SCIENCE AND TECHNOLOGY CENTER IN UKRAINE

Financial Statements for the
Year Ended 31 December 2012

SCIENCE AND TECHNOLOGY CENTER IN UKRAINE

TABLE OF CONTENTS

KPMG Baltics SIA
Vesetas iela 7
Riga LV 1013
Latvia

Phone +371 670 380 00
Fax +371 670 380 02
Internet: www.kpmg.lv

Independent Auditors' Report

To the Board of Governors
Science and Technology Center in Ukraine

Report on the Financial Statements

We have audited the accompanying financial statements of the Science and Technology Center in Ukraine (hereinafter "STCU"), which comprise the statement of financial position as at 31 December 2012, the statements of revenues and expenditure, movements in capital contributions and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies, as set out on pages 3 to 11, and other explanatory notes, as set out on pages 18 to 32.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and for such internal controls as management determines are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Basis for Qualified Opinion

The terms of the project agreements, concluded between the Science and Technology Center in Ukraine and the recipient institutes, state that grant costs for a specific period of time may not be claimed by the recipient institutes if they are receiving reimbursements from other funding sources for the same period of time. Due to our inability to access appropriate records of the recipient institutes we were unable to satisfy ourselves as to whether the grant claims made by the recipient institutes include amounts for which they may have received reimbursements from other funding sources. There were no alternative audit procedures that we could adopt to confirm this.

Qualified Opinion

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to satisfy ourselves as to funding from multiple resources, the financial statements give a true and fair view of the financial position of the Science and Technology Center in Ukraine as at 31 December 2012, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without further qualifying our opinion we draw attention to accounting policies on Property and equipment disclosed on page 7 of these financial statements. Property and equipment used for both the STCU administrative purposes and the projects funded by the STCU, which have useful lives extending beyond the current year, were expensed immediately on acquisition to the Statement of Revenues and Expenditure. The management of the Science and Technology Center in Ukraine believe that because of the unusual nature and circumstances of its activities this treatment properly matches the revenues specifically contributed by the Funding Parties with the related expenditure, despite departing from the requirements of International Accounting Standard 16 Property, plant and equipment.

Other Matters

The corresponding figures presented are based on financial statements of the Science and Technology Center in Ukraine as at and for the year ended 31 December 2011, which were audited by another independent auditors whose report dated 17 April 2012 expressed a qualified opinion. Consistent with the current year, independent auditors' opinion was qualified due to the fact that the independent auditors were not able to obtain sufficient audit evidence to satisfy themselves as to whether the grant claims made by the recipient institutes included amounts for which reimbursements may have been received from other funding sources. Furthermore, independent auditors' opinion was qualified due to the fact that the auditors were unable to quantify the effect on the financial statements of the departure from International Accounting Standard 16.

KPMG Baltics SIA

Armine Movsisjana
Member of the Board
Riga, Latvia
13 May 2013

Overview of the Science and Technology Center in Ukraine (STCU)

The Science and Technology Center in Ukraine (STCU) is an intergovernmental organization dedicated to nonproliferation of technologies and expertise related to weapons of mass destruction, including nuclear, biological and chemical weapons, and their delivery systems.

The United States, Canada, Sweden and Ukraine signed the agreement establishing the Science and Technology Center in Ukraine on October 25, 1993 (referred to as "the STCU agreement"). The European Communities acceded to the STCU agreement on November 26, 1998, and in so doing, replaced Sweden as a party to the STCU agreement.

The STCU helps develop, finance and monitor science and technology projects that engage the former Soviet weapons community in Ukraine, Azerbaijan, Uzbekistan, Georgia, and Moldova in peaceful civilian activities. The Funding Parties of STCU projects include: the signatories to the STCU agreement, Japan as a sponsor of the STCU agreement and Partners (government and non-government) approved by the Board of Governors.

The STCU is a legal entity and has been registered by the Ministry of Foreign Affairs of Ukraine as an intergovernmental organization with its headquarters in 7a Metalistiv Street Kyiv 03057. During the financial year STCU had an international staff of 49 (2011 – 58) full time scientific, financial and administrative experts.

Basis of Preparation

The financial statements represent the results of the STCU as an individual entity and have been prepared under the historic cost convention and in accordance with applicable International Financial Reporting Standards (IFRS) taking into consideration the departure from International Accounting Standard (IAS) 16 relating to Property, plant and equipment as explained in the policy for Property and equipment.

These financial statements were approved by the management of the STCU on 13.05.2013. The Governing Board of the Science and Technology Center in Ukraine will approve the financial statements at the next Governing Board meeting and have the power to amend the financial statements after issue or request the preparation of new financial statements.

In these financial statements statement of comprehensive income is called "the statement of revenues and expenditure", the statement of financial position is called "the balance sheet" and the statement of changes in equity is called "the statement of movements in capital contributions".

Functional and Presentation Currency, Foreign Currency Transactions

The U.S. dollar is the functional currency for the STCU. Accordingly, these financial statements have been prepared using U.S. dollars as the presentation currency. Use of the U.S. dollar best reflects the economic substance of the transactions and circumstances of the STCU.

All foreign currency transactions are converted into USD at the exchange rates prevailing at the date of the transaction. Foreign currency gains and losses resulting from movements in the exchange rates between the date of the transactions and the date of settlement are charged to the Statement of Revenues and Expenditure under the administrative operating budget in the period incurred. Activities in Azerbaijan, Uzbekistan, Georgia, and Moldova are transacted in USD or Euros and, therefore do not result in any gains or losses from currency exchanges except those arising from USD to Euro exchange differences.

Assets, liabilities and capital denominated in foreign currencies are translated into USD at the rates of exchange ruling at the balance sheet date.

The net revaluation (losses)/gains principally relate to amounts contributed or receivable from Funding Parties in currencies other than USD which are held in the source currency of the original contribution. These notional cash (losses)/gains are fully offset by revaluations of Funding Parties capital accounts held in a source currency other than USD. Revaluation (losses)/gains are not actual cash movements but a reflection of the changing value of the source currency. Revaluation gains or losses are recognized in Administrative operating budget expenditure. Effect of revaluation of Funding Parties capital accounts held in a source currency other than USD is reflected through other comprehensive income.

