

**Amended Strategic Report, Report of the Directors and**  
**Financial Statements for the Year Ended 31 December 2014**  
**for**  
**General Satellite Research & Development**  
**Limited**

THURSDAY



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**General Satellite Research & Development  
Limited (Registered number: 04502930)**

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for the Year Ended 31 December 2014**

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**General Satellite Research & Development  
Limited**

**Company Information  
for the Year Ended 31 December 2014**

**DIRECTORS:**

M C Smith  
A Vasilyev

**REGISTERED OFFICE:**

3rd Floor Fairgate House  
78 New Oxford Street  
London  
WC1A 1HB

**REGISTERED NUMBER:**

04502930

**AUDITORS:**

S H Landes LLP  
Statutory Auditors  
3rd Floor, Fairgate House  
78 New Oxford Street  
London  
WC1A 1HB

**General Satellite Research & Development**  
**Limited (Registered number: 04502930)**

**Strategic Report**  
**for the Year Ended 31 December 2014**

The directors present their strategic report for the year ended 31 December 2014.

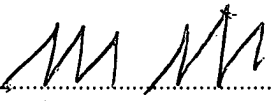
**REVIEW OF BUSINESS**

During the year 2014 the company closed its representative office in St Petersburg due to costs optimization. The management has taken a decision to develop software for new models of satellite receiver and tablet. The company concluded new contracts with its main business partners in the design and development of software and hardware and found other consultants and developers of modern technologies. As a result, turnover increased in the year 2014 and the company has new perspective direction of business.

**PRINCIPAL RISKS AND UNCERTAINTIES**

The main risk is the unstable economic situation in the world. However the company has a good financial position, it is not dependent on borrowing funds and always pay to its creditors in time. The company created a competitive range of software for different models of digital satellite receiver for different group of customers, and this helps to eliminate risks as well.

**ON BEHALF OF THE BOARD:**

  
.....  
M C Smith - Director

Date: .....15/3/16.....

**General Satellite Research & Development  
Limited (Registered number: 04502930)**

**Report of the Directors  
for the Year Ended 31 December 2014**

The directors present their report with the financial statements of the company for the year ended 31 December 2014.

**DIVIDENDS**

No dividends will be distributed for the year ended 31 December 2014.

**DIRECTORS**

The directors who have held office during the period from 1 January 2014 to the date of this report are as follows:

W Perry - resigned 4 March 2014

M C Smith - appointed 4 March 2014

A Vasilyev was appointed as a director after 31 December 2014 but prior to the date of this report.

P Chumakov ceased to be a director after 31 December 2014 but prior to the date of this report.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

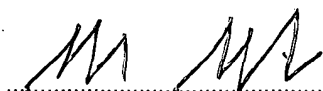
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**ON BEHALF OF THE BOARD:**



.....  
M C Smith - Director

Date: .....15/3/16.....

**Report of the Independent Auditors to the Members of  
General Satellite Research & Development  
Limited**

We have audited the financial statements of General Satellite Research & Development Limited for the year ended 31 December 2014 on pages six to fourteen. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditors**

As explained more fully in the Statement of Directors' Responsibilities set out on page three, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report and the Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Report of the Independent Auditors to the Members of**  
**General Satellite Research & Development**  
**Limited**

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Steven Landes (Senior Statutory Auditor)  
for and on behalf of S H Landes LLP  
Statutory Auditors  
3rd Floor, Fairgate House  
78 New Oxford Street  
London  
WC1A 1HB

*Steven Landes*

Date: 15/3/16

**General Satellite Research & Development  
Limited (Registered number: 04502930)**

**Profit and Loss Account  
for the Year Ended 31 December 2014**

	Notes	31.12.14 €	31.12.13 €
<b>TURNOVER</b>		4,239,177	3,104,015
Cost of sales		<u>3,771,937</u>	<u>2,537,128</u>
<b>GROSS PROFIT</b>		467,240	566,887
Administrative expenses		<u>460,316</u>	<u>757,442</u>
<b>OPERATING PROFIT/(LOSS)</b>	3	6,924	(190,555)
Interest receivable and similar income		<u>-</u>	<u>503,014</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		6,924	312,459
Tax on profit on ordinary activities	4	<u>-</u>	<u>-</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<u><u>6,924</u></u>	<u><u>312,459</u></u>

**CONTINUING OPERATIONS**

None of the company's activities were acquired or discontinued during the current year or previous year.

**TOTAL RECOGNISED GAINS AND LOSSES**

The company has no recognised gains or losses other than the profits for the current year or previous year.

The notes form part of these financial statements

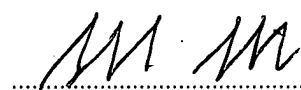


**General Satellite Research & Development**  
**Limited (Registered number: 04502930)**

**Balance Sheet**  
**31 December 2014**

	Notes	31.12.14 €	31.12.13 €
<b>FIXED ASSETS</b>			
Investments	5	1,800	1,800
<b>CURRENT ASSETS</b>			
Stocks	6	131,982	499,599
Debtors	7	1,717,146	727,461
Cash at bank		<u>1,219,026</u>	<u>415,169</u>
		3,068,154	1,642,229
<b>CREDITORS</b>			
Amounts falling due within one year	8	<u>2,108,662</u>	<u>1,076,138</u>
<b>NET CURRENT ASSETS</b>		<u>959,492</u>	<u>566,091</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>961,292</u>	<u>567,891</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	9	1	1
Translation reserve	10	422,732	36,255
Profit and loss account	10	<u>538,559</u>	<u>531,635</u>
<b>SHAREHOLDERS' FUNDS</b>	14	<u>961,292</u>	<u>567,891</u>

The financial statements were approved by the Board of Directors on 15/3/16 and were signed on its behalf by:



M C Smith - Director

The notes form part of these financial statements

**General Satellite Research & Development  
Limited (Registered number: 04502930)**

**Cash Flow Statement  
for the Year Ended 31 December 2014**

	Notes	31.12.14 €	€	31.12.13 €	€
Net cash inflow/(outflow) from operating activities	1		803,857		(15,288,845)
Returns on investments and servicing of finance	2		-		503,014
Taxation			-		(2,967)
			803,857		(14,788,798)
Management of liquid resources	2		-		15,000,000
Increase in cash in the period			803,857		211,202
<hr/>					
Reconciliation of net cash flow to movement in net funds	3				
Increase in cash in the period		803,857		211,202	
Cash inflow from decrease in liquid resources			-	(15,000,000)	
Change in net funds resulting from cash flows			803,857		(14,788,798)
Movement in net funds in the period			803,857		(14,788,798)
Net funds at 1 January			415,169		15,203,967
Net funds at 31 December			1,219,026		415,169

The notes form part of these financial statements

**General Satellite Research & Development**  
**Limited (Registered number: 04502930)**

**Notes to the Cash Flow Statement**  
**for the Year Ended 31 December 2014**

**1. RECONCILIATION OF OPERATING