shares. The Company had purchased 822.441 own shares from dissenting shareholders.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2013

25. MANDATORY AND STATUTORY RESERVES

As of December 31, 2013, mandatory and statutory reserves amounted to 587.912 thousand dinars and mainly represent distribution of retained profit in accordance with the decision that the Group should allocate at least 5% of net profit realized in a business year to the account of mandatory reserves until they reach 10% of the Group's capital stock.

The Group freely avails of statutory reserves and their use is not specifically defined under the current enactments. The reserve funds were not used.

29. LONG-TERM PROVISIONS

		In thousands of RSD
	December 31 2013	December 31 2012
Provisions for severance payments	15.524	15.642
Provisions for jubilee awards	7.147	9.173
Other long-term provisions	114.642	-
	137.713	24.815

The amount od 114.642 thousand dinars refers to judicial settlement of PIK "Becej" and it represents liability in the amount of 1.000.000 EUR.

Movements

Assumptions used by the Actuary's estimates were as follows:

	2013	2012
Nominal discount rate	5.50%	7.11%
Expected nominal rate of salary growth	3.50%	6.20%

Movement in long-term provisions in 2013 and 2012 were as follows:

	In thousands of dinars Year ending as of December 31	
	2013	2012
Balance as of January	24.815	59.269
Provisions in the course of the year	-	-
Provisions used	(3.367)	(25.075)
Loss of control	-	(9.379)
Balance as of December 31	21.448	24.815

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2013

27.LONG-TERM LOANS

		In thousands of dinars	
	Amount In foreign currency	December 31 2013	December 31 2012
Hypo Group Netherlands Corporate Finance BV	543.848	-	-
Vojvodjanska Bank JSC Novi Sad	10.756.277	-	1.233.185
European Bank for Reconsutruction and Development	1.000.000	-	113.718
European Bank for Reconsutruction and Development	2.500.000	-	284.296
Banca Intesa JSC, Belgrade	1.333.333	-	151.624
Komercijanka Banka JSC, Belgrade	2.948.369	-	-
UniCredit Bank Serbia JSC Belgrade	15.965.430	-	1.815.562
Banca Intesa JSC, Belgrade	1.166.667	-	132.672
Banca Intesa JSC, Belgrade	3.000.000	-	341.155
Eurobank EFG JSC, Belgrade	1.600.000	-	181.949
Eurobank EFG JSC, Belgrade	-	-	400.000
Societe Generale Bank Serbia JSC, Belgrade	11.000.000	-	1.250.901
		-	5.895.062
Current maturity		-	3.588.746
		-	2.306.316

Maturity of the long-term loans is presented in table below:

	In thousands of dinars	
	December 31, 2013	December 31, 2012
- Up to 1 year	8.723.079	2.365.561
- From 1 to 2 years	-	597.746
- From 2 to 3 years	-	999.064
- From 3 to 4 years	-	422.836
- From 4 to 5 years	-	286.670
- Over 5 years	-	-
- Loan from Vojvodjanska Bank JSC Novi Sad		1.223.185
	8.723.079	5.895.062

28.SHORT-TERM FINANCIAL LIABILITIES

	In thousands of dinars	
	December 31, 2013	December 31 2012
Current maturities:		
- long-term loans	8.723.079	3.588.746
- other long-term liabilities	-	68
Short-term loans	917.137	909.747
Other	204.477	1
	9.844.693	4.498.562

The amount od 204.477 thousand dinars refers to judicial settlement from March 7 2014 according to which Sojaprotein JSC has the liability towards PIK "Becej" in the amount of 2.000.000 EUR (cash portion). In compliance with this judicial settlement Sojaprotein JSC is obliged to transfer shares of the Hotel "Bela Ladja" free of encumbrances, which makes 31.83% of total shares.

Current maturities:

In thousands of dinars

	Amount in Euros	**December 31 2013**	**December 31 2012**
Long-term loans - domestic			
Societe Generale Bank JSC, Belgrade, Serbia	5.000.000	573.211	-
Eurobank EFG JSC Belgrade	805.181,52	92.307	-
Eurobank EFG JSC Belgrade	369.230	42.329	-
UniCredit Bank JSC, Belgrade, Serbia	58.811.538,40	6.742.278	-
		7.450.125	-
Long-term loans – abroad			
European Bank for Reconstruction and Development	1.785.714	204.719	-
IFC	5.600.000	641.996	-
Erste bank	3.718.000	426.239	-
		1.272.954	-
Current maturity		8.723.079	

As of December 31, 2013, the liabilities based on short-term loans amounted 9.640.216 thousands dinars, whereas majority, the amount of 8.723.079 thousand dinars, referred to long-term loan maturities. Based on preliminary financial statements for the year of 2013, it was ascertained that the Company will not be able to meet certain financial and non-financial performance indicators defined in long-term loan contracts, based on which all the liabilities under these loans are considered to be due on December 31, 2013.

As of of December 31, 2013 the Company failed to meet the following financial and non-financial performance indicators that are defined by contracts of long-term loans:

Financial and non-financial performance indicators

Creditor	Performance indicator	Contract indicator	Balance as of December 31, 2013
European Bank	EBIT/Interest costs	not less than 3	-2.22
European Bank	debt/EBIT	always must be less than 3.5	-20.68

Contracts on long-term loans define performance indicators at the level of consolitaed financial statements of the Group and therefore will be disclosed in the consolidated financial statements of the Parent Company "Victoria Group", Belgrade.

The Company has signed the agreement on standstill obligations with creditor banks (note 42).

Short-term Loans

In thousands of dinars

Creditor:	**Maturity**	**Amount in EUR**	**December 31, 2013**	**December 31 2012**
Societe Generale Bank Serbia, JSC, Belgrade	October 12, 2013	3.000.000	343.926	341.155
Credit Agricole Srbija JSC,Novi Sad	June 20,2013	5.000.000	573.210	568.592
			917.136	909.747

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2013

Short-term loans – domestic, were granted for financing non-current working capital at interest rate equal to one-month EURIBOR increase by the percentage point ranging from 3.90% to 4.30% per year.

Pledge on finished products and raw materials, liens and blank promissory notes are surety instruments for these loans.

29.OPERATING LIABILITIES

		In thousands of dinars
	December 31, 2013	December 31 2012
Liabilities based on received prepayments	16.250	26.376
Trade payables:		
- related parties	1.755.367	245.484
- in the country	363.568	286.109
- abroad	43.030	54.983
Other operating liabilities	53.648	55.983
	2.231.863	698.338

30.OTHER SHORT-TERM LIABILITIES

		In thousands of dinars
	December 31, 2013	December 31 2012
Net salaries and salary compensations	-	12.610
Taxes and contributions on salaries	-	7.857
Interest on refinanced loans from the Paris Club of creditors	-	346.855
Interests	34.937	21.895
Dividends	3.017	3.017
Liabilities towards employees	350	216
Liabilities towards members of Managing Board and Supervisory Board	-	299
Other liabilities	-	52
	38.304	392.802

31. LIABILITIES FOR VALUE ADDED TAX AND OTHER PUBLIC DUTIES, ACCRUALS AND DEFERRED INCOME

		In thousands of dinars
	December 31, 2013	December 31 2012
Liabilities for VAT	-	85.904
Other liabilities for taxes, contributions and other duties	334	119
Accrued income in future period	9.248	256
Deferred VAT	1.411	4.181
Other accruals and deferred income	-	15.277
	10.993	105.737

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2013

32. OFF-BALANCE ASSETS/LIABILITIES

	In thousands of dinars	
	December 31, 2013	December 31 2012
Assets of other entities	482.385	117.236
Prepayments and guarantees made	18.867.548	10.582.306
Other off-balance assets/liabilities	-	6.423
	19.349.934	10.705.965

a) Prepayments and Guarantees Made

As of December 31, 2013, prepayments and guarantees included prepayments and guarantees made for needs of related legal entities in the amount of 10,279,318 thousand dinars and for needs of other legal entities in amount of 302,988 thousand dinars.

33.TRANSACTIONS WITH RELATED PARTIES

a)Income and Expenses from Transactions with Related Parties are presented in the table below:

	In thousands of dinars	
	2013	2012
Income		
Sales (note 5)		
Victoriaoil JSC, Sid	29.097	1.772.053
Victoria Group JSC, Belgrade	20	888
Fertil LLC, Backa Palanka	514	9.552
Victoria Logistic LLC, Novi Sad	210.855	1.277.411
SP Laboratory JSC, Becej	12.141	12.301
Port Backa Palanka JSC, Backa Palanka	8	13
Macvanka Bogatic	-	145
Victoria Phosphate JSC, Bosilegrad	-	-
Veterinary Institute Subotica, JSC Subotica	326.308	87.408
Victoria Zorka LLC Sabac	-	-
Riboteks Ljubovija	-	493
Victoria Starch LLC, Zrenjanin	52	26
	578.995	3.161.290
Financial Income		
Victoria Group JSC, Belgrade	169.622	65.448
SP Laboratory JSC, Becej	-	-
Victoriaoil JSC, Sid	3.960	41
Veterinary Institute Subotica, JSC Subotica	25.791	453
Sinteza Invest Group, Belgrade	251	2.721
Victoria Logistic LLC, Novi Sad	161.200	51.509
Port Backa Palanka	120	1.817
	360.984	121.989
Other Income		
Victoria Group JSC, Belgrade	8	-
Victoria Logistic LLC, Novi Sad	313	205
SP Laboratory JSC, Becej	-	-
Victoriaoil JSC, Sid	141	82
	462	287
Total income	940.441	3.283.566

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2013

	In thousands of dinars	
	2013	**2012**
Expenses		
Cost of goods sold		
Victoriaoil JSC, Sid	90.767	229.774
Victoria Logistic LLC, Novi Sad	59.786	1.550.013
	150.553	1.779.787
Material costs		
Victoriaoil JSC, Sid	7.133	307.762
Victoria Logistic LLC, Novi Sad	5.909.799	6.628.697
Veterinary Institute Subotica JSC, Subotica	715	-
Fertil LLC, Backa Palanka	1.158	-
Victoria Starch LLC, Zrenjanin	1.459	989
	5.920.264	6.937.358
Other Operating Expenses		
SP Laboratory JSC, Becej	144.500	67.326
Fertil LLC, Backa Palanka	-	-
Victoriaoil JSC, Sid	908	16.586
Victoria Group JSC, Belgrade	184.922	200.780
Port Backa Palanka JSC, Backa Palanka	3.616	-
Vitoria Starch LLC, Zrenjanin	3.233	-
Veterinary Institute Subotica JSC, Subotica	6.220	1.186
"Bela Ladja" Hotel, Becej	56	58
Sinteza Invest Group, JSC Belgrade	471	779
	394.171	357.474
Other Expenses		
Victoria Logistic LLC, Novi Sad	183	206
Veterinary Institute Subotica, JSC Subotica	143	449
Victoriaoil JSC, Sid	-	61
Victoriagroup JSC, Belgrade	-	31
	326	747
Total expenses	6.465.314	9.075.366
Net expenses	(5.524.873)	(5.791.800)

33.TRANSACTIONS WITH RELATED PARTIES (continued)

b) Receivable and liability balances from transactions with related legal entities are presented in table below:

	In thousands of dinars	
	2013	**2012**
Receivables		
Prepayments made		
Victoria Logistic LLC, Novi Sad	-	939.790

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2013

Trade receivables		
Victoriaoil JSC, Sid	-	633.656
Veterinary Institute Subotica, JSC Subotica	579.350	674.995
Fertil LLC, Backa Palanka		-
Victoria Logistic LLC, Novi Sad	79.218	436.845
SP Laboratory JSC, Becej		-
Port Backa Palanka JSC, Backa Palanka		-
	658.568	1.745.496
Loans to related parties		
Victoria Group JSC, Belgrade	1.011.814	1.747.862
Victoria Logistic	4.598.360	-
Sinteza Invest Group JSC, Belgrade		26.100
	5.610.174	1.500.962
Receivables from interest		
Victoria Group JSC, Belgrade	71.495	-
Veterinary Institute Subotica, JSC Subotica	24.985	-
Victoria Logistic LLC, Novi Sad	109.313	-
Victoriaoil JSC, Sid	1.893	13
Sinteza Invest Group JSC, Belgrade	1.944	3.156
	209.630	3.169
Total receivables	6.478.372	4.189.417

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2013

Liabilities		
Trade payables		
Victoria Group JSC, Belgrade		29.453
SP Laboratory JSC, Becej	125.467	40.299
Victoria Logistic LLC, Novi Sad	1.548.082	204.683
Victoriaoil JSC, Sid	80.919	-
Sinteza Invest Group a.d., Beograd		484
Port Backa Palanka	898	
Hotel Bela Ladja JSC, Becej	-	18
	1.755.366	274.937
Other short-term liabilities		
SP Laboratory JSC, Becej	-	2.334
Victoria Logistic LLC, Novi Sad	53.674	-
Victoriaoil JSC, Sid	653	-
Victoria Logistic LLC, Novi Sad		
Liabilities		
	54.327	277.271
Receivables - net	1.809.693	3.912.146

34. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES

Capital Risk Management

The objective of the capital risk management is to maintain the going concern of the Group operations within unlimited time period in a foreseeable future in order to keep the optimal capital structure with minimum capital costs and to secure a capital yield to its owners. The structure of the Group's capital consists of debts, including long-term loans disclosed in specific note, other long-term liabilities, long-term and short-term investments, cash and cash equivalents and capital attributable to owners makes which includes interests, other capital, reserves and accumulated profit.

Persons in charge of the Group's finances make reviews of the capital structure on annual basis.