Foreign currency risk is managed as set out in the Note 15.

European Union Funded Projects

Project agreements are concluded in Euros if solely funded by the European Union, and in USD if projects are jointly funded.

For project agreements concluded in USD (jointly funded), the European Union provides funding in Euros, before the projects are signed by the STCU Executive Director. The STCU immediately converts the Euros upon receipt into USD. The total amount of USD provided by the European Union is therefore known before the start of the project, and thus the project agreements are written to match the amounts of USD received.

Project Activity

The STCU authorizes and funds scientific projects which are performed at institutions within Ukraine, Azerbaijan, Uzbekistan, Georgia, and Moldova. Projects are financed by the Funding Parties either individually or jointly. All project agreements include a maximum amount of funding to be provided by the Funding Parties.

The project activity is accounted in the financial statements as follows:

Project Recognition

The projects are only recognized after signature of the project agreement between the STCU and the recipient institutes. Upon signature, the total project value is credited to the relevant Funding Parties Designated Capital Account in proportion to the level of funding agreed by each party. To the extent that the value of the signed projects are not covered by advance payments from the respective Funding Parties, a receivable is set up in the financial statements, which is subsequently covered by either transfers from Undesignated Capital Contributions Accounts or direct disbursement by the Funding Parties.

Project Expenditure

Project costs consist of three main components: grants to scientists, equipment and overhead. The STCU, being a non-profit making inter-governmental organization, does not envisage that any economic benefits will accrue to it in the foreseeable future from the financing of these projects. Accordingly all project costs incurred, including the purchase of project equipment, are charged immediately to the Statement of Revenues and Expenditure. Projects are performed on a cost reimbursable basis, with a ceiling of funds specified in the project agreements.

The STCU temporarily retains 50 percent of the allowable overhead for the individual projects, in accordance with the project agreements, until the submission, and acceptance of, the financial and technical reports prepared by the project recipients. The overhead retainage is recognized as part of amounts payable – projects.

When a project has been completed or terminated, any funds committed in excess of actual costs are credited back to the relevant Funding Parties' Undesignated Capital Contributions Account in the same proportion as the initial contributions from the Funding Parties.

Project Revenues

Project revenues recognized during the year in the Statement of Revenues and Expenditure are amounts equal to the total value of project expenditure incurred and expensed during the year. These revenues are transferred from the Funding Parties Designated Capital Accounts for Projects to the Statement of Revenues and Expenditure.

Administrative and Supplemental Revenues and Expenditure

Administrative Operating Budget

Administrative Revenues recognized in the Statement of Revenues and Expenditure during the year equate to the amounts approved by the Board of Governors for the Administrative

Operating Budget for the year. The budget is set and agreed at meetings of the Board of Governors in the previous financial year. The agreed budgeted amounts are transferred from the Designated Capital Accounts for Administrative Expenses of the United States, Canada, the European Union, and Ukraine.

Administrative Expenses are charged to the Statement of Revenues and Expenditure when incurred and are matched against the Administrative Revenues for the year.

Any surplus/(deficit) Administrative Revenues arising during the year are re-allocated to the Undesignated Capital Contributions Accounts of the United States, Canada, and the European Union in the same ratio as the Administrative Revenues contributions in the same proportion as the initial contributions.

Supplemental Budget

Supplemental Budgets are approved by the Board of Governors to provide funding for activities that are outside the scope of the Administrative Operating Budget and not directly related to the implementation of projects. Upon agreement of the Supplemental Budgets at Governing Board Meetings the total amount of such budgets approved are credited to the relevant Funding Parties' Designated Capital Accounts for Supplemental Budgets in proportion to the level of funding agreed by each party.

Supplemental Budget expenses are charged to the Statement of Revenues and Expenditure when incurred. Supplemental Budget revenues recognized in the year are amounts equal to the value of the Supplemental Budget expenditure incurred in the year. These revenues are transferred to the Statement of Revenues and Expenditure from the Funding Parties' Designated Capital Accounts for Supplemental Budgets.

Partner Fees and Interest

Partner projects may be charged a fee, usually 5% of the total project cost, for the services provided by the STCU to administer the project, which are recognized in the Statement of Revenues and Expenditure. The surplus partner fees are allocated to the Undesignated Capital Contributions Accounts of the United States, Canada, and the European Union in the same ratio as their Administrative Revenues contributions.

Interest earned on Funding Party bank accounts is recognized in the Statement of Revenues and Expenditure as finance income. Surplus interest earned is allocated to the Funding Parties Undesignated Capital Contributions Accounts, with the exception of Partner interest earned, which is allocated to the Undesignated Capital Contributions Accounts of the United States, Canada, and the European Union in the same ratio as their Administrative Revenues contributions. Interest earned on administrative and supplemental bank accounts is allocated to the Undesignated Capital Contributions Accounts of the United States, Canada, and the European Union in the same ratio as their Administrative Revenues contributions.

Property and Equipment

Property and equipment are acquired either for the STCU own use or for the projects and comprises of the following:

Center
Property and equipment acquired by the STCU for administrative operations consist of vehicles, office furniture and equipment, including computer hardware and software and communications devices. All commitments and expenditures for administrative equipment are made in accordance with the Board's approved annual budget. The cost of the STCU equipment is charged to the Statement of Revenues and Expenditure when acquired.

Project Equipment

Under the terms of the individual project agreements signed, title to equipment costing less than 2,500 USD is vested with the recipient institutes upon acquisition. The title to all other equipment provided to projects will remain with the STCU until termination or completion of the project, at which time the title will be vested in the recipient institutes unless prior to, or on that date, the STCU informs the project of its intention to retain title.

Since the STCU does not expect to derive any foreseeable economic benefits from the ownership of project equipment, the expenditure incurred during the year on equipment under each project, is written off to the Statement of Revenues and Expenditure.

International Accounting Standard ("IAS") 16 "Property, Plant and Equipment" requires non-current assets to be capitalized and depreciated over their useful economic lives. Due to the project-based nature of STCU's operations, management believes the application of these requirements would result in improper matching between the revenues contributed by the Funding Parties with the related expenses, and, accordingly conflict with the fair presentation objective of these financial statements. As a result, non-current assets acquired for use by participating institutes as part of the projects are charged to the Statement of Revenues and Expenditure upon acquisition.

Based on the management assessment, the average useful life of such non-current assets is 5 years. Total purchases of non-current assets over the last years were as follows:

	2012 **USD**
2007	1 764 479
2008	1 992 006
2009	1 635 384
2010	1 605 175
2011	1 082 115
2012	1 725 653
	9,804,812

Grantee benefits

All individuals providing services to the STCU as part of their employment agreements are considered grantees. Short term grantees benefits, including staff grants, bonuses, vacations and other benefits are included in expenses on an accrual basis. The STCU has no obligations to pay further contributions relating to grantee services in respect to payroll taxes and any pensions on the retirement of grantees.

Taxation

Under the terms of the agreement establishing the STCU and also the Statute approved by the Board of Governors, the STCU is exempted from any form of taxation. However, only since December 1999 has the relevant legal framework been implemented in Ukraine, allowing the STCU to recover its VAT on administrative expenditures.

The VAT incurred on project expenditures has been charged to the Statement of Revenues and Expenditure as part of the project costs because, for the time being there is no practical process in place for the recovery of VAT for project purchases within Ukraine, Georgia, Uzbekistan, Moldova, and Azerbaijan. Management of the STCU continues discussions with the Governments of Ukraine, Georgia, Moldova, and Azerbaijan to investigate the possibility of establishing a procedure to recover project VAT for purchases made within these respective countries. However, the management of the STCU does not expect to recover the amounts incurred to date. Accordingly the VAT incurred on project expenditures has been charged to the Statement of Revenues and Expenditure as part of the project costs. Project items purchased abroad by the STCU and imported into Ukraine, Georgia, Uzbekistan, Moldova, and Azerbaijan are exempt from VAT.

The VAT on administrative expenditures for 2012 has been credited back to the corresponding expense account to which it relates.

Financial instruments

The STCU uses only non-derivative financial instruments as part of its normal operations. These financial instruments include bank accounts, certificates of deposit, receivables and amounts payable. All financial assets are classified as loans and receivables and all financial liabilities are classified as other liabilities accounted for at amortized cost.

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially on the date that they are originated at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset. When calculating the effective interest rate, STCU estimates future cash flows considering all contractual terms of the financial instruments.

STCU derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by STCU is recognized as a separate asset or liability.

Financial liabilities are recognized initially on the trade date at which STCU becomes a party to the contractual provisions of the instrument at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortized cost using the effective interest method.

STCU derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, STCU has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

Capital management

The capital of the STCU is represented by the net assets attributable to Funding Parties. The STCU's objectives in managing capital are to safeguard the assets of the Funding Parties to enable the STCU to continue as a going concern and enable the future funding of project expenditure.

All significant capital decisions such as project funding, transfers of capital, investment of capital and returns of capital to Funding Parties, require approval by the Funding Parties at six-monthly meetings of the governing board or otherwise. As such, the management of the STCU does not actively manage its capital on a day-to-day basis.

Use of estimates

The preparation of financial statements in conformity with IFRSs requires management to make judgments, estimates and assumption that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Although these estimates are based on management's best knowledge of current events and actions, actual results ultimately may differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period, in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty:
Accounting policy applied to Property and equipment: Please refer to accounting policy applied to Property and equipment, as described above.

Valuation of loans and receivables: There are a number of significant risks and uncertainties inherent in the process of monitoring financial assets and determining if impairment exists. These risk` than anticipated.

Loans and receivables are valued according to the principle of prudence and recognized at net amount due less allowances for doubtful loans and receivables.

Doubtful debt allowances are recognized based on an individual management assessment of the recoverability of each receivable. As at 31 December 2012 and 31 December 2011 no impairment indicators were noted for loans and receivables.

Changes in accounting policies

There were no changes in accounting policies in the current year.

New standards and interpretations not yet adopted

The following new Standards and Interpretations are not yet effective for the annual period ended 31 December 2012 and have not been applied in preparing these financial statements:

Amendments to *IFRS 7 Disclosures - Offsetting Financial Assets and Financial Liabilities* (Effective for annual periods beginning on or after 1 January 2013 and interim periods within those annual periods; to be applied retrospectively.)

IFRS 9 Financial Instruments (2009) (Effective for annual periods beginning on or after 1 January 2015; to be applied prospectively.)

IFRS 10 Consolidated Financial Statements and revised *IAS 27 (2011) Separate Financial Statements* (Effective for annual periods beginning on or after 1 January 2013; to be applied retrospectively when there is a change in the control conclusion, subject to transitional provisions that provide some relief from full retrospective application.)

IFRS 11 Joint Arrangements (Effective for annual periods beginning on or after 1 January 2013; to be applied retrospectively, subject to transitional provisions that provide some relief from full retrospective application.)

IFRS 12 Disclosure of Interests in Other Entities (Effective for annual periods beginning on or after 1 January 2013; to be applied retrospectively, subject to transitional provisions that provide some relief from full retrospective application.)

Amendments to *IFRS 10, IFRS 12 and IAS 27 – Investment Entities* (Effective for annual periods beginning on or after 1 January 2014)

IFRS 13 Fair Value Measurement (Effective prospectively for annual periods beginning on or after 1 January 2013.)

Amendments to *IAS 1 Presentation of Financial Statements: Presentation of Items of Other Comprehensive Income* (Effective for annual periods beginning on or after 1 July 2012; to be applied retrospectively.)

IAS 19 (2011) Employee Benefits (Effective for annual periods beginning on or after 1 January 2013; to be applied retrospectively.)