Capital Risk Management

Debt indicators of the Group with balance at the end of the year were as follows:

		In thousands of dinars
	December 31, 2013	**December 31, 2012**
Indebtedness a)	9.844.693	6.804.878
Cash and cash equivalents	105.047	(166.400)
Net indebtedness	9.739.646	6.638.477
Equity b)	10.642.447	12.458.069
Total debts to equity ratio	0.92	0.53

a) Indebtedness relates to long-term and short-term financial liabilities.
b) Equity includes share capital minus treasury shares, reserves and accumulated profit.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2013

Financial Instrument Categories

		In thousands of dinars
	December 31, 2013	December 31, 2012
Financial assets		
Long-term financial investments	950.439	830.067
Other long-term financial investments	728	1.186
Receivables	2.688.956	3.843.544
Short-term financial investments	6.015.291	1.784.961
Cash and cash equivalents	105.047	166.400
	9.760.461	6.626.158
Financial liabilities		
Long-term financial liabilities	-	2.306.316
Short-term financial liabilities	9.844.693	4.498.562
Trade payables	2.215.613	166.400
Other liabilities	242.780	371.955
	12.303.086	7.848.795

Main financial instruments of the Group are cash and cash equivalents, receivables, financial investments resulting directly from the Group's operations, as well as long-term loans, trade payables and other liabilities whose basic purpose is to finance the current business operations. In usual operating environment, the Group is exposed to the below stated financial risks.

Financial Risk Management Objectives

Financial risks include market risks (currency risk and interest risk), credit risks and liquidity risks. Financial risks are assessed on a timely basis and they are evaded primarily by reducing the exposure of the Company to these risks. Group does not use any financial instruments to evade effects of financial risks since these instruments are not used in and no organized market of these instruments is established in the Republic of Serbia.

Market Risks

In its operations the Group is directly and pro rata exposed to financial risks resulting from fluctuation of exchange rates and interest rates. Exposure to the market risks is assessed through the sensitivity analysis. Neither significant changes in exposure of the Group to market risks were observed nor in the manner in which the Group manages and measures the market risks.

Currency Risks

Group is exposed to currency risks mainly through cash and cash equivalents, trade receivables, long-term loans and trade payables denominated in foreign currencies. Group does not use any specific financial instruments as a protection measure against the risks since these are not common in the Republic of Serbia.

Stability of the economic environment in which the Group is operating depends to a great extent on economic measures of the Government, including implementation of an adequate legal and regulatory framework.

Book value of monetary assets and liabilities carried in foreign currencies on the Group reporting date were as follows:

	Assets		Liabilities	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
EUR	1.226.872	912.723	10.036.622	7.210.093
USD	260.232	497.399	-	-
GBP	38.038	10.074	-	-
	1.525.142	1.420.196	10.036.622	7.210.093

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2013

The Group is sensitive to movements of Euro (EUR) and American dollar (USD) exchange rates. Table below shows detailed sensitivity analysis of the Group in case of 10% increase and decrease of exchange rate dinar against a particular foreign currency. 10% sensitivity rate is used in internal presentation of currency risks and represents the Management's estimate of reasonably expected movements in foreign currency exchange rates. Sensitivity analysis includes only unsettled receivables and outstanding payables carried in foreign currencies and equates their translation at the end of the period for 10% change of foreign currency exchange rates. Positive figure in the table indicates increase of performance results in the period in case of dinar devaluation against the specified foreign currencies. In case of 10% devaluation of dinar against the specified foreign currencies, effects on the performance results in the current period would be contrary to the effects given in the previous case.

		In thousands of dinars
	December 31, 2013	**December 31, 2012**
EUR currency	(880.975)	(629.737)
USD currency	26.023	49.740
CHF currency	-	1.007
GBP currency	3.803	-
Performance results in the current period	(851.149)	(578.990)

Interest Rate Fluctuation Risks

The Group is exposed to the interest rate fluctuation risks with respect to its assets and liabilities with variable interest rate. The risks depend on the financial market and there are no available instruments whereby the Group can mitigate these effects.

The book value of financial assets and liabilities at the end of the observed period is presented in the table below.

		In thousands of dinars
	December 31, 2013	**December 31, 2012**
Financial Assets		
Non-interest-bearing		
Long-term financial investments	950.439	830.067
Other long-term financial investments	728	1.186
Trade receivables	2.688.956	3.843.544
Short-term financial investments	60.220	54.865
Cash and cash equivalents	105.047	166.400
	3.805.390	4.896.062
Fixed interest rate		
Short-term financial investments	5.954.687	1.688.966
Variable interest rate		
Short-term financial investments	384	41.130
	9.760.461	6.626.158
Financial Liabilities		
Non-interest-bearing		
Trade payables	2.215.613	671.962
Other payables	242.780	371.955
	2.458.393	1.043.917
Fixed interest rate		
Long-term financial libailities	-	181.949
Short-term financial liabilities	42.329	-
	42.329	181.949
Variable interest rate		
Long-term financial liabilities		2.124.367
Short-term financial liabilities	9.802.364	4.498.5629
	9.802.364	6.622.929
	12.303.086	7.848.795

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2013

Sensitivity analysis presented below is based on exposure to interest rates movements of non-derivative instruments as of the Balance Sheet date. With respect to liabilities with variable rate, the analysis was made under the assumption that the remaining balance of assets and liabilities as of the Balance Sheet remained unchanged throughout the entire year. 1% increase or decrease was the Management's estimate of a reasonable potential change in interest rates. Should the interest rate increase/decrease by 1% and all other variables remain unchanged, the Group would suffer operating gain/(loss) amounting to 98.020 thousand dinars in the year ending on December 31, 2013. This situation is assigned to the Group's exposure to variable interest rates contracted for long-term loans.

Credit Risks

Management of Trade Receivables

Group is exposed to credit risks which represent a risk that debtors shall not be capable to settle their debts in full and on a timely basis and, therefore, the Group would suffer financial losses. On the balance sheet date, the Group was mainly exposed to credit risks limited to trade receivables. Trade receivables mainly consist of trade receivables from related legal entities.

Structure of trade receivables as of December 31, 2013 is presented in the table below:

			In thousands of dinars
	Gross exposure	**Adjustment**	**Net exposure**
Undue trade receivables	1.112.722	-	1.112.722
Due and adjusted trade receivables	311.837	(311.837)	-
Due and unadjusted trade receivables	1.576.234	-	1.576.234
	3.000.793	(311.837)	2.688.956

Structure of trade receivables as of December 31, 2012 is presented in table below:

			In thousands of dinars
	Gross exposure	**Adjustment**	**Net exposure**
Undue trade receivables	2.912.195	–	2.912.195
Due and adjusted trade receivables	376.310	(376.310)	-
Due and unadjusted trade receivables	931.349	–	931.349
	4.219.854	(376.310)	3.843.544

Undue Trade Receivables

Undue trade receivables presented as of December 31, 2013 in the amount of 1.112.722 thousand dinars (December 31, 2012: 2.912.195 thousand dinars) mainly relate to trade receivables from sale of soybean meal, crude soybean oil, soybean textures and soybean flour and soybean concentrate. Maturity of these trade receivables ranges mainly within 60 days from the date of invoicing, depending on the agreed payment terms.

Due and Adjusted Trade Receivables

In the observed period the Group impaired the value of due trade receivables by 311.837 thousand dinars (December 31, 2012: 376.310 thousand dinars) since it established that the financial standing of customers have changed and, therefore, the receivables shall not be collected in full.

Credit Risks (continued)

Management of Trade Receivables (continued)

Due, Unadjusted Trade Receivables

The Group did not impair due trade receivables presented as of December 31, 2013 in the amount of 1.576.234 thousand dinars (December 31, 2012: 931.349 thousand dinars) since no changes in the customers' creditworthiness were established and all these receivables refer to receivables from the related parties and the Management was of the opinion that the total present value of these receivables shall be collected.

Age structure of due, unadjusted trade receivables is given in the following table:

		In thousands of dinars
	December 31, 2013	**December 31, 2012**
Less than 30 days	774.035	144.648
31 - 90 days	233.407	333.704
91 - 180 days	64.071	9.258
181 - 365 days	490.708	426.745
Over 365 days	14.014	16.994
	1.576.234	931.349

Trade Payables Management

Trade payables as of December 31, 2013 were presented in the amount of 2.215.613 thousand dinars (December 31, 2012: 671.962 thousand dinars). The suppliers charge no default interest on due receivables whereas the Group makes payments within the agreed terms in accordance with the Risk Management Policies.

Liquidity Risks

The Group Management is finally responsible for the liquidity risk management and the Management implemented the corresponding management system required for short-term, medium-term and long-term financing of the Group and liquidity management. The Group manages the liquidity risks by keeping adequate cash reserves and continuous monitoring of the planned and actual cash flows as well as maintaining the adequate maturity ratio of financial assets and liabilities.

Tables of Liquidity Risks and Credit Risks

The following tables show details of remaining contracted maturities of the financial assets. The presented amounts are based on undiscounted cash flows resulting from financial liabilities which the Group shall be able to settle on the earliest date.

Maturities of financial assets

					In thousands of dinars December 31, 2013
	Less than a month	**1-3 months**	**From 3 months to one year**	**From 1 to 5 years**	**Total**
Non-interest-bearing	2.990.683	655.840	34.756	124.111	3.805.390
Fixed interest rate					
- Principal	344.513		5.610.174		5.954.687
- Interest	258		671.691		671.949
	344.771		6.281.861		6.626.636
Variable interest rate					
- Principal	384				384
- Interest	-				-
	384				384
	3.335.838	655.840	6.316.621	124.111	10.432.410

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2013

In thousands of dinars
December 31, 2012

	Less than a month	1-3 months	From 3 months to one year	From 1 to 5 years	Total
Non-interest-bearing	2.609.624	1.386.751	69.620	830.067	4.896.062
Fixed interest rate					
- Principal	214.104	-	1.474.862	-	1.688.966
- Interest	14.788	27.416	41.797	-	84.001
	228.892	27.416	1.516.659	-	1.772.967
Variable interest rate					
- Principal	41.130	-	-	-	41.130
- Interest	268	-	-	-	268
	41.398	-	-	-	41.398
Total	2.879.914	1.414.167	1.586.279	830.067	6.710.427

The following tables show details of remaining contracted maturities of the Group's liabilities. The presented amounts are based on undiscounted cash flows resulting from financial liabilities which the Group shall be obligated to settle on the earliest date.

Maturity of Financial Liabilities

In thousands of dinars
December 31, 2013

	Less than a month	1-3 months	From 3 months to one year	From 1 to 5 years	Over 5 years	Total
Non-interest-bearing	2.382.198	118.876	156.179	5.617		2.662.870
Fixed interest rate						
- Principal	14.110	28.219				42.329
- Interest	85	88				173
	14.195	28.307				42.502
Variable interest rate						
- Principal	159.375	274.445	1.501.212	6.499.605	1.163.250	9.597.887
- Interest	36.564	59.084	284.374	728.375	24.657	1.133.054
	195.939	333.529	1.785.586	7.227.980	1.187.907	10.730.941
	2.592.332	480.712	1.941.765	7.233.597	1.187.907	13.436.313

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2013

In thousands of dinars
December 31, 2012

	Less than a month	1-3 months	From 3 months to one year	From 1 to 5 years	Over 5 years	Total
Non-interest-bearing	630.228	48.507	353.594	11.588	-	1.043.917
Fixed interest rate						
- Principal	-	13.996	125.965	41.988		181.949
- Interest	376	752	2.061	172	-	3.361
	376	14.748	128.026	42.160	-	185.310
Variable interest rate						
- Principal	261.338	969.221	3.128.042	2.264.328	-	6.622.929
- Interest	22.680	39.369	473.937	190.600	-	726.586
	284.018	1.008.590	3.601.979	2.454.928	-	7.349.515
	914.622	1.071.845	4.083.599	2.508.676	-	8.578.742

Fair value of financial Instruments

Table below shows present value of financial assets and financial liabilities and their fair value as of December 31, 2013 and December 31, 2012, respectively:

In thousands of dinars

	December 31, 2013		December 31, 2012	
	Book value	**Fair Value**	**Book value**	**Fair Value**
Financial assets				
Long-term financial investments	950.439	950.439	830.067	830.067
Other long-term financial investments	728	728	1.186	1.186
Receivables	2.688.956	2.688.956	3.843.544	3.843.544
Other receivables	6.015.291	6.015.291	1.784.961	1.784.961
Cash and cash equivalents	105.047	105.047	166.400	166.400
	9.760.461	9.760.461	6.626.158	6.626.158
Financial liabilities				
Long-term financial liabilities	-	-	2.306.316	2.306.316
Short-term financial liabilities	9.844.693	9.844.693	4.498.562	4.498.562
Trade payables	2.215.613	2.215.613	671.962	671.962
Other liabilities	242.780	242.780	371.955	371.955
	12.303.086	12.303.086	7.848.795	7.848.795

Assumptions for Estimation of the Present Fair Value of Financial Instruments

Bearing in mind insufficient market experience, stability and liquidity in acquisition and disposal of financial assets and liabilities and the fact that no market information is available to be eventually used for disclosure of the fair value of financial assets and liabilities, the discounted cash flow method was used. When adopting this evaluation method interest rates of financial instruments of similar characteristics are used with the aim to achieve relevant estimates of the market value of financial instruments on the Balance Sheet date.

Assumptions used for evaluation of the present fair value were that the book value of short-term trade receivables and trade payables represent their approximated fair value since their maturity for payment/collection is within a relatively short time period.

35. DISPUTES

As of December 31, 2013 four disputes are pending against the Group whose estimated value is 26.279 thousand dinars.