IAS 28 (2011) Investments in Associates and Joint Ventures (Amendments effective for annual periods beginning on or after 1 January 2013; to be applied retrospectively.)

Amendments to *IAS 32 Offsetting Financial Assets and Financial Liabilities* (Effective for annual periods beginning on or after 1 January 2014; to be applied retrospectively.)

IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine (Effective for annual periods beginning on or after 1 January 2013. It applies prospectively to production stripping costs incurred on or after the beginning of the earliest period presented.)

Based on the nature of the operations of the STCU and the structure of its assets and liabilities, the management has made an assessment that none of the above changes are expected to have a significant impact on the financial statements of the STCU.

SCIENCE AND TECHNOLOGY CENTER IN UKRAINE

STATEMENT OF REVENUES AND EXPENDITURE FOR THE YEAR ENDED 31 DECEMBER 2012

	Note	2012 USD	2011 USD
REVENUES			
Project Revenue		14,919,329	13,256,863
Administrative Revenue			
- Administrative Operating Budget		1,452,490	1,675,139
- Supplemental Budget		1,905,653	2,316,928
Partner Fees		406,894	167,245
Finance Income		250,387	179,230
		18,934,753	17,595,405
EXPENDITURE			
Project Expenditure	1	14,919,329	13,256,863
Administrative Expenditure	2		
- Administrative Operating Budget		1,258,315	1,579,962
- Supplemental Budget		1,905,653	2,316,928
		18,083,297	17,153,753
NET SURPLUS	3	851,456	441,652
OTHER COMPREHENSIVE RESULT			
Revaluation result of capital contributions		190,054	(609,791)
NET SURPLUS AND OTHER COMPREHENSIVE RESULT		1,041,510	(168,139)

There are no recognised gains or losses other than the results for the year as set out above.

Accompanying summary of accounting policies, as set out on pages 3 – 11 and notes, as set out on pages 18 – 32, form an integral part of these financial statements.

Signed on behalf of
The Science and Technology Center in Ukraine 13 May 2013.

M. Michael Einik
Executive Director

Curtis M. Bjelajac
Chief Financial Officer

SCIENCE AND TECHNOLOGY CENTER IN UKRAINE

BALANCE SHEET AS AT 31 DECEMBER 2012

	Note	2012 USD	2011 USD
NON – CURRENT ASSETS			
Receivables			
Amounts due from Funding Parties	**4**	3,819,986	1,319,848
		3,819,986	1,319,848
CURRENT ASSETS			
Receivables			
Amounts due from Funding Parties	**4**	5,008,132	4,135,357
Other receivables	**5**	34,066	20,810
Prepayments and accrued income	**6**	246,971	195,358
Cash and cash equivalents	**7**	32,153,425	30,322,220
		37,442,594	34,673,745
NON – CURRENT LIABILITIES			
Amounts payable – projects	**8**	(89,061)	(68,033)
		(89,061)	(68,033)
CURRENT LIABILITIES			
Amounts payable – projects	**8**	(1,652,584)	(1,538,881)
Amounts payable – non-project		(138,754)	(212,572)
		(1,791,338)	(1,751,453)
TOTAL ASSETS LESS LIABILITIES		39,382,181	34,174,107
CAPITAL CONTRIBUTIONS			
Designated capital – projects	**9**	22,173,613	18,950,590
Designated capital – administration	**10**	1,420,299	1,452,490
Designated capital – supplemental	**11**	2,688,797	2,919,539
Undesignated capital	**12**	13,099,472	10,851,488
		39,382,181	34,174,107

Accompanying summary of accounting policies, as set out on pages 3 – 11 and notes, as set out on pages 18 – 32, form an integral part of these financial statements.

Signed on behalf of
The Science and Technology Center in Ukraine 13 May 2013.

M. Michael Einik	Curtis M. Bjelajac
Executive Director	Chief Financial Officer

SCIENCE AND TECHNOLOGY CENTER IN UKRAINE

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2012

	Note	2012 USD	2011 USD
Cash Flows from Operations			
Cash Inflows			
Net Cash Received from Funding Parties	**13**	19,514,031	19,865,310
Partner Fees Received		406,894	167,245
Interest Received		185,080	49,226
Total Cash Inflows		20,106,005	20,081,781
Cash Outflows			
Project Expenditure		(14,784,598)	(13,342,726)
Administrative and Supplemental Expenditure		(3,237,347)	(3,836,970)
Total Cash Outflows		(18,021,945)	(17,179,696)
Net Cash Inflows/(Outflows) From Operations		2,084,060	2,902,085
Net Revaluation (Losses)/Gains		(252,854)	(431,711)
Cash and cash equivalents at 1 January		30,322,220	27,851,846
Cash and cash equivalents at 31 December		32,153,426	30,322,220

Accompanying summary of accounting policies, as set out on pages 3 – 11 and notes, as set out on pages 18 – 32, form an integral part of these financial statements.

Signed on behalf of
The Science and Technology Center in Ukraine 13 May 2013.

M. Michael Einik
Executive Director

Curtis M. Bjelajac
Chief Financial Officer

STATEMENT OF MOVEMENTS IN CAPITAL CONTRIBUTIONS
FOR THE YEAR ENDED 31 DECEMBER 2012

	Designated Capital Contributions – Projects (Note 9)	**Designated Capital Contributions – Administrative (Note 10)**	**Designated Capital Contributions – Supplemental (Note 11)**	**Undesignated Capital Contributions (Note 12)**	**Total**
	USD	**USD**	**USD**	**USD**	**USD**
Balance at January 1, 2011	**14,406,250**	**1,675,139**	**3,811,570**	**11,513,442**	**31,406,401**
Transactions with Funding Parties, recognized directly in	*5,029,549*	*(319,784)*	*(920,740)*	*(853.180)*	*2,935,845*
Advances Received from Funding Parties	-	-	-	10,107,870	10,107,870
Budgets Approved	18,525,184	1,452,490	2,589,202	-	22,566,876
Direct Disbursements to Budgets Approved	9,711,401	-	46,000	-	9,757,401
Changes in Amounts Due from Funding Parties	1,687,809	(393,862)	(625,253)	-	668,694
Transfers to Approved Budgets	7,297,450	1,846,352	3,168,455	-	12,312,257
Transfers to Partner Fee Revenue	(171,476)	-	-	-	(171,476)
Net Transfers from Approved Budgets (including results of closed projects)	(61,058)	-	(1,193,014)	(11,058,185)	(12,312,257)
Adjustments for Closed Projects	(177,714)	-	-	-	(177,714)
Transfers to Statement of Revenues and Expenditure	(13,256,863)	(1,675,139)	(2,316,928)	-	(17,248,930)
Allocation of Net Surplus	-	(97,135)	-	97,135	-
Total Net Surplus and Other Comprehensive Result	*(485,209)*	*97,135*	*28,709*	*191,226*	*(168,139)*
Net Surplus	-	97,135	-	344,517	441,652
Revaluation Result of Capital Contributions	(485,209)	-	28,709	(153,291)	(609,791)
Balance at January 1, 2012	**18,950,590**	**1,452,490**	**2,919,539**	**10,851,488**	**34,174,107**

Accompanying summary of accounting policies, as set out on pages 3 – 11 and notes, as set out on pages 18 – 32, form an integral part of these financial statements.

SCIENCE AND TECHNOLOGY CENTER IN UKRAINE

STATEMENT OF MOVEMENTS IN CAPITAL CONTRIBUTIONS
FOR THE YEAR ENDED 31 DECEMBER 2012

	Designated Capital Contributions – Projects (Note 9)	**Designated Capital Contributions – Administrative (Note 10)**	**Designated Capital Contributions – Supplemental (Note 11)**	**Undesignated Capital Contributions (Note 12)**	**Total**
	USD	**USD**	**USD**	**USD**	**USD**
Balance at January 1, 2012	**18,950,590**	**1,452,490**	**2,919,539**	**10,851,488**	**34,174,107**
Transactions with Funding Parties, recognized directly in capital	3,054,943	(195,805)	(224,765)	1,532,191	4,166,564
Advances Received from Funding Parties	-	-	-	15,280,113	15,280,113
Budgets Approved	18,285,190	1,420,299	2,085,528	-	21,791,017
Direct Disbursements to Budgets Approved	4,171,604	42,155	65,010	-	4,278,769
Changes in Amounts Due from Funding Parties	3,797,180	(109,415)	(144,155)	-	3,543,610
Transfers to Approved Budgets	10,722,801	1,487,559	2,164,673	-	14,375,033
Transfers to Partner Fee Revenue	(406,395)	-	-	-	(406,395)
Net Transfers from Approved Budgets (including results of closed projects)	(103,731)	-	(404,640)	(13,866,662)	(14,375,033)
Adjustments for Closed Projects	(207,187)	-	-	-	(207,187)
Funds Repaid to Funding Parties	-	-	-	(44,874)	(44,874)
Transfers to Statement of Revenues and Expenditure	(14,919,329)	(1,452,490)	(1,905,653)	-	(18,277,472)
Allocation of Net Surplus	-	(163,614)	-	163,614	-

Accompanying summary of accounting policies, as set out on pages 3 – 11 and notes, as set out on pages 18 – 32, form an integral part of these financial statements.

STATEMENT OF MOVEMENTS IN CAPITAL CONTRIBUTIONS FOR THE YEAR ENDED 31 DECEMBER 2012

	Designated Capital Contributions – Projects (Note 9)	Designated Capital Contributions – Administrative (Note 10)	Designated Capital Contributions – Supplemental (Note 11)	Undesignated Capital Contributions (Note 12)	Total
	USD	USD	USD	USD	USD
Total Net Surplus and Other Comprehensive Result	168,080	163,614	(5,977)	715,793	1,041,510
Net Surplus	-	163,614	-	687,842	851,456
Revaluation Result of Capital Contributions	168,080	-	(5,977)	27,951	190,054
Balance at January 1, 2012	**22,173,613**	**1,420,299**	**2,688,797**	**13,099,472**	**39,382,181**

Accompanying summary of accounting policies, as set out on pages 3 – 11 and notes, as set out on pages 18 – 32, form an integral part of these financial statements.

Signed on behalf of
The Science and Technology Center in Ukraine 13 May 2013.

M. Michael Einik
Executive Director

Curtis M. Bjelajac
Chief Financial Officer

1. Project Expenditure

	USD
Amounts charged to the Statement of Revenues and Expenditure:	
2012	14,919,329
2011	13,256,863
2010	14,938,320
2009	15,902,171
2008	18,657,918
2007	19,305,482
2006	17,434,164
2005	16,291,450
2004	17,675,237
2003	17,937,532
2002	12,317,194
2001	10,100,633
2000	7,096,198
1999	7,904,566
1998	7,351,641
1997	4,987,540
1996	1,339,245
1995	-
Cumulative project costs incurred to 31 December 2012	217,415,483

Project expenditure comprises of grants to scientists, equipment costs, travel costs and overhead costs.

2. Administrative Expenditure

	2012 USD	2011 USD
a) Administrative Operating Budget		
Business Operations	234,950	225,591
Public Affairs	24,001	17,033
Personnel	704,987	835,361
Personnel Support and Development	160,113	187,076
Legal, Auditing and Banking	133,846	173,227
Property and equipment	33,513	43,446
Net foreign exchange (gains) or losses	(61,304)	56,489
Headquarters and Branch Offices	28,209	41,739
	1,258,315	1,579,962

2. Administrative Expenditure *(continued)*

Personnel costs comprises grants made to the grantees in the STCU headquarters and four regional offices located in Kharkiv, Baku, Chisinau, and Tbilisi.

From March 2009, the STCU have occupied offices provided by the Ukrainian government for which the STCU does not pay rental or utility charges. No reliable estimate can be made of the fair value of the rental and utility benefit provided in 2011 or 2012.