In the dispute against Vojvodjanska Bank JSC, Novi Sad, on the basis of liabilities under the refinanced loans of the Paris Club creditor, which value is EUR 13.206.878, the Supreme Court of Cassation in its judgement No. Prev 75/2013, refused review by the Sojaprotein JSC against the judgement of the Commercial Court of Appeals, number pz 870/12, issued on behalf of Vojvodjanska Bank JSC, Novi Sad. On April 3, 2013, the Company has completely fulfilled the obligation under this judgement to Vojvodjanska Bank JSC. Sojaprotein JSC has submitted a constitutional complaint to the Constitutional Court of the Republic of Serbia, in order to protect their rights that have been violated in this case. Proceedings before the Contitutional Court is pending.

As of December 31, 2013 twenty six disputes are pending wherin the Company is a plaintiff and the estimated value of these disputes amounts to 91.216 thousand dinars and EUR 147.740.

The Group believes in the positive outcome of these disputes, and on that basis has not recognized provision in enclosed consolidates financial statements.

36. TAX RISKS

Tax regulations of the Republic of Serbia are often interpreted differently and they are subject to frequent amendments. Interpretation of tax regulations by tax authorities with respect to transactions and activities of the Group may differ from the Management's interpretations. Therefore, transactions may be disputed by the tax authorities and a certain additional amount of taxes, penalties and interests may be imposed on the Group. The limitation period of a tax liability is five years. In practice, it means that tax authorities are entitled to determine payment of outstanding liabilities within the five-year period from the date the liability was made.

37. EVENTS AFTER THE BALANCE SHEET DATE

Based on the decision of the Supervisory Board on acquiring its own shares on the market, the Company acquired 12.350 treasury shares at the Belgrade Stock Exchange.

The parent company, Victoria Group JSC Belgrade and five members of the Group (including the Company) signed Standstill Agreement with creditor banks, which entered into effect on April 7, 2014, with validity period of 30 days. In addition to defining exceptions, the contract established total exposure of the Group to creditor banks based on disbursed loans and contigent liabilities for guarantees and letters of credit as of February 1, 2014. In accordance with the Agreement, all the creditor banks agreed, regardless of the maturity of principal and/or occurence and duration of any other event representing the breach of the main contract on loan, not to start repayment or execution procedure provided by the main contract or law or during the standstill period.

In the standstill period, the Group is obliged to keep the level of indebtedness at the level defined in the Agreement and to seek the approval of creditor banks for certain activities such as investments and changes in the ownership structure. Moreover, liabilities based on regular and default interest, as well as based on bank fees, shall be accrued and paid in accordance with the provisions of the Agreement.

During the standstill period, the agreement should be reached on further extension of the grace period and restructuring of total liabilities of the Group towards the banks.

38.EXCHANGE RATES

Mean exchange rates established at the Interbank Market were used in translation in dinars of the Balance Sheet items carried in foreign currency, and they were as follows for individual main currencies:

	December 31, 2013	December 31, 2012
USD	83.1282	86.1763
EUR	114.6421	113.7183
GBP	136.9679	139.1901
CHF	93.5472	94.1922

In Becej, December 31, 2013.

Legal representative

James Patrick King

General Manager

Sojaprotein
AKCIONARSKO DRUŠTVO
ZA PRERADU SOJE
BEČEJ 21

SOJAPROTEIN JSC, BECEJ

BUSINESS OPERATIONS REPORT

January – December 2013

April 2014

CONTENTS

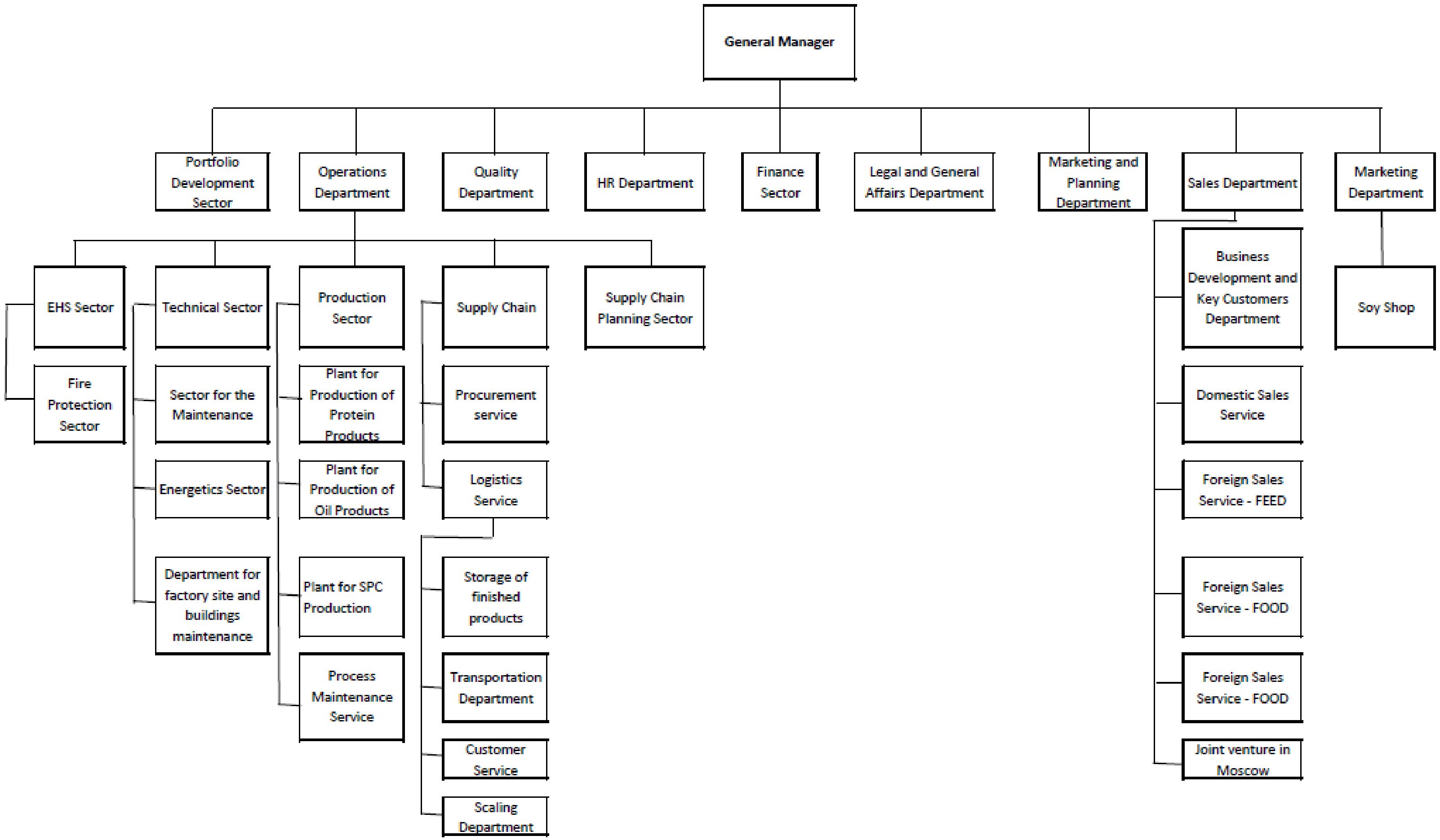
Description of Business Activities and Organizational Structure of the Company

Sojaprotein JSC Becej was established in 1977 wg=hereas regular production started in 1983.
Joint stock Company Sojaprotein is the largest soybean processing plant in Serbia, and when it comes to diversity and quality of products, as well as processing capacity of 250.000 tons of soybeans per year, it is among the most important soybean processing companies in entral and Sout-East Europe. At the same time, it is one of few companies that processes genetically unmodified soybean (non-GMO), of strictly controlled origin and quality, which adds value to the entire assortment of this company, sold in domestic and overseas markets.

Sojaprotein can boast about wide range of soybean products, from protein to oil products – soy protein concentrate, flour, grits, textures, soybean meal, crude soybean oil, soy lecithin. Among the broad product range stands out Sojavita – programme of finished products for human diet use, while other segments of its portfolio are applied in food industry (meat processing industry, bakery and confectionary, pasta production) and for animal nutrition, as well as in the pharmaceutical industry.
Domestic production of soybean seed and grain represents the major base for soybean processing in our plant and all our products are manufactured from a genetically unmodified soybean grain originating from Serbia and it has the IP Certificate (Identity Preservation Program) whereby genetic purity from the soybean seed up to the delivery of the final products is secured. Limited domestic market with respect to the volume, structure and marketability against the paying ability of demand and orientation on marketing of protein products used in food industry have focused the sale of final soybean products on foreign markets. Export increase trend which commenced earlier has been intensified each year and has provided better results when the production assortment was widened by production plant for producting soybean concentrates for animal and human use.

“Sojaprotein” operates as an open joint stock company and it is listed on the Prime Market of the Belgrade Stock Exchange from 2007. In 1991, the Company Management passed the decision on issue of internal shares to employees and thus performed the transformation into a joint stock company. In the course of 2000 and 2001, the Company had privatized the remaining socially owned capital through the issue of free shares underwritten by employees and other natural persons in compliance with the provisions of the Law on Ownership Transformation 1997. Since 2002, Sojaprotein became member of Victoria Group.

Organizational Structure of Sojaprotein JSC Becej



Review of the development and results of the Company, information about financial condition and data relevant to assessment of the Company's assets, and data on staff

In spite of continuing both financial and economic crises, a steady increase in sales on foreign markets has been recorded and it presents key item in total sales due to changed production structure. Sales of soybean products on the domestic market have been conducted under circumstances of reduced demand resulting from smaller processing capacities and reduced possibility of the goods marketability and seriously threatened liquidity of customers. Major consequences are present in the livestock industry which is traditionally the major consumer of soybean concentrates as a component of forage, but due to high price of this product low demand and low purchasing power, this product for now has a symbolic placement on domestic market.

At the beginning of 2013, decision was made to terminate the prodution of soybean meal. Decision on temporary termination of soybean meal production was necessary so as to separate transport-production lines of soybean concentrates and soybean meal and thus create conditions for a better quality of SPC, as the only, real and long-term perspective in the field of animal nutrition. Such an substantial change in the current structure of the production programme for the benefit of higher phases of protein products (SPC, TSPC and FSPC) which have a higher profit margin shall contribute to significant profitability increase of the overall business. In one hand, the Company has the opportunity to remain in domestic market by periodic production of soybean meal so as to hire processing capacities to the maximum until production/sale of SPC reaches the maximum, and on the other hand to make use of well-known and respected quality of soybean meal in order to further improve sales and financial results. Within the period between January – December 2013, quality harmonization of SPC was continued, especially when it comes to SPC intended for animal nutrition.

After the customizations of production and transport lines and in accordance with the strict requirements of final users SPC for feed and food use in the new SPC factory, prerequisites for achieving continuous production of the required quality as the basis for intensification of sales, especially exports in the second half of 2013 has finally been created.

In the course of 2013, except the scope, Sojaprotein had maintained a favourable market position at the market of TSP thereby providing a higher sales margin. The growing demand for non-GMO quality of soy products in all the major markets, with an expanded product range and timely delivery in accordance with the requirements of the market, contributed to creating a conditions for the introduction of our new products – SPC HC and textured SPC and created a good foundation for long-term expansion of exports for nutritional purposes as well (primarily for meat and bakery industry), and also for the pharmaceutical industry.

Large drought in the key period of soybean growing n 2012, influenced historical high purchase price of soybeans and had impact on the high cost of soybean products, and therefore, their high selling price, which significantly reduced the competitiveness of Sojaprotein in the market, particularly foreign market, demanding and choosy in terms of quality, but also the price of soybean products. Despite the high prices of finished products, by providing the sufficient amount of non-GMO soybeans of the Serbian origin and high quality of final products, market position of the Company has been preserved, and in terms of higher levels of processing it has been improved as well.

SOJAPROTEIN JSC BECEJ – OPERATING REPORT - JANUARY – DECEMBER 2013

1. FINANCIAL INDICATORS
(realization compared to the same reporting period of the previous year)
1.1 Income Statement

Reporting period:01.01.2013 – 31.12.2013	Y.T.D REALIZED Jan-Dec 2013	Y.T.D REALIZED Jan-Dec 2012	Y.T.D REALIZED DIFFFERENCES (1-2)	Y.T.D REALIZED DIFFERENCES in %
	1	2	3	4
Operating income	11.399.407	14.945.270	-3.545.863	-23,73%
Sales of goods, products and services	10.657.341	15.091.557	-4.434.216	-29,38%
Sales to domestic market – third parties	2.817.783	5.033.341	-2.215.558	-44,02%
Crude soybean oil	904.249	1.111.719	-207.470	-18,66%
Soybean meal	1.118.592	3.049.656	-1.931.064	-63,32%
Concenrtates	12.726	51.112	-38.386	-75,10%
Flour and grits	172.823	162.552	10.271	6,32%
Textured soybean products	237.620	233.679	3.941	1,69%
SPC - textured	9.580	0	9.580	0,00%
Mix	30.891	13.610	17.281	126,97%
Soja vita	17.144	22.058	-4.914	-22,28%
Lecithin	40.378	54.417	-14.039	-25,80%
Other	72.321	63.289	9.032	14,27%
Commercial goods	196.232	111.060	85.172	76,69%
Services	1.375	141.390	-140.015	-99,03%
Other income	3.852	18.799	-14.947	-79,51%
Income from sales to foreign markets	6.853.587	6.105.504	748.083	12,25%
Crude soybean oil	1.247.279	3.087.694	-1.840.415	-59,60%
Soybean meal	2.868	45.190	-42.322	-93,65%
Concentrates	2.261.151	89.900	2.171.251	2415,18%
Flour and grits	1.349.382	1.539.140	-189.758	-12,33%
Textured soybean products	1.662.651	1.229.664	432.987	35,21%
Textured concentrates	128.605	50	128.555	257110,00%
Mix	9.418	14.370	-4.952	-34,46%
Soja vita	26	1.311	-1.285	-98,02%
Lecithin	75.381	98.185	-22.804	-23,23%
Other	1.950	0	1.950	0,00%
Commercial goods	114.876		114.876	0,00%
Income from sales to related parties	985.971	3.952.712	-2.966.741	-75,06%
Crude soybean oil	36.293	15.111	21.182	140,18%
Soybean meal	318.089	1.767.178	-1.449.089	-82,00%
Concentrates	35.787	3.540	32.247	910,93%
Flour and grits	159.389	63.836	95.553	149,69%
TSP	260.567	279.393	-18.826	-6,74%
TSPC	3.463	0	3.463	0,00%
Lecithin	965	0	965	0,00%
Soja vita	0	0	0	0,00%
Ostalo (shell +TSP-SH)	61.651	9.280	52.371	564,34%
Commercial goods	76.586	1.769.239	-1.692.653	-95,67%
Services	33.181	45.135	-11.954	-26,48%
Discounts (rebates)			**0**	**0,00%**
Revenue from undertaking of output and merchandise	**210.180**	**41.501**	**168.679**	**406,45%**
Increase in value of undertaking of output and merchandise	**473.925**	**0**	**473.925**	**0,00%**
Decrease in value of undertaking of output and merchandise	**0**	**249.379**	**-249.379**	**-100,00%**
Other operating income	57.961	61.591	-3.630	-5,89%
640 - Subsidies, grants, donations	118	2.335	-2.217	-94,95%
650 - Lease	57.676	57.526	150	0,26%
65x – Other operating income	0	0	0	0,00%
659 – Income from rebilling	167	1.730	-1.563	-90,35%

SOJAPROTEIN JSC BECEJ – OPERATING REPORT - JANUARY – DECEMBER 2013

Operating expense	11.712.636	12.849.524	-1.136.888	-8,85%
Cost of goods sold	403.043	1.823.015	-1.419.972	-77,89%
Material costs	9.828.707	9.732.860	95.847	0,98%
511 – Raw materials	8.796.461	8.865.397	-68.936	-0,78%
511 – Ancillary material	57.777	107.207	-49.430	-46,11%
511 – Packaging material	195.235	179.530	15.705	8,75%
511 – Other	21.388	15.447	5.941	38,46%
512 – Spare parts	67.128	55.994	11.134	19,88%
512 – Other (overhead) materials	10.218	10.958	-740	-6,75%
513 – Fuel and energy	680.500	498.327	182.173	36,56%
Salary, salary compensations and fringe benefits	574.599	492.693	81.906	16,62%
520 – Salaries and salary compensations	432.437	373.488	58.949	15,78%
521 – Contributions charged to the employer	75.345	66.013	9.332	14,14%
52X – Fees under contracts	18.885	5.791	13.094	226,11%
529 – Other fringe benefits	47.932	47.401	531	1,12%
Other operating expenses	512.402	483.202	29.200	6,04%
530- Services for undertaking ofoutput and merchandise	0	0	0	0,00%
531- Transportation services	190.722	154.216	36.506	23,67%
532 –Maintenance services	79.830	80.032	-202	-0,25%
533- Rents	36.791	33.343	3.448	10,34%
534- Fairs	8.969	9.479	-510	-5,38%
535- Advertizinf and promotion	5.363	2.538	2.825	111,31%
539- Other services	37.081	25.292	11.789	46,61%
550- Non-production services	38.602	64.357	-25.755	-40,02%
551- Presentations	14.634	22.195	-7.561	-34,07%
552- Insurance premiums	32.430	19.602	12.828	65,44%
553- Payment transactions	9.967	24.009	-14.042	-58,49%
554- Membership fees	2.117	2.080	37	1,78%
555- Taxes	42.617	23.328	19.289	82,69%
556- Contributions	4.963	3.044	1.919	63,04%
559- Other intangible expenses	8.316	19.687	-11.371	-57,76%
Other operating expense of IC	222.611	164.533	58.078	35,30%
Corporate expenses	171.274	153.221	18.053	11,78%
E.B.I.T.D.A	-313.229	2.095.746	-2.408.9705	-114,95%
Other income	202.136	359.589	-157.453	-43,79%
67 – Sales gains	29.524	50.320	-20.796	-41,33%
68 – Value equation gains	172.612	309.269	-136.657	-44,19%
69 – Income from discontinued operations	0	0	0	0,00%
Other expenses	333.282	745.245	-411.963	-55,28%
57 – Losses/decommissioning expenses	7.237	52.193	-44.956	-86,13%
579 – Other expenses not mentioned elsewhere	44.651	12.192	32.459	266,23%
58 – Property impairment	281.394	680.860	-399.466	-58,67%
59 – Losses from discontinued operations	0	0	0	0,00%
54 – Long-term reserves	319.119	0	319.119	0,00%
Deopreciation	348.976	206.562	142.4104	68,94%
E.B.I.T	-1.112.470	1.503.528	-2.615.998	-173,99%
Financial income	489.354	725.327	-235.973	-32,53%
Currency differential gains	151.680	586.713	-435.033	-74,15%
Currency differential gains -IC	0	0	0	0,00%
Interets	23.424	38.478	-15.054	-39,12%
Interest - IC	307.880	68.182	239.698	351,56%
Other net financial income	6.370	31.954	-25.584	-80,07%
Other net financial expenses - IC	0	0	0	0,00%
Financial expenses	490.900	1.462.865	-971.965	-66,44%
Currency differential losses - loans	82.636	815.428	-732.792	-89,87%
Currency differential losses - other	98.927	164.145	65.218	-39,73%
Currency differential losses - IC	0	0	0	0,00%
Interest paid - loans	248.004	134.464	113.540	84,44%
Interest paid - other	16.039	347.923	-331.884	-95,39%
Interest paid - IC	26	0	26	0,00%
Other net financial expenses	45.268	905	44.363	4901,99%
Other net financial expenses - IC	0	0	0	0,00%
Corporate income befre tac	-1.114.016	765.990	-1.880.006	-245,43%
Profit tax	0	53.603	-53.6003	-100,00%
Deferred tax expense of the period	37.277	23.387	13.890	59,39%
Income after tax	-1.151.293	689.000	-1.840.293	-267,10%

Negative EBITDA resulting from difference between operating income and operating expenses amounted to -313.229 thousand dinars in the period January – December 2013 and it was less by 2.408.975 thousand dinars compared to the same period last year.

Income from sales of goods, products and services in 2013 amounted to 10.657.341 thousand dinars are less compared to the same period last year for 4.434.216 thousands dinars i.e. 29.38%. Due to changed production structure that occurred due to stretagic decision of the Management to decrease production of soybean meal and replace it with more profitable products – traditional soy protein concentrates, sales income decreased compared to the same period last year. Realization of soybean meal was carried out in domestic market, while sale of concentrates was envisaged exclusively for choosy foreign markets at which Sojaprotein as a producer of the traditional soy protein concentrate was not known well enough. Therefore, it is necessary for some time to pass and to introduce new products to international markets and impose it to customers.

In the domestic market, apart from sales decrease of soybean meal, there is also a decline in sales of concentrates, lecithin, crude soybean oil whereas the sales of mixtures, flours, grits and texturates increased. Compated to the period January – December 2012, income from oli realization decreased for 207.470 thousand dinars, i.e. for 18.66%. The reason for lower revenues are lower market prices since the crude soybean oil is stock exchange good and it depends on price movements in global stock markets, which tends to be falling.

In the course of 2013, decrease in sales of concentrates was recorded in the amount of 38.386 thousand dinars, equal to 75.10%, due to low sales level of this product in the domestic market, that potential buyers, i.e. producers could not valorized in the terms of market and price through their products, as well as because of the liquidity of potential buyers.

Revenue growth in 2013 compared to 2012 is presented in the income from the sales of mixtures, primarily due to higher batch implementation. Increased revenue from the sales of flour and grits in the amount of 10.271 thousand dinars is result of a higher realized selling prices.

There is a decline in revenues from services because, unline in 2012, in 2013 service processing was not conducted which makes the major part of revenues from services in period January – December 2012. During the reporting period, revenue in the amount of 6.853.587 thousand dinars was generated in the international market, and it is larger for 748.083 thousand dinars compared to the same period last year.

Finished products sales increase is 633.207 thousand dinars and difference of 114.876 thousand dinars makes revenue from merchandise which was not traded in 2012. Exchange rate of dinar against EUR and USD affected the amount of revenues earned in foreign markets. The average middle exchange rate of EUR according to statistics by the National Bank of Serbia for the period January – December 2013 is 113.0924 dinars for EUR, an in the same period last year is was 113.0414 dinars for EUR, whereas average middle exchange rate for USD in 2913 was 85.1532 for 1 USD and 87.9962 dinars for USD in 2012.

The highest revenue growth of the concentrate sales was on the international market , which is larger than the previous year for the amout of 2.261.151 thousand dinars. The increase of this revenue should be observed taking into account the period of time and the fact that theproduction of concentrates commenced in the last quarter of 2012 and taking into account comparation of concentrate sales for three months in 2012, to twelve months in 2013. The same situation is when it comes to revenues from sales of textured sobean soncentrates , which are larger for 128.555 thousand dinars compared to the previous year. Increased revenue from sales of textured soy products were larger compared to 212 which is a result of higher saes of these products and realization of higher sales prices.

Declie in revenues from sales of crude soybean oil in the international market is the result of lower quantity sold (realization decreased by 56%) and lower selling prices. Revenues from sale of flour and grits are lower compared to the same reporting period in 2012 due to smaller batch of implementation whereas realized sales prices have increased over the previous year. Decrease of revenues from sales of mixtures, products from the production programme Sojavita and lecithin is a consequence of lower quantity sold.

The volume of the goods trade is significantly reduced and revenues from the merchandise in 2013 amount to 387.694 thousand dinars on the contrary to 1.880.299 thousand dinars in the same period last year which is in line with the orientation of the Sojaprotein to be engaged exclusively in its core business activities.

Within the group account, income from the own use of products and merchandise are recorded amounts resulting from the activities carried out in the process of trial production and achieving quality of the traditional soybean concentrates as new products that meet the demands of the market. The costs of the trial production of soybean concentrates are capitalized and recognized within the revenue from the own use of products and merchandise.

Increase of inventories in the year of 2013 amounts to 473.925 thousand dinars while in the same period in 2012 amount of inventories decreased in the amount of 249.379 thousand dinars. Increase of inventories was influenced by the structure of finished products as well as higher prices at which inventories were valued.

Operating expenses in 2013 are decreased by 1.136.888 thousand dinars compared to the same period previos year, i.e. 8.85%.

In the group of material costs the most important absolute increase was shown in the item of fuel and energy costs where the increase of costs compared to the previous year amounted to 182.173 thousand dinars because the new plant for production of traditional soybean concentrates requires higher energy consumption.

Costs of other materials and spare parts are higher by 17.075 thousand dinars compared to the period January-December 2012 and it arose due to customization of existing equipment to the new technology or new plant equipment for the production of traditional soybean concentrates.

Costs of raw materials used in 2013 compared to 2012 is lower for the amount of 68.936 thousand dinars, i.e. 0.78% due to less processed soybean which makes the costs of supporting materials lower as well.

Increase in the cost of transportation services was generated as a result of higher product realization in foreign markets compared to 2012. Transportation costs for realized finished products for the international market are calculated in the selling price of finished products and revenues were recorded based on that.

Tax expense in the reporting period are higher for the amount of 19.289 thousand dinars compared to the same period previous year. Increase of costs of this group was affected by higher amount of property taxes on buildings according to the Decision of Tax Administration and these are consequence of investment activation of traditional soybean concentrates and valuation of property made by authorized appraisal company and whose assessment results are recorded as of December 31, 2012.

Increase of the insurance premiums costs compared to the previous year resulted from additional insurance of property and inventories at the request of banks.

As a result of movement of operating revenues and operating expenses EBITDA was achieved in the amount of -313.229 thousand dinars and it decrease for 2.408.975 thousand dinars compared to the previous year.

Other incomes group compared to 2012 decreased for 157.453 thousand dinats in the year of 2013, i.e. for 43.79% since in 2012 this group accounts revenue was recorded based to property, plant and equipment value increase which aws created based on revaluation of fixed assets.

Other expenses in 2013 are significantly reduced in the amount of 411.963 thousand dinars, i.e. 55.28%.largest decrease was in the item of expenditures of impairment and it amounts to 399.466 thousand dinars. The largest amount of expenses in the group of accounts refers to impairment of soybean stock of 2012 hervest which value is reduced to market value.

In the reporting period for 2013, deprecitation costs were higher than in the same period previous year due to activation of plant for production of traditional soybean concentrates and increased value of fixed assets on the basis of assessment and thus depreciation was caluculated on larger base which contributed to increase of this type of expense.

On the basis of judicial settlement of March 7, 2014 according to which Sojaprotein JSC has the liability towards PIK “Becej” in bankruptcy to pay the amount of 2.000.000 EUR (and to transfer shares of hotel “Bela Ladja”,

free of encumbrances, which makes 31.83% of total shares), the group of accounts with long-term preovision of reserves was recorded in the about of payment liability in the amount of 319.119 thousand dinars.
Realized EBITDA increased for other income and reduced for other expenses, depreciation and long-term provisions showed EBITD amounting to -1.112.470 thousand dinars and it is lower for 2.615.998 thousand dinars than in 2012.

Realized financial income in 2013 was by lower for 235.973 thousand dinars compared to the previous year. Gains from exchange rate differences are lower for the amount of 435.033 thousand dinars compared to the previous year. The level of exchange rate differences was affected by the exchange rate on the last day of financial year – as of December 31, 2012 middle exchange rate of dinar against the EUR in accordance with the data from NBS was, 113.7183 and as of December 31, 2013 it was 114.6421 dinars for EUR. The structure of exchange rate difference gains the most significant amounts relate to realized foreign exchange rate gains on the basis of repaid loans incurred due to appreciation of value of dinar against EUR which was present in longer period during 2013 compared to the value of dinar for EUR as of December 31, 2012. Realized foreign exchange gains based on payment of liabilities and collection of receivables in foreign currency as well as from term foreign currency and exchange rate revaluation of foreign currency in foreign bank statements.
Increase of revenues based on interest rate calculation on loans granted to related parties developed primarily due to higher amounts of short-term investment receivables and higher interest rates applied.
In the course of 2012 was interest rate charged to claimed receivables and interest based on time deposits was credited to income, making the largest portion of interest income. In 2013 largest amount of interest accrued originate from interest charged to customers and interest on time deposits.
Financial expenses in 2013 are lower for 971.965 thousand dinars compared to 2012. The largest percentage decrease of financial expenses occurred in the item “expenses based on exchange rate differences, loans and expenses based on interest – other” at which in the previous year was calculated liability for interest on credit from Vojvodjanska Bank and Paris Club of creditors which was settled in 2013.
Recucing negative exchange rate differences in 2013 compared to 2012 is 732.792 thousand dinars and it occurred because in 2012 calculated exchange rate difference based on the middle exchange rate of RSD against EUR as of December 31, 2011 (when exchange rate was 104.6409 dinars for EUR) and middle exchange rate as of December 31, 2012 (middle exchange rate was 113.7183 dinars for EUR) which contributed to foreign exchange losses to become larger. In 2013 fluctuations in exchange rate movement are lower and difference between the middle exchange rate of RSD to EUR as of December 31, 2012 and as of December 31, 2013 are lower.
Foreign currency exchange losses – other includes negative exchange rate differences on foreign currency statement, foreign currency assets liabilities to foreign suppliers and advances. Interest exoense on loans are higher for 84.44% compared to the same period previous year. Amount of Interest rate is affected by movements of credit borrowings, changes in EURIBOR interest and movement of dinar exchange rate against euro.
Since the plant for production of traditional soybean protein concentrates was activated and put into operation, for which construction loan was taken a restricted loan in 2013 accrued interest is recorded as interest expense in contrast to the previous period when intereste was capitalized and interest amount was increased with the value of fixed assets to their activation.
The values of the middle exchange rate of dinar against EUR also has influence on the amount of earned distinction as accrued interest is paid in dinars at middle exchange rate of NBS.
EBIT adjustment by financial income and financial expense resulted in loss in the amount of 1.114.016 thousand dinars, which increased for deferred tax expense of the period in the amount of 37.177 thousand dinars gives the amount of the loss for 1.151.293 thousand dinars while in the sametime previous year it resulted with profit before tax in the amount of 765.991 thousand dinars.

SOJAPROTEIN JSC BECEJ – OPERATING REPORT - JANUARY – DECEMBER 2013

Balance Sheet
Reporting period: 01.01-31.12.2013

	Y.T.D REALIZED Jan-Dec 2013	Y.T.D REALIZED Jan-Dec 2012	Y.T.D REZLIZED DIFFERENCE Jan-Dec 2012/2013
NON-CURRENT ASSETS	10.192.708	9.495.497	697.211
I. SUBSCRIBEED CAPITAL UNPAID	0	0	0
II GOODWILL	0	0	0
III. INTANGIBLE INVESTMENTS	13.668	16.437	-2.769
IV. PROPERTY, PLANT, EQUIPMENT AND BIOLOGICAL ASSETS	9.226.761	8.646.695	580.066
1.Property, plant and equipment	8.793.828	8.055.230	738.598
2. Investment property	430.374	588.699	-158.325
3. Biological assets	2.559	2.766	-207
IV. LONG-TERM FINANCIAL INVESTMENTS	952.279	832.365	119.914
1.Stakes in equity	951.551	831.179	120.372
2.Other long-term financial investments	728	1.186	-458
WORKING CAPITAL	13.099.428	11.342.512	1.756.916
I. INVENTORIES	3.996.827	5.531.714	-1.534.887
- Trading goods	14.669	125.609	-110.940
- Raw materials	2.802.458	3.735.625	-933.167
- Ancillary material	39.104	24.639	14.465
- Packaging material	23.781	22.013	1.768
- Other material	65.547	70.433	-4.886
- Unfinished production	31.527	76.025	-44.498
- Finished products	943.068	422.324	520.744
- Prepayments	76.673	1.055.046	-978.373
- Other	0	0	0
II.NON-CURRENT ASSETS HELD FOR SALE	0		0
III. SHORT-TERM RECEIVABLES, INVESTMENTS AND CASH	9.102.601	5.810.798	3.291.803
1.Receivables	2.706.528	3.877.544	-1.171.016
Receivables at the domestic market – third parties	492.558	1.109.649	-617.091
Receivables from related parties	1.192.219	1.745.509	-553.290
Receivables at the foreign market	1.021.751	1.022.386	-635
2.Receivables from overpaid corporate income tax	73.705	3.591	70.114
3.Short-term financial investments	6.015.291	1.784.961	4.230.330
4.Cash and cash equivalents	96.083	128.389	-32.306
5. Value added tax and prepayments and accrued income	210.994	16.313	194.681
C. DEFERRED TAX ASSETS	0	0	0
TOTAL ASSETS	23.292.136	20.838.009	2.454.127
OFF-BALANCE ASSETS	19.349.934	10.705.965	8.643.969
CAPITAL	10.628.253	12.449.372	-1.821.119
I.CAPITAL STOCK	6.906.480	6.906.480	0
II. SUBSCRIBED CAPITAL UNPAID	0	0	0
III. RESERVES	1.175.312	1.428.760	-253.448
IV. REVALUATION RESERVES	2.358.356	2.359.864	-1.508
V. UNREALIZED PROFIT FROM SECURITIES	0	0	0
VI. UNREALIZED LOSSES FROM SECUTIRIES	23.402	23.817	-415
VII. RETAINED PROFIT	1.744.133	1.778.085	-33.952
VIII. LOSS	1.151.293	0	1.151.293
IX. REPURCHASED OWN SHARES	381.333		381.333
LONG-TERM PROVISIONS AND LIABILITIES	12.255.214	8.016.978	4.238.236
I. LONG-TERM PROVISIONS	136.090	24.815	111.275
II. LONG-TERM LIABILITIES	0	2.306.316	-2.306.316
1.Long-term loans	0	2.306.316	-2.306.316
2.Other long-term liabilities	0	0	0
III. SHORT-TERM liabilities	12.119.124	5.685.847	6.433.277
1.Short-term financial liabilities	9.844.693	4.498.561	5.346.132
2.Liabilities forassets held for sale	0	0	0
3.Operating liabilities	2.225.134	689.578	1.535.556
Liabilities on the domestic market – third parties	367.979	312.485	55.494
Liabilities to related parties	1.809.015	330.919	1.478.096
Liabilities on the foreign market	48.140	46.174	1.966
4.Other short-term liabilities	38.304	392.803	-354.499
5.VAT liabilities and other public futies and accruals	10.993	104.905	-93.912
6.profit tax liabilities	0	0	0
C. DEFERRED TAX LIABILITIES	408.669	371.659	37.010
TOTAL LIABILITIES	23.292.136	20.838.009	2.454.127
OFF-BALANCE LIABILITIES	19.349.934	10.705.965	8.643.969

Realized production

Ord. No.	Name of the finished product	Amounts in tonnes		Difference realized 2013/realized 2012	
		Realized 01.01.-31.12.2013	Realized 01.01.-31.12.2012	Quantitative differences	% difference
1	Crude soybean oil	26.853,80	36.715,71	-9.861,91	-26,86%
2	Soybean meal	23.148,33	86.146,56	-62.998,23	-73,13%
3	Concentrates (SPC)	23.205,00	2.155,18	21.049,82	976,71%
	BiG	19.626,18	26.671,43	-7.045,25	-26,41%
	TSP	21.609,39	20.608,45	1.000,94	4,86%
	SPC - TS	870,26	101,29	768,97	759,18%
	Mix	165,46	109,76	55,70	50,75%
	Soja vita	26,45	58,86	-32,41	-55,06%
4	Higher processing phases of soybean	42.297,74	47.549,79	-5.252,05	-11,05%
5	Soy lecithin	1.065,51	1.100,20	-34,69	-3,15%
6	Other (shell+TSP-SH+melasa)	22.668,50	6.404,55	16.263,95	253,94%
	TOTAL:	139.238,88	180.071,99	-40.833,11	-22,68%

The soybean productions in 2013 shows deviations of 26.86% compared to 2012. Decrease is resulting from introduction of new models of soybean processing in hexane extract.

In 2013 there was a drop of production of soybean meal for 73.13% compared to the previous year, and reason to this is decision on temporary termination of soybean meak production which was necessary so as to permanently separate production and transportation lines of SPC and soybean meal and in this wat create conditions for better quality of SPC as the only real, long-term perspective in the field og animal nutrition.

A total of 42.297,74 tonnes of higher phase processing products intended for human use was produced, wich deviates in 11.05% compared to the same period in 2012.

Production of Sojavita programme products is related solely to the results of sales.

Demand for shells and molasses increased in 2013 since in the same period of the previous year there was no production of molasses and sales of soybean shells increased compared to 2012.

Realization of the Sojaprotein products

(amount in tonnes)

	REALIZATION (t) Jan - Dec 2013	REALIZATION (t) Jan - Dec 2012	Difference Realized 2013 - 2012	Difference in u %	% shares in total sales 2013	% sales in total sales 2012
Sales – domestic 3rd parties	37.984	83.330	-45.346	-54,42%	35,93%	55,16%
Crude soybean oil	9.155	9.869	(714)	-7,23%	8,66%	6,53%
BiG	1.735	2.284	(549)	-24,04%	1,64%	1,51%
TSP	1.887	2.182	(295)	-13,52%	1,79%	1,44%
Mix	151	67	84	125,37%	0,14%	0,04%
Soja Vita	31	46	(15)	-32,61%	0,03%	0,03%
Lecithin	178	297	(119)	-40,07%	0,17%	0,20%
Shell	3.352	4.173	(821)	-19,67%	3,17%	2,76%
Molasses	2.819	288	2.531	878,82%	2,67%	0,19%
Moist TSP	197	129	68	52,71%	0,19%	0,09%
SPL soybean samples	35	6	29	483,33%	0,03%	0,00%
SPC- textures	77	0	77	0,00%	0,07%	0,00%
SPC	115	627	(512)	-81,66%	0,11%	0,11%
Oil residue	47	91	(44)	-48,35%	0,04%	0,06%
Sales - foreign 3rd parties	67.729	67.740	-11	-0,02%	64,07%	44,84%
Crude soybean oil	12.616	28.954	(16.338)	-56,43%	11,93%	19,17%
Soybean meal	46	1.124	(1.078)	-95,91%	0,04%	0,74%
BiG	16.053	22.560	(6.507)	-28,84%	15,19%	14,93%
TSP	15.805	13.566	2.239	16,51%	14,95%	8,98%
Concentrates:	21.721	816	20.905	2563,06%	20,55%	0,54%
-human programme	1.569	23	1.546	6840,27%	1,48%	0,01%
-animal programme	20.152	793	19.359	2441,17%	19,06%	0,52%
Mix	47	71	(24)	-34,12%	0,04%	0,05%
SPC- textures	757	0	757	0,00%	0,72%	0,00%
Soja Vita	0	3	(3)	-87,96%	0,00%	0,00%
Lecithin	505	645	(140)	-21,66%	0,48%	0,43%
Shell	104	0	104	0,00%	0,10%	0,00%
Molasses	74	0	74	0,00%	0,07%	0,00%
Sales - TOTAL (without related parties)	105.713	151.070	-45.357	-30,02%	100,00%	100,00%
Crude soybean oil	21.771	38.823	-17.052	-43,92%	20,59%	25,70%
Soybean meal	18.251	64.395	-46.144	-71,66%	17,26%	42,63%
Concentrates	21.836	1.443	20.393	1413,61%	20,66%	0,95%
BiG	17.788	24.844	-7.056	-28,40%	16,83%	16,45%
TSP	17.692	15.748	1.944	12,35%	16,74%	10,42%
Mix	198	138	60	43,13%	0,19%	0,09%
SPC- textured	834	0	834	264720,95%	0,79%	0,00%
Soja Vita	31	49	-18	-36,33%	0,03%	0,03%
Lecithin	683	942	-259	-27,47%	0,65%	0,62%
Shell	3.456	4.173	-717	-17,18%	3,27%	2,76%
Molasses	2.893	288	2.605	904,51%	2,74%	0,19%
Moist TSP	197	129	68	68	0,19%	0,09%
SPL soybean samples	35	6	29	483,33%	0,03%	0,00%
Oil residue	47	91	-44	-48,35%	0,04%	0,04%

Domestic Sales

Decline in sales of soybean meal is directly influenced by the opening of plant for production of SPC becasue of which prodution of soybean meal was ceased as of January 1, 2013, until in the meantime separation of production and transportation route and favourable market conditions have not stimulated reproduction, and thus the sale of soybean meal, startng with the third quarter of 2013.

Sales quantity of the soybean oil on the domestic market decreased by 7.23% compared to the previous year because at the beginning of 2013 export conditions were more favourable and the soybean oil was exported mostly. Later, it comes to a decline in the price of soybean oil in the world markets, but also to a rising demand of large customers in the domestic market and in the third quarter of 2013 due to favourable price of the oil in the domestic market.

In 2012 started sale of textured SPC for meat industry, while in the sam eperiod last year there were no sales of TSPC.

Decline in sales of BIG compated to 2012 was caused by the decrease in production in the meat industry by 25-30% and in confectionary industry by 10-15%.

Sales of TSP is lower than the previous year and the main reason is decline in production in meat industry.

Sales of mixtures is higher than the previous year and sales growth is caused by the reduced import of soybean concentrates and isolates, as well as regular application of Sopromix by new users.

There is a decrease in sales wuantity of Sojavita products which is caused by the decrase of purchasing power of the custromers and decrase of the overall consumption.

Sales of the lecithin was lower due to reduced production of the confectionaties, orientation to production of cheaper products that do not use soy lecithin.

Foreign Sales

Total export of soybean products in 2013 was realized in the amount of 67.729 tonnes, which is correlated with the implementation in 2012 (67.740 tonnes). The most important feature in the export of the period is structural change, i.e. sales increase of SPC, particularly in third and fourth quarter of 2013 which still did not manage to compensate large underperformed exports of soybean oil.

In the course of 2013, especially in the 3rd and 4th quarter good quality of SPC products was finnaly affirmed, particularly those for animal nutrition, and primarily for overseas CMR customers (replacement of milk for calves) which requires the high quality of products and also for fish food (salmon, etc.) at the world's leading manufacturers. Thus, total exported amount of SPC was 22.478 tonnes, which represents the first steps in implementation of our traditional concentrates in meat and other food industry.

Further quality improvement of textured SPC will create good basis for long-term expansion of export and for food purposes (primarily for meat and bakery industry), but also for pharmaceutical industry.

Although already mentioned reasons for high prices of all our finished products significantly reduced competitiveness of Sojaprotein products in the foreign markets, and thereby influenced only achieving minimum exports growth, the market position of the Company in the international market was maintained.

Export of soybean oil in the period of 2013 saw a significant decline. The hight cost of soybean from harvest of 2012, and thus the selling price of our soybean oil in terms of significantly lower global stock market and regional market prices of oilseed is the primary cause of this result.

When it comes to Flour and Meal there was also a decline in export, while TSP despite high prices increase by 16.51% compared to 2012.

Despite the high prices of our products, basides the volume, Sojaprotein managed to maintain a favourable market position in TSP market by providing a higher sales margin. Growing global demand for non-GMO quality of soybean products in all major markets, with an expanded assortment and timely delivery in addordance with the requirements of the market, contributed to creation of conditions for introduction of our new products – SPC HC and textured SPC.

Regionally, export to the markets of EU/EFTA countries was dmoniating. For all groups of goods, except Sopromix the markets of EU/EFTA dominated, and as for soybean oil and SPC it was the only market.

At other markets (CEFTA, BSISA) the sales of high processing phases is also dominating, even though with modest share of 3% of total exports, there markets represent a long-term export potential of the company.
The sale of the first amount of SPC and other products of higher processing phases, opened the region of Scandinavian countries, emerging markets which should be counted as long-term export potential of Sojaprotein.

Realization of the Sojaprotein products (value in thousands of dinars)						
	REALIZATION Realization Jan-Dec 2013	REALIZATION in RSD Realized I-XII '12	Difference realization 2013-realization 2012	Difference in %	% shares in total sales 2013	% shares in total sales 2012
Sales – domestic 3rd parties	2.611.602	4.762.092	-2.150.489,46	-45,16%	27,93%	43,82%
Crude soybean oil	904.249	1.111.719	-207.469	-18,66%	9,67%	10,23%
Soybean meal	1.118.592	3.049.656	-1.931.064	-63,32%	11,96%	28,06%
Concentrates for animal use	9.034		9.034	0,00%	0,10%	0,00%
Concentrates for human use	3.692		3.692	0,00%	0,04%	0,00%
Concentrates	12.726	51.112	-38.386	-75,10%	0,14%	0,47%
BiG	172.823	162.552	10.271	6,32%	1,85%	1,50%
TSP	237.620	233.678	3.941	1,69%	2,54%	2,15%
SPC tex	9.580		9.580	0,00%	0,10%	0,10%
Mix	30.890	13.610	17.280	126,97%	0,33%	0,13%
Soja Vita	17.144	22.058	-4.914	-22,28%	0,18%	0,20%
Lecithin	40.378	54.417	-14.039	-25,80%	0,43%	0,50%
Shell	46.591	59.304	-12.713	-21,44%	0,50%	0,55%
Moist TSP SH	2.568	1.140	1.428	125,33%	0,03%	0,01%
Molasses	16.870	2.158	14.712	681,79%	0,18%	0,02%
Oil residue	696	543	153	28,22%	0,01%	0,00%
SPL soybean samples	875	145	730	503,45%	0,01%	0,00%
Sales – foreign without related parties	6.738.711	6.105.578	633.133,09	10,37%	72,07%	56,18%
Crude soybean oil	1.247.279	3.087.694	-1.840.416	-59,60%	13,34%	28,41%
Soybean meal	2.868	45.190	-42.321	-93,65%	0,03%	0,42%
Concentrates for animal use	2.034.555	86.437	1.948.118	2253,79%	21,76%	0,80%
Concentrates for human use	226.596	3.462	223.134	6444,85%	2,42%	0,03%
Concentrates	2.261.151	89.900	2.171.252	2415,20%	24,18%	0,83%
BiG	1.349.382	1.539.141	-189.759	-12,33%	14,43%	14,16%
TSP	1.662.652	1.229.737	432.915	35,20%	17,78%	11,32%
TSP concentrates	128.604	50	128.554	256113,42%	1,38%	0,00%
Mix	9.418	14.370	-4.953	-34,46%	0,10%	0,13%
Soja Vita	26	1.311	-1.285	-98,04%	0,00%	0,01%
Lecithin	75.381	98.185	-22.804	-23,23%	0,81%	0,90%
Shell	1.540		1.540	0,00%	0,02%	0,00%
Molasses	410		410	0,00%	0,00%	0,00%
Sales - TOTAL	9.350.313	10.867.670	-1.517.356	-13,96%	100,00%	100,00%
Crude soybean oil	2.151.528	4.199.413	-2.047.885	-48,77%	23,01%	38,64%
Soybean meal	1.121.461	3.094.846	-1.973.385	-63,76%	11,99%	28,48%
Concentrates for animal use	2.043.590	137.550	1.906.040	1385,71%	21,86%	21,86%
Concentrates for human use	230.288	3.462	226.826	6551,49%	2,46%	0,03%
Concentrates	2.273.878	141.012	2.132.865	1512,54%	24,32%	1,30%
BiG	1.522.206	1.701.693	-179.487	-10,55%	16,28%	15,66%
TSP	1.900.271	1.463.415	436.856	29,85%	20,32%	13,47%
TSP concentrates	138.184	50	138.134	275198,38%	1,48%	0,00%
Mix	40.308	27.980	12.328	44,06%	0,43%	0,26%
Soja Vita	17.169	23.368	-6.199	-26,53%	0,18%	0,22%
Lecithin	115.759	152.602	-36.843	-24,14%	1,24%	1,40%
Shell	48.131	59.304	-11.173	-18,84%	0,51%	0,55%
Moist TSP SH	2.568	1.140	1.428	125,33%	0,03%	0,01%
Molasses	17.281	2.158	15.123	700,81%	0,18%	0,02%
Oil residue	696	543	153	28,22%	0,01%	0,00%
SPL soybean samples	875	145	730	503,45%	0,01%	0,00%

Domestic Sales

Decline in revenues from the sale of soybean meal for the period of 2013 compated to 2012 was created due to planned termination of soybean meal production in Sojaprotein and production of new products of SPC.

Value sales of soybean oil in lower compared to business year of 2012 and the deviation is result of slightly lower average realized selling price of oil in 2013 compared to the previous.

Revenues from sale of BIG were higher by 6.32%, as a result of higher average selling price that compensate for the smaller amount of soy flour sold compared to the same period previous year.

Value sales of TSP is higher for 1.69% compared to the same period previous year.

Sales of mix is higher compared to 2012 which correlates to increased quantitative sales in the domestic market.

Value of sold lecithin was lower than in the previous financial year and is caused by reduced quantity of sales.

Foreign Sales

In contrast to results of natural sales in the foreign sales, value realization is higher in the amount of 633.133 thousan dinars of 10.37% compared to the same period last year.

Start of exports of SPC in 2013 decisivelu contributed to growth, in the amount of 2.261.151 thousand dinars, but also a good value results of high level processing exports.

Realized value of soybean oil export in the period was lower than the value in the same period 2012. This type of movement is correlated to natural indicators of soybean oil export.

There was an increase in the value of total sales of higher levels of processing (BIG, TSP, textures SPC, Mix and ojavita). Here we have disparity in realized value by groups of goods – at Sojavita programme a decline was recorded, at mixtures as well, whereas the value of exports of flour/grits has a moredate decline of 12.33% and TSP achieved 35.2% growth compared to 2012.

Significant increase in an average price of higher levels of processing was stimulated by depreciation of dinar to EUR in the reporting period.

Realization of merchandise to third parties (by quantity and value)

	REALIZATION (t) Jan - Dec 2013	REALIZATION (t) Jan - Dec2012	REALIZATION (RSD) Jan - Dec 2013	REALIZATION (RSD) Jan - Dec 2012
Merchandise – third parties	4.007	3.093	304.496	110.885
Soybean grain	1.511	0	98.902	0
Crude soybean oil	1.267	0	134.142	0
Toasted soybean meal	1.228	2.785	71.346	106.508
Other merchandise	1	308	105	4.377

BUSINESS WITH RELATED PARTIES

Scope, structure and value of sales of finished products to related parties in the period January - December 2013 compared to 2012.

	REALIZATION (t) Jan - Dec 2013	REALIZATION (t) Jan – Dec 2012	REALIZACIJA (thousands of RSD) Jan - Dec 2013	REALIZATION (thousands of RSD) Jan - Decr 2012
Sales – Intercompany	12.011	35.428	876.381	2.138.264
Crude soybean oil	329	137	36.292	15.111
Soybean meal	4.944	29.417	318.089	1.767.177
BiG	2.145	1.242	155.612	63.836
SPC	361	44	35.787	3.540
TSP	2.947	4.416	267.984	279.320
Shell	460	75	6.088	1.268
Molasses	24	0	218	0
Dry TSP	794	99	55.346	8.012
Lecihtin	7	0	965	0

Scope, structure and value of merchandise sales to related parties in the period January - December 2013 compared to 2012.

	REALIZATION (t) Jan - Decr 2013	REALIZATION (t) Jan - Dec2012	REALIZATION (RSD) Jan - Dec 2013	REALIZACIJA (RSD) Jan - Dec 2012
Merchandise – related parties	1.413	40.196	76.586	1.769.240
Soybean grain	1.179	38.036	64.710	1.611.820
Crude soybean oil	29	1.156	3.410	119.640
Toasted soybean meal	0	0	0	0
Other merchandise	205	1.005	8.466	37.780

In total sales of finished products in 2013, trade with related partied measured by physical indicators makes up 10.20% (in the same period of the previos year 21.01%) and value share in revenues from products sales is 8.57% (in the same period of the previous year 16.44%). The largest share in turnover is from the sale of soybean meal.

The scope of the commercial goods trade with related parties in January - December 2013 is not significant.

Turnover of finished goods and merchandise with related parties I scarried out at market conditions both in terms of price and delivery.

When observing the segment of sales and income in relation to the transactions referred to in the last financial statements in 2013, the same as with the revenues from domestic sales to third parties, soybean meal sale to a larger extent was missing due to soybean meal production termination in the first six months.

During 2012, soybean that did not meet the high set criteria for higher phase processing was traded to related parties, while in 2013, amount of soybean grain that does not meet necessary requirements for the production of higher ohase production, remained on stock.

The orientation of the Company is to be primarily engaged in production of their own core business, which is why the turnover of merchandise goods with related partied and third parties was reduced.

Receivables from related parties:

In thousands of dinars

	December 31, 2013	December 31, 2013
Receivables	747.208	1.745.496
Advances paid	-	939.790
Interest receivables	209.630	3.169
Specific receivables	235.381	-
Short-term financial investments	5.610.174	1.501.962
Total – related parties	6.798.393	4.190.417

Liabilities fo related parties:

	December 31, 2013	December 31, 2013
Liabilities to suppliers	1.755.366	274.937
Other operating liabilities	53.648	55.982
Other liabilities – intrest	679	10.776
Total – related parties	1.809.693	341.695

Operation with related parties is carried out at market conditions and changes in transactions in respect to transactions listed in the last annual report are read in reduced receivables compared to December 12, 2012 and increasing the balance of liabilities to related parties. Decrease in balances of receivables from related parties as customers occurred due to lower turnover in 2013 mainly due to lower realized income from soybean meal sales, closing obligations for delivered soybean grain and advances and larger inflow of funds based on short-term financial investments compared to outflows of funds on that basis. The Company's liabilities to related parties at December 31, 2013 are higher compared to the initial one, partly due to lower usage of soybean meal.

INVESTMENTS IN 2013

In the cycle of CAPEX investments implementation in Sojaprotein, since the beginning of 2013 several projects aimed at preserving the high quality of produc, improvement and optimization of certain phases of the production process were initiated. The most important investments realized in the period January – December 2013 are the purchase and installation of big-bag filling machine for SPC, purchase and installation of pacgaking machine and palletizers for TSP, reconstruction of the lines for receiving, cleaning, calibration and issuance of soybean grain, and supply of the SPC processing equipment.

In parallel to construction of the plant for production of traditional soybean concentrates, the preparatory activities for the construction of the factory of functional soybean concentrates are carried out. The project of FSPC construction obtained the planning permission after the preparation of design project and the adoption of the study on the environmental impact is ongoing. Development of the main project was completed for the high-pressure bolier room on pellet.

QUALIFICATION STRUCTURE OF THE EMPLOYEES

As of december 31, 2013, the number of employees in Sojaprotein is 416, with the following qualification structure:

Years of service	Education						
	Unskilled	Skilled	Highly skilled	Secondary school education	Non-university school degree	University degree	TOTAL
0-10	6	58	0	30	12	**22**	**128**
10-20	7	33	1	29	10	**12**	**92**
20-30	22	16	8	47	6	**11**	**110**
30+	17	22	5	31	4	**7**	**86**
total	52	129	14	137	32	**52**	**416**

ENVIRONMENTAL PROTECTION

In 2013, the Company has implemented planned activities in the field of environmental protection by which:
-it has improved the reporting system, generating and monitoring all data and results from the field of environment, which contributed to better environmental protection management in Sojaprotein JSC, and at the same time provides an opportunity for further planning of activities with the aim of reducing or preventing the pollution;
-it has obtained approvals of the competent authorities to environmental impact studies for the ongoing investment projects;
-it has implemented the regular annual audit of the ISO 14001:2004 (Environmental Management Standard) and OHSAS 18001:2007 (Occupational Health and Safety Standard). The results shower that that introduced systems ISO 14001 and OHSAS 18001 are in compliance with all the requirements of the standars and that the organization has effectively implemented, established and maintained the systems.

ACTIVITIES OF THE COMPANY IN THE FIELD OF RESEARCH AND DEVELOPMENT

In the field of research and development the Company is using achievements available on the market. The focus of the development policy is directed to the use of soy protein concentrates in the diet of humans and animals. This includes the portfiolio development which is based on the efficient and profitable implementation and marketing of by-products, development of high quality livestock feed, as well as the development of high-quality products for human consumption. The goal of the development is production which standards are not easily available in the competitor’s product portfolio, which is due to some very good quality of raw materials.
For the purpose of joint development and products improvement activities aiming at the cooperation with customers and reviewing the customer’s requirements were launched. The analysis of the SPC products application was prepared for different purposes in differet industries. The focus of activities in the field of research and development in 2013 was testing the opportunities of improving the quality of soybean protein concentrate by stabilization of certain parametres of quality, in order to meet demands of the customers. In addition to that, significant activities have been carried out to improve organoleptic properties of TSP products for use in the food industry. Moreover, the work on expansion of the assortment of Sojavita, product line for immediate human consumption was continued with the introduction of new product – new pate made from soybeans.
In the field of product application development, in the course of previous year, the Company has organized numerous experiments in various industrial plants and on farms for the purpose of promotion and affirmation of our products application by using Sojaprotein concentrates. With the beginning of 2014, Center for meat industry has begun active work and research activities of the new methods of soybean products application from the existing and new assortment.

INFORMATION ON REPURCHASING OWN SHARES OR STAKES

Based on the Decision on the acquisition and disposal of major assets which was adopted on extraordinary Assembly of the Company on December 25, 2012 and on the basis of accepted requests from dissenting shareholders to repurchase their shares, Sojaprotein JSC Becej conducted the process of acquiring own shares from dissenting shareholders. The Company repurchased shared from dissenting shareholders over the period of four months, from March 6 to July 8, 2013.

In the process of acquiring its own shares from dissenting shareholders, as of July 8, 2013, Sojaprotein JSC Becej acquired 528.505 shares at the price of 827.01 RSD per share (which is the highest value per share compared to the market, assessed and book value of shares).

Based on the Decision on the acquisition and disposal of major assets which was adopted on extraordinary Assembly of the Company on October 16, 2013, Sojaprotein JSC Becej impements the procedure of acquisition of its own shares from dissenting owners.

As of December 16, 2013, Sojaprotein JSC becej acquired 294.740 shares at the price of 788.01 RSD per share (which is the highest value per share compared to the market, assessed and book value of shares).

At the day of this information, Sojaprotein JSC Becej has, including the previously acquired own shares, total of 844.357 own shares, which is 5.67% of total voting shares.

EXISTING OF SUBSIDIARIES

The Company has no subsidiaries.

Types of financial instruments significant for assessing financial position of the Company and objectives and policies related to financial risk management (policy)

Financial instruments include financial assets and financial liabilities

In thousands of dinars

	December 31, 2013	December 31, 2012
Financial assets		
Stakes in equity	123.382	3.012
Other long-term financial investments	728	1.186
Receivables	2.706.472	3.877.508
Short-term financial invetsments	6.004.409	1.773.348
Cash and cash equivalents	96.083	128.389
	8.931.074	5.783.443
Financial liabilities		
Long-term and short-term loans	9.640.216	6.804.878
Trade payables	2.208.884	663.202
Other liabilities	242.780	371.955
	12.091.880	7.840.035

Main financial instruments of the Company are cash and cash equivalents, receivables, financial investments resulting directly from the Company operations, as well as long-term loans, trade payables and other liabilities whose basic purpose is to finance the current Company operations.
Within the financial liabilities, there was a shift of maturity structures of long-term to short-term loans as presented in the table below:

In thousands of dinars

	Amount in Euros	**December 31 2013**	**December 31 2012**
Long-term loans – domestic			
UniCredit Bank Srbija JSC, Belgrade	15.965.430	-	1.815.562
Eurobank EFG JSC Belgrade	1.600.000	-	181.949
Societe Generale Bank JSC, Belgrade, Serbia	5.000.000	573.211	1.250.901
Banca Intesa JSC, Belgrade	3.000.000	-	341.155
Banca Intesa JSC, Belgrade	1.166.667	-	132.672
Banca Intesa JSC, Belgrade	1.333.333	-	151.624
Eurobank EFG JSC Belgrade	-	92.307	400.000
Eurobank EFG JSC Belgrade	1.600.000	42.329	-
UniCredit Bank JSC, Belgrade, Serbia	60.000.000	6.742.278	-
Vojvodjanska Banka JSC, Novi Sad	10.756.277	-	1.223.185
		7.450.125	5.479.048

Long-term loans – abroad

European Bank for Reconstruction and Development	1.000.000	-	113.718
European Bank for Reconstruction and Development	1.785.714	204.718	284.296
IFC	5.600.000	641.997	
Erste bank	3.718.000	426.239	
		1.272.954	398.014
Current maturity		(8.723.079)	(3.588.746)
		-	2.306.316

Short-term financial liabilities

	In thousands of dinars	
	December 31, 2013	December 31 2012
Current maturities:		
- long-term loans	8.723.079	3.588.746
- other long-term liabilities	-	68
Short-term loans - domestic	917.137	909.747
Other	204.477	1
	9.844.693	4.498.562

As of December 31, 2014, short-term loan liabilities in the amout of 9.640.216 mainly in the refer to 8.723.079 thousand dinars refer to accrued liabilities for long-term loans based on the financial statements for 2013. It was determined that the Company will not be capable of meeting certain financial and non-financial performance indicators defined in long-term loan contracts, based on which all the liabilities under these loans shall have the maturity on December 31, 2014.
Contracts on long-term loans define performance indicators at the level of consolidated financial statements of the Group and consequently will be disclosed in the consolidated financialstatements pf the parent Company Victoria Group Belgrade.

Long-term loans in the country and abroad have been granted for financing permanent working capital, supply of raw materials for the new production cycle, financing of exporting activities and maintaining the current liquidity – grace period of three to twelve months with an interest rate of one-month and three-month EURIBOR increased for the percentage point in the range from 2.4% to 4.25% p.a.

Financial risks include market risks (currency risk and interest risk), credit risks and liquidity risks. Financial risks are assessed on a timely basis and they are evaded primarily by reducing the exposure of the Company to these risks. Company does not use any financial instruments to evade effects of financial risks since these instruments are not used in and no organized market of these instruments is established in the Republic of Serbia. At the same time, there in exposure of the Company to price changes, primarily of basic raw material – soybean grain and since the Company is predominant exporter of soybean products in foreign markets. It is subject to risks of foreign currency fluctuations.

Market Risks

In its operations the Company is exposed to financial risks resulting from fluctuation of exchange rates and interest rates. Exposure to the market risks is assessed through the sensitivity analysis. Neither significant changes in exposure of the Company to market risks were observed nor in the manner in which the Company manages and measures the market risks.

Currency Risks

Company is exposed to currency risks mainly through cash and cash equivalents, trade receivables, long-term loans and trade payables denominated in foreign currencies. Company does not use any specific financial instruments as a protection measure against the risks since these are not common in the Republic of Serbia. The Company is sensitive to movements of Euro (EUR) and American dollar (USD) exchange rates Table below shows detailed sensitivity analysis of the Company in case of 10% increase and decrease of exchange rate dinar against a particular foreign currency.

The book vaue of the monetary assets and liabilities denominated in foreing currencies as of December 31, 2013 in the Company are as follows:

	Assets		Liabilities	
	December 31, 2013	**December 31, 2012**	**December 31, 2013**	**December 31, 2012**
EUR	1.315.512	946.723	10.029.893	7.201.333
USD	260.232	497.399	-	-
GBP	38.038	10.074	-	-
CHF	-		-	
	1.613.782	1.454.196	10.029.893	7.201.333

The Company is sensitive to movements of Euro (EUR) and American dollar (USD) exchange rates. Table below shows detailed sensitivity analysis of the Company in case of 10% increase and decrease of exchange rate dinar against a particular foreign currency. 10% sensitivity rate is used in internal presentation of currency risks and represents the Management's estimate of reasonably expected movements in foreign currency exchange rates. Sensitivity analysis includes only unsettled receivables and outstanding payables carried in foreign currencies and equates their translation at the end of the period for 10% change of foreign currency exchange rates. Positive figure in the table indicates increase of performance results in the period in case of dinar devaluation against the specified foreign currencies. In case of 10% devaluation of dinar against the specified foreign currencies, effects on the performance results in the current period would be contrary to the effects given in the previous case.

		In thousands of dinars
	December 31, 2013	**December 31, 2012**
EUR currency	-(871.437)	-(625.461)
USD currency	26.023	49.740
GBP currency	3.804	1.007
CHF currency		-
Performance results in the current period	-(841.610)	-(574.714)

The Company's sensitivity to exchange rate fluctuations is increased in the period primarily due to increased credit commitments.

Interest Rate Fluctuation Risks

The Company is exposed to the interest rate fluctuation risks with respect to its assets and liabilities with variable interest rate. The risks depend on the financial market and there are no available instruments whereby the Company can mitigate these effects.

The book value of financial assets and liabilities at the end of the observed period is presented in the table below.

In thousands of dinars

	December 31, 2013	December 31, 2012
Financial Assets		
Non-interest-bearing		
Long-term financial investments	123.382	3.012
Other long-term financial investments	728	1.186
Trade receivables	2.706.472	3.877.508
Short-term financial investments	49.338	43.253
Cash and cash equivalents	96.083	128.389
	2.976.003	4.053.348
Fixed interest rate		
Short-term financial investments	5.954.687	1.688.966
Variable interest rate		
Short-term financial investments	384	41.129
	8.931.074	5.783.443
Financial Liabilities		
Non-interest-bearing		
Trade payables	2.208.884	663.202
Other payables	242.780	371.955
	2.451.664	1.035.157
Fixed interest rate		
Long-term and short-term credits	42.329	181.949
Variable interest rate		
Long-term and short-term credits	9.597.887	6.622.929
	12.091.880	7.840.035

Sensitivity analysis presented below is based on exposure to interest rates movements of non-derivative instruments as of the Balance Sheet date. With respect to liabilities with variable rate, the analysis was made under the assumption that the remaining balance of assets and liabilities as of the Balance Sheet remained unchanged throughout the entire year. 1% increase or decrease was the Management's estimate of a reasonable potential change in interest rates. Should the interest rate increase/decrease by 1% and all other variables remain unchanged, the Company would suffer operating gain/(loss) amounting to 95.975 thousand dinars in the year ending on December 31, 2013. This situation is assigned to the Company's exposure to variable interest rates contracted for long-term loans.

Credit Risks

Management of Trade Receivables

Company is exposed to credit risks which represent a risk that debtors shall not be able to settle their debts in full and on a timely basis and, therefore, the Company would suffer losses. On the balance sheet date, the Company was mainly exposed to credit risks limited to trade receivables. Trade receivables include numerous receivables of which the major portion relates to receivables from related legal entities – 27.61% of total trade receivables as of December 31, 2013, whereas receivables from third parties make 55.68% of total trade receivables as of December 31, 2013.

Trade receivables were as follows:

	In thousands of dinars	
	2013	**2012**
Customers		
-related parties	747.208	1.838.577
-third legal parties	1.507.085	1.470.720
Other receivables from related parties		
-third parties	7.168	
-related parties	445.011	568.211
	2.706.472	3.877.508

Undue Trade Receivables

Undue trade receivables presented as of December 31, 2013 in the amount of 1.130.238 thousand dinars (December 31, 2012: 2.946.159 thousand dinars) mainly relate to trade receivables from sale of soybean meal, crude soybean oil, soybean textures and soybean flour and soybean concentrate. Maturity of these trade receivables ranges mainly within 60 days from the date of invoicing, depending on the agreed payment terms.

Due and Adjusted Trade Receivables

In the observed period the Company impaired the value of due trade receivables by 311.837 thousand dinars (December 31, 2012: 446.781 thousand dinars) since it established that the financial standing of customers have changed and, therefore, the receivables shall not be collected in full.

Due, Unadjusted Trade Receivables

The Company did not impair due trade receivables presented as of December 31, 2013 in the amount of 1.576.234 thousand dinars (December 31, 2012: 931.349 thousand dinars) since no changes in the customers' creditworthiness were established and all these receivables refer to receivables from the related parties and the Management was of the opinion that the total present value of these receivables shall be collected.

Trade Payables Management

Trade payables as of December 31, 2013 were presented in the amount of 2.208.884 thousand dinars (December 31, 2012: 663.202 thousand dinars). The suppliers charge no default interest on due receivables whereas the Company makes payments within the agreed terms in accordance with the Risk Management Policies. The average time for the settlements of trade payables in 2013 was 54 days (in 2012: 16 days).

Liquidity Risks

The Company Management is finally responsible for the liquidity risk management and the Management implemented the corresponding management system required for short-term, medium-term and long-term financing of the Company and liquidity management. The Company manages the liquidity risks by keeping adequate cash reserves and continuous monitoring of the planned and actual cash flows as well as maintaining the adequate maturity ratio of financial assets and liabilities.

Tables of Liquidity Risks and Credit Risks

The following tables show details of remaining contracted maturities of the Company's liabilities. The presented amount are based on undiscounted cash flows resulting from financial liabilities which the Company shall be obligated to settle on the earliest date.

Maturities of financial assets

In thousands of dinars
December 31, 2013

	Less than a month	**1-3 months**	**From 3 months to one year**	**From 1 to 5 years**	**Total**
Non-interest-bearing	2.161.296	655.840	34.756	124.111	2.976.003
Fixed interest rate					
- Principal	344.513		5.610.174		5.954.687
- Interest	258		671.691		671.949
	344.771		6.281.865		6.626.636
Variable interest rate					
- Principal	384				384
- Interest	-				
	384				384
	2.506.451	655.840	6.316.621	124.111	9.603.023

Maturity of Financial Liabilities

In thousands of dinars
December 31, 2013

	Less than a month	**1-3 months**	**From 3 months to one year**	**From 1 to 5 years**	**Over 5 years**	**Total**
Non-interest-bearing	2.170.992	118.876	156.179	5.618		2.451.665
Fixed interest rate						
- Principal	14.110	28.219				42.329
- Interest	85	88				173
	14.195	28.307				42.502
Variable interest rate						
- Principal	159.375	274.445	1.501.212	6.499.605	1.163.250	9.597.887
- Interest	36.564	59.084	284.374	728.375	24.657	1.133.054
	195.939	333.529	1.785.586	7.227.980	1.187.907	10.730.941
	2.381.126	480.712	1.941.765	7.233.598	1.187.907	13.225.108

TAX RISKS

Tax regulations of the Republic of Serbia are often interpreted differently and they are subject to frequent amendments. Interpretation of tax regulations by tax authorities with respect to transactions and activities of the Company may differ from the Management's interpretations. Therefore, transactions may be disputed by the tax authorities and a certain additional amount of taxes, penalties and interests may be imposed on the Company. The limitation period of a tax liability is five years. In practice, it means that tax authorities are entitled to determine payment of outstanding liabilities within the five-year period from the date the liability was made.

IMPORTANT BUSINESS EVENTS AFTER THE REPORTING PERIOD

Based on the Decision of the Supervisory Board as of February 25, 2014 on acquisition of treasury shares on the market, the Company acquired 15.529 shares at Belgrade Stock EExchange, which amounts to 0.082% of the total number of voting shares. The parent company, Victoria Group JSC Belgrade and five members of the Group (including the Company) signed Standstill Agreement with creditor banks, which entered into effect on April 7, 2014, with validity period of 30 days. In addition to defining exceptions, the contract established total exposure of the Group to creditor banks based on disbursed loans and contigent liabilities for guarantees and letters of credit as of February 1, 2014. In accordance with the Agreement, all the creditor banks agreed, regardless of the maturity of principal and/or occurence and duration of any other event representing the breach of the main contract on loan, not to start repayment or execution procedure provided by the main contract or law or during the standstill period. In the standstill period, the Group is obliged to keep the level of indebtedness at the level defined in the Agreement and to seek the approval of creditor banks for certain activities such as investments and changes in the ownership structure. Moreover, liabilities based on regular and default interest, as well as based on bank fees, shall be accrued and paid in accordance with the provisions of the Agreement. During the standstill period, the agreement should be reached on further extension of the grace period and restructuring of total liabilities of the Group towards the banks.

The amount od 204.477 thousand dinars refers to judicial settlement from March 7 2014 according to which Sojaprotein JSC has the liability towards PIK ”Becej“ in the amount of 2.000.000 EUR (cash portion). In compliance with this judicial settlement Sojaprotein JSC is obliged to transfer shares of the Hotel “Bela Ladja“ free of encumbrances, which makes 31.83% of total shares.

From the accounts of the investment property, objects that were leased, were written-off and transferred to fixed assets, and there was an increase in the value of the investment properties based on the assessment recoreded on December 31, 2012.

Long-term investments are higher compared to the balance as of December 31, 2012 for 119.914 thousand dinars, i.e. 14.41% due to harmonization of book value of the shares with a market value. The largest increase occurred based on conversion of receivables in the amount of 119.956 thousand dinars in shares, recorded in accounting records in December.

Within current assets, which as of December 31, 2012 was increased by 1.756.916 thousand dinars, i.e. 15.49% compared to December 31, 2012, the largest absolute increase was expressed within item short-term financial investments. Within this item are recorded loans to related parties for financing the current liquidity which lead to deviations from the previous year. In the previous period given assets are recorded within the item advances which was missing in 2013, that is why the decrease was expressed compated to the previos year.

Raw materials on stock as of December 31 2013 amounts to 2.802.458 thousand dinars which is less compared to raw material inventories of the previous year for 933.167 thousand dinars, i.e. 24.98% whereas variation in the value of inventories is the result of differences in rates at which soybean inventories were valued.

Inventories of finished products as of December 31, 2013 were larger for 520.744 thousand dinars i.e. for 123.30% compared to the finished products as of December 31, 2012.

Changes in the structure of production that occurred in 2013 led to changes in the composition of finished products inventories, which led to increase of the value of inventories.

Receivables from related parties decrease compared to the same day in the previous year because the turnover with related parties in 2013 is significantly lower than the turnover in 2012 which had an impact on the value of recevibales as of December 31, 2013.

Receivables fro mthe customers in the domestic market as of December 31, 2013 decreased by 617.091 thousand dinars i.e. 55.61% compared to the balance as of December 31, 2012.

Export-oriented sales of products from the production programme of Sojaprotein shifted the focus to international customers, which led to reduction of realization of domestic customers compated to the previous year.

The value of equity as of December 31, 2013 is lower compared to 2012 for the amount of 1.821.119 thousan dinars, i.e. 14.63%. The biggest changes are expressed within items loss, reserves and treasury shares. Acquisition of own shares in the amount of 381.333 thousand dinars refers to the purchase of shares from dissenting shareholders based on the Decision on disposal of major assets passed on the Company's Assembly on December 25 2012 and October 16, 2013. A total of 822.441 unit of shares was repurchased.

Long-term provisions as of December 31, 2013 were higher by 111.275 thousand dinars compared to December 31, 2012. On account of long-term provisions was recorded liability based on judicial settlement from March 7, 2013 according to which Sojaprotein has liability towards PIK ”Becej” in the amount of EUR 2.000.000. Part of the liability in the amount of EUR 1.000.000 was settled in the reporting year.

Short-term loans reported as of December 31, 2013 in the amount of 9.640.216 thousand dinars, for the most part, in the amount of 8.723.079 refer to long-term loans from the banks. It was ascertained that the Company will not be able to meet certain financial and non-financial performance indicators defined in long-term loan contracts, based on which all the liabilities under these loans are considered to be due on December 31, 2013.

Within operating liabilities, liabilities to relating parties as of december 31, 2013 are higher for 1.478.096 thousand dinars , i.e. for 446.66% compareed to 2012. Liabilities to related parties had been settled by compensation iin exchange for soybean meal or the amount of prepayments. Due to lower realization of soybean meal compared to the previous year compensatory settlement of liabilities was not an option.

Liabilities in the domestic market toward the third parties are higher for 17.7% and these are not making a significant deviation compared to the previous year. In addition to payables which are lower for the previous year, liabilities to business partners in foreign markets, there are liabilities for foreign currency advances in the value of 11.839 thousand dinars.

Other short-term liabilities (including accrued salaries, fringe benefits and accrued taxes and contributions) decreased by 354.499 thousand dinars compared to the balance on December 31, 2012 because in the year of 2012 loan interest was accrued for loans form Vojvodjanska Bank and Paris Club of creditors, which was settled in 2013.

Deferred tax liabilities are higher for 37.010 thousand dinars, i.e. 9.96% compated to 2012 and represent a consequence of the increase in the value of fixed assets.

Expected development of the Company in the forthcoming period, changes in business operations policies, major risks and threats to which the Company is exposed

In the field of developmtn, the Company aims to increase sales of the Traditional soy protein concenrtaes in the EU countries and increase its market share in the marked of sophisticaed, high protein value products. Construxtion of the plant for the production of the traditional soy protein concenatrted with capacity of 70.000 t per year, which investment value amounted to approximatelly 30 mmilion EUR, made Sojaprotein one of the leading factory complex in Europe, with integrated processing phases of soybean grain.

Instead of current 50% plan is for Sojaprotein to export almost 80% of its products. The products of the newly opened plant have the widest application in the food and oharmaceutical industry dut to the high percentage of proteins.

By constructing the traditional soy protein concentrates plant, Sojaprotein met the first development goal of increasing the participation of protein products with high level of finalization in processing, created conditions to achieve vertically integrated processing of soybean grain and made a significant step towards a position of significant European producer of the soy products for human consumption and sophisticated soy products for animal nutrition. Alsot, the Company plans to construct a plant for the production of the functional soy protein concentrates – II construction phase of SPC plant.

Significant part of the investment plan is investing in renewable energy sources for which purpose the factory installed biomass power plant, intended for optimization of energy independence and efficiency. This reduced consumption of fossil fuels and carbon dioxide emissions in compliance with environmental policy.

Sojaprotein dispose of the modern equipment of the world's most fanous manufacturers. Special attention was dedicated to constant monitoring of innovations and appliance of new knowledges in soybean processing. Maximum utilization of the production capacityalong with the productivity increase is achieved by continuous investment in new equipment and modernization of the plant - the annual capacity of the plant, thanks to the new equipment, was increased from 160.000 tonnes to 250.000 tonnes of processed soybean grain. New mills were built which doubled production of full fatted and defatted flour, new line for production of texdured products with twin-threw extruder of 3t/per hour capacity was installed, accordin to all the requirements for the food industry. With the new line for bagging flour and textured products, as well as with automatized line for pellatizing bags, product packaging had improved significantly. The construction of the new warehouse for 14.000 pallet positions improved conditions for admission, storage and shipping of finished products. In its operations, the Company encountered risk of availability of suffieicnt quantities of was materials and changes in its price. In the course of 2012, dramatic crafts of soybean complex prices occurred ruining the world market for a short period of time and with medium-term trend tendency.

Soybean grain of the domestic ofigin and non-GMO quality, i.e.domestic raw materials base shall be basis for supplying production qyantities necessary for processing in the forthcoming period.

GENERAL MANAGER

Sojaprotein
AKCIONARSKO DRUŠTVO
ZA PRERADU SOJE
BEČEJ

James P. King

SOJAPROTEIN JSC BECEJ – OPERATING REPORT - JANUARY – DECEMBER 2013

DECLARATION OF PERSONS RESPONSIBLE FOR PREPARATION OF THE REPORT

To the best of our knowledge the annual financial statements have been prepared in accordance with appropriate international financial reporting stadards and provides accurate and objective data on assets, liabilities, financial position and business operations, profit and loss, cash flows and changes in equity of the public company, including the companies incorporated in the consolidated statements.

Persons responsible for the preparation of the annual report:

Sojaproterin JSC, Becej, Industrijska 1, 21220 Becej

General Manager, James P. King

Chief Financial Officer: BSc in Economics, Nikolic Ankica

Chief Accountant: BSc in Economics, Andjelkovic Dragana

DECISION OF THE COMPANY'S ASSEMBLY ON ADOPTION OF THE ANNUAL FINANCIAL STATEMENTS

Note*:

Financial Statement of the Sojaprotein JSC Becej for the year of 2013 was approved and accepted on February 28, 2014 by the Supervisory Board and timely delivered to the Business Registers Agency on February 28, 2014. Based on the finding and propsed corrections of the auditors, restated financial statements was issued for the year of 2013 which was approved and accepted by the Supervispry Board and submitted to the Business Registers Agency on February 28, 2014.

Consolidated financial statements of Sojaprotein JSC Becej for 2013 were approved and accepted by the Supervisory Board and timely submitted to the Business Registers Agency.

By the time of reporting, the Audit Report on Consolidated Financial Statements had not yet been completed and submitted. The Company shall immediately upon delivery and acceptance of the Audit Report, submit it to the Commision and publish it on the website.

The Annual Report of the Company at the time of publication had not yet been approved by the Company's competent authority (Shareholders Assembly). The Company shall subsequently publish the the complete decision of the competent authority on the adoption of the Annual Report.

DECISION ON COVERING LOSSES

Note*:

Decision on covering losses of the Company for 2013 shall be issued on a regular annual Assembly of Shareholders. The Company shall subsequently publish the Decision of the Competent authority on covering losses.

The public company is obliged to prepare the Annual Report, publish it to the public and submit it to the Commission, and this report shall be submitted to the regulated market, i.e. MTP in the securities of the Company have been involved in trading, not later than 4 months after the end of each financial year, and is also obliged to ensure that Annual Financial Statements are made available to the public for at least five years from the date of publication.

The Company is responsible for the accuracy and truthfulness of the information specified in the Annual Report.

Persons responsible for the preparation of the annual report:

Sojaproterin JSC, Becej, Industrijska 1, 21220 Becej

General Manager, James P. King

Chief Financial Officer: BSc in Economics, Nikolic Ankica

Chief Accountant: BSc in Economics, Andjelkovic Dragana