	2012 USD	2011 USD
b) Supplemental Budget		
Technical, Collaborator and Contractor Travel Support	25,063	17,857
Business Training/ Sustainability Group Support	79,115	102,142
Patent Support	-	19,889
Travel and Mobility Support	204,288	301,734
Expert Review and Advisors	26,340	38,772
Seminars/ Workshops Support	1,961	17,845
Service Contracts (Key management remuneration)	1,388,558	1,487,642
Biosecurity and Biosafety	-	105,955
Partner Promotion and Support	180,328	225,092
	1,905,653	2,316,928

3. Net Surplus Revenues Over Expenditure

The net surplus of 851,456 USD comprises the following:

	2012 USD	2011 USD
Surplus Administrative Budget Revenues	163,614	97,135
Finance Income	250,387	179,230
Partner Fees	406,894	167,245
Other Revenue	30,561	(1,958)
	851,456	441,652

The net surplus set out above has been allocated to the Funding Parties in accordance with the accounting policies and agreed responsibilities.

4. Amounts Due from Funding Parties – Due Within One Year

	2012 USD	2011 USD
United States	758,741	958,878
Canada	-	42,154
Partners	4,249,391	3,134,325
	5,008,132	4,135,357

Amounts Due From Funding Parties – Due After One Year

	2012 USD	2011 USD
European Union	264,360	259,002
Partners	3,555,626	1,060,846
	3,819,986	1,319,848
Total due from Funding Parties	8,828,118	5,455,205

5. Other receivables

	2012 USD	2011 USD
VAT recoverable	12,948	8,501
Other receivables	21,118	12,309
	34,066	20,810

6. Prepayments and accrued income

	2012 USD	2011 USD
Prepayments	9,022	22,716
Accrued Interest	237,949	172,642
	246,971	195,358

7. Cash and cash equivalents

	2012 USD	2011 USD
Cash on hand	5,376	4,149
Non-interest bearing accounts	421,079	394,405
Short-term deposits	31,726,970	29,923,666
	32,153,425	30,322,220

Cash and cash equivalents are placed in Ukranian and foreign banks. Interest rates earned on interest bearing deposits is between 0.10% and 3.00% depending on the risk profile of the country of placement.

8. Amounts payable – projects

	2012 USD	2011 USD
Grants Payable	1,194,590	992,768
Overhead Payable	71,820	62,172
Overhead Retainage	475,235	551,974
	1,741,645	1,606,914

Overhead Retainage includes amounts which may be due for payment after one year depending on when the financial and technical reports are prepared and submitted by the project recipients and accepted by the STCU. Included within Overhead Retainage is 89,061 USD (2011 – 68,033 USD) in relation to projects with a completion date after more than one year from the balance sheet date.

9. Designated Capital Contributions – Projects

Designated Capital Contributions (DCC) represent the amounts committed on signed projects net of project expenditures incurred to date.

	United States	Canada	European Union	Partners	Total
	USD	**USD**	**USD**	**USD**	**USD**
Balance at January 1, 2012	**800,609**	**864,015**	**7,546,313**	**9,739,653**	**18,950,590**
New Projects Signed During 2012	538,548	194,996	1,459,618	16,092,028	18,285,190
Revaluation of Project Agreements	-	-	122,854	45,226	168,080
Adjustment for Closed Projects	(1,625)	(3,467)	(10,189)	(295,637)	(310,918)
Transfer to Statement of Revenues and Expenditure					
Expenditure Incurred on Projects in 2012	(789,266)	(921,510)	(2,598,877)	(10,609,676)	(14,919,329)
Balance at December 31, 2012	**548,266**	**134,034**	**6,519,719**	**14,971,594**	**22,173,613**

9. Designated Capital Contributions – Projects *(continued)*

Designated Capital Contributions (DCC) represent the amounts committed on signed projects net of project expenditures incurred to date.

	United States	**Canada**	**European Union**	**Partners**	**Total**
	USD	**USD**	**USD**	**USD**	**USD**
Balance at January 1, 2011	**1,158,204**	**1,861,104**	**3,905,697**	**7,481,245**	**14,406,250**
New Projects Signed During 2011	583,852	453,819	7,177,012	10,310,501	18,525,184
Revaluation of Project Agreements	-	-	(444,160)	(41,049)	(485,209)
Adjustment for Closed Projects	(4,265)	(3,265)	(26,778)	(204,464)	(238,772)
Transfer to Statement of Revenues and Expenditure					
Expenditure Incurred on Projects in 2011	(937,182)	(1,447,643)	(3,065,458)	(7,806,580)	(13,256,863)
Balance at December 31, 2011	**800,609**	**864,015**	**7,546,313**	**9,739,653**	**18,950,590**

10. Designated Capital Contributions – Administration

	United States USD	Canada USD	European Union USD	Ukraine USD	Total USD
Balance at January 1, 2011	**652,434**	**364,848**	**657,857**	**-**	**1,675,139**
Transfer to Statement of Revenues and Expenditure	(652,434)	(364,848)	(657,857)	-	(1,675,139)
Administrative Budget 2012	541,713	231,261	679,516	-	1,452,490
Balance at January 1, 2012	541,713	231,261	679,516	-	1,452,490
Transfer to Statement of Revenues and Expenditure	(541,713)	(231,261)	(679,516)	-	(1,452,490)
Administrative Budget 2013	723,192	116,445	580,662	-	1,420,299
Balance at December 31, 2012	**723,192**	**116,445**	**580,662**	**-**	**1,420,299**

11. Designated Capital Contributions – Supplemental

	United States	Sweden	Canada	European Union	Partners	Total
	USD	USD	USD	USD	USD	USD
Balance at January 1, 2011	**831,667**	**23,752**	**995,667**	**1,000,621**	**959,863**	**3,811,570**
Supplemental Budgets Approved	647,376	-	251,617	836,898	853,311	2,589,202
Transfer to Undesignated Capital Contributions	(77,034)	-	(363,398)	(359,321)	-	(799,753)
Transfer from Undesignated Capital Contributions	-	39	-	-	-	39
Adjustment for Revaluation	-	-	-	23,419	5,290	28,709
Transfer to DCC – Projects Biosecurity Biosafety Projects Signed	-	-	(61,350)	-	-	(61,350)
Transfer to DCC – Projects Partner Promotion Projects Signed	-	-	(80,618)	-	-	(80,618)
Transfer to DCC – Projects INTAS Projects Signed	-	-	-	-	(251,332)	(251,332)
Transfer to Statement of Rev. and Exp.	(754,633)	(19,408)	(741,918)	(664,720)	(136,249)	(2,316,928)
Balance at January 1, 2012	**647,376**	**4,383**	**-**	**836,897**	**1,430,883**	**2,919,539**
Supplemental Budgets Approved	514,500	-	-	608,028	963,000	2,085,528
Transfer to Undesignated Capital Contributions	(177,208)	-	-	(124,130)	(30,527)	(331,865)
Transfer from Undesignated Capital Contributions	-	24	300,992	-	8,046	309,062
Adjustment for Revaluation	-	-	-	(805)	(5,172)	(5,977)
Transfer to DCC – Projects INTAS Projects Signed	-	-	-	-	(381,837)	(381,837)
Transfer to Statement of Rev. and Exp.	(470,168)	(4,407)	(300,992)	(711,962)	(418,124)	(1,905,653)
Balance at December 31, 2012	**514,500**	**-**	**-**	**608,028**	**1,566,269**	**2,688,797**

12. Undesignated Capital Contributions

	United	Swede	Canada	European	Partners	Other	Total
	USD	USD	USD	USD	USD	USD	USD
Balance at January 1, 2012	**1,727,663**	**-**	**195,926**	**4,223,803**	**4,785,984**	**(81,888)**	**10,851,488**
Advances Received from Funding Parties	4,516,082	-	301,417	3,176,112	7,286,502	-	15,280,113
Transfer to Des. Capital for Signed Projects	(538,548)	-	-	(1,459,618)	(8,147,802)	-	(10,145,968)
Transfer of result of Closed Projects	1,625	-	3,467	10,189	88,450	-	103,731
Allocation of Surplus Income for 2012	313,502	1	123,531	414,422	-	-	851,456
Adjustment for 2012 Other Purposes	(11,760)	-	(3,964)	(14,837)	-	30,561	-
Adjustment for Revaluation	-	-	-	32,219	(4,268)	-	27,951
Transferred Between Funding Parties	675,704	23	-	(23)	(675,704)	-	-
Returned to Funding Parties	-	-	-	-	(44,874)	-	(44,874)
Transfer from Designated Capital – Supplemental Budget	177,208	-	-	124,130	30,527	-	331,865
Transfer to DCC – Projects Biosecurity Biosafety Projects Signed	-	-	(75,000)	-	-	-	(75,000)
Transfer to DCC – Projects Partner Promotion Projects Signed	-	-	(119,996)	-	-	-	(119,996)
Transfer to Designated Capital – Supplemental Budget	(647,376)	(24)	(300,992)	(608,028)	(917,315)	-	(2,473,735)
Transfer to Designated Capital - Administrative Budget	(790,452)	-	(116,445)	(580,662)	-	-	(1,487,559)
Balance at December 31, 2012	**5,423,648**	**-**	**7,944**	**5,317,707**	**2,401,500**	**(51,327)**	**13,099,472**

Undesignated Capital Contributions *(continued)*

	United States	Sweden	Canada	European Union	Partners	Other	Total
	USD	USD	USD	USD	USD	USD	USD
Balance at January 1, 2011	3,138,997	-	178,652	3,138,087	5,137,636	(79,930)	11,513,442
Advances Received from Funding Parties	-	-	1,060,691	3,615,354	5,431,825	-	10,107,870
Transfer to Designated Capital for Signed Projects	(583,852)	-	(311,850)	(1,463,492)	(4,544,956)	-	(6,904,150)
Transfer of result of Closed Projects	4,265	-	3,304	26,778	26,750	-	61,097
Allocation of Surplus Income for 2011	152,410	39	78,982	210,221	-	-	441,652
Adjustment for 2011 Other Purposes	768	-	415	775	-	(1,958)	-
Adjustment for Revaluation	-	-	-	(146,827)	(6,464)	-	(153,291)
Transferred Between Funding Parties	480,496	-	-	-	(480,496)	-	-
Transfer from Designated Capital – Supplemental Budget	77,034	-	363,398	359,321	-	-	799,753
Transfer to Designated Capital – Supplemental Budget	(831,667)	(39)	(721,618)	(836,898)	(778,311)	-	(3,168,533)
Transfer to Designated Capital - Administrative Budget	(710,788)	-	(456,048)	(679,516)	-	-	(1,846,352)
Balance at December 31, 2011	1,727,663	-	195,926	4,223,803	4,785,984	(81,888)	10,851,488

Note: The amount of 30,561 USD in 2012 movement (2011: 1,958 USD) under 'Other' relates to the performance of the 2011 (2010) and 2012 (2011) audit. This amount is a timing difference between when the audit cost is accrued as an expense for financial statement purposes, and when the amount is accounted for in the Administrative Operating Budget. The audit cost is expensed in the year before it is included in the AOB. Thus, the 2012 (2011) audit cost is accrued as an expense in the 2012 (2011) Fiscal Year Financial Statements; however, the cash disbursement will affect the 2013 (2012) AOB.

13. Net cash received from Funding Parties

	2012 USD	2011 USD
Canada	343,572	1,060,691
Partners	11,478,265	10,072,641
United States	4,516,082	-
European Union	3,176,112	8,731,978
	19,514,031	19,865,310

14. Financial Commitments

a) **Science and Technology Center in Ukraine**
No material commitments existed at December 31, 2012 or 2011.

b) **Funding Parties**
At December 31, 2012 the Funding Parties had approved but not signed 14 projects with a total funding of 1,766,186 USD (2011 – 1,654,709 USD). The agreements for these projects are expected to be signed in 2013.

15. Financial Risks

The STCU's financial instruments comprise:

Cash, liquid resources and receivables and payables that arise directly from the STCU's operations:

	2012 USD	2011 USD
Financial assets		
Amounts due from Funding Parties	8,828,118	5,455,205
Cash and cash equivalents	32,153,425	30,322,220
Financial liabilities		
Amounts payable	1,880,399	1,819,486

The main risks arising from the STCU's financial instruments are liquidity risk, credit risk, and foreign currency risk. The STCU management reviews and agrees policies for managing each of these risks and they are summarised below.

15. Financial Risks *(continued)*

a) Liquidity Risk

Liquidity risk is the risk that the STCU will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. STCU's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses, and maintain net working capital surplus.The STCU's assets comprise mainly of cash and bank deposits which are readily realisable to meet funding commitments.

b) Credit Risk

The STCU manage credit risk by only paying project expenses up to the amount of cash received from the relevant Funding Party. The credit risk is therefore limited to project expenses incurred in excess of cash received from the relevant Funding Party. At 31 December 2012 the maximum credit risk was 663,671 USD (2011 – 488,273 USD).

The ageing of accounts receivable due from Funding Parties at the reporting date is as follows:

	2012 USD	**2011 USD**
Not past due	7,790,861	4,345,770
Past due < 1 year	827,326	1,006,036
Past due > 1 year	209,931	103,399
	8,828,118	5,455,205

Amounts past due include funds receivable under contracts without set payment dates before the project completion but not fully settled in the reporting year. The STCU expects to receive all amounts due in due course and as such has made no impairment allowance against these receivables.

c) Foreign Currency Risk

The STCU's income and expenditure and net assets could be affected by currency translation movement as some of the STCU's assets and revenues are denominated in currencies other than USD. The STCU manages foreign currency risk through keeping funds in the currency of commitment (USD or Euros) and minimizing funds held in local currency.

15. Financial Risks *(continued)*

At the year end, financial assets and liabilities held by the STCU in currencies other than USD were as follows:

2012	Amounts due from Funding Parties USD	Cash and cash equivalents USD	Amounts payable USD
Euros	2,191,203	13,874,983	617,784
Ukrainian Hryvna	-	8,292	20,896
Azeri Manat	-	-	706
	2,191,203	13,883,275	639,386

2011	Amounts due from Funding Parties USD	Cash and cash equivalents USD	Amounts payable USD
Euros	1,313,555	13,535,365	555,465
Ukrainian Hryvna	-	23,970	13,849
Azeri Manat	-	-	-
	1,313,555	13,559,335	569,314

The following table details the effect on the Net Surplus and Capital Contributions at December 31, 2012 from a 10% change in US dollar exchange rates against the exposed currencies listed above, with all other variables held constant.

15. Financial Risks *(continued)*

c) Foreign Currency Risk *(continued)*

	2012		2011	
	Effect on Net Surplus USD	Effect on Other Comprehensive Result USD	Effect on Net Surplus USD	Effect on Other Comprehensive Result USD
USD increase by 10% against:				
Euros	(70,230)	(1,334,170)	(18,208)	(1,281,197)
Ukrainian Hryvna	1,146	1,146	(920)	(920)
Azeri Manat	(71)	(71)	-	-
	71,305	(1,335,245)	(19,128)	(1,282,117)
USD decrease by 10% against:				
Euros	77,253	1,467,587	20,029	1,409,317
Ukrainian Hryvna	(1,260)	(1,260)	1,012	1,012
Azeri Manat	64	64	-	-
	76,057	1,466,391	21,041	1,410,329

The method used to arrive at the possible risk of 10% was based on both statistical and non-statistical analyses. The statistical analysis has been based on currency movement for the last five years. This information is then revised and adjusted for reasonableness under the current economic circumstances. A standard rate of 10% is considered possible given past volatility trends.

d) Concentrations of Risk

Management has determined that the only significant concentration of risk arises in respect of the holding of the majority of cash and cash equivalents at a small number of financial institutions at the balance sheet date as follows:

	Location	2012 USD	2011 USD
Deutsche Bank	USA	18,229,011	16,620,666
BNP Paribas	Belgium	13,807,984	13,512,302
OTP Bank	Ukraine	8,734	133,372
Other	Various	107,696	55,878
		32,153,425	30,322,220

Management does not consider the risk exposure suffered as a result of this concentration of assets to be significant.

16. Fair Values

The STCU has performed an assessment of its financial instruments, as required by IFRS 7 Financial Instruments: Disclosures, to determine whether it is practicable within the constraints of timeliness and cost to determine their fair values with sufficient reliability. The estimated fair values of all financial assets and liabilities are calculated using discounted cash flow techniques based on estimated future cash flows and discount rates for a similar instrument at the reporting date.

The estimates of fair value are intended to approximate the amount for which a financial instrument could be exchanged between knowledgeable, willing parties in an arm's length transaction. However, given the uncertainties and the use of subjective judgment, the fair value should not be interpreted as being realizable in an immediate sale of the assets or settlement of liabilities.

Due to the mostly short-term nature of the STCU financial assets and liabilities and minimal prevailing funds placement interest rates, the estimated fair values of all financial instruments of the STCU do not differ materially from their carrying amounts as at 31 December 2012 and 2011.

17. Subsequent events

At the 35th STCU Governing Board meeting, the acting Canadian Governing Board member informed all meeting participants that the Government of Canada intends to formally withdraw from the Agreement to Establish the STCU in 2013. This intent does not result in any additional assets or liabilities to be recognized by STCU as at 31 December 2012. There are no other events subsequent to 31 December 2012 that require disclosures in these financial statements.

18. Related parties

Other than the parties to the agreement (The United States, Canada, Ukraine and the European Communities), there are no related parties. (2011 - None) All transactions with related parties have been undertaken on arm’s length terms and are disclosed within capital contributions movements.

19. Contingent liabilities

There are no contingent liabilities to report in 2012. (2011 – None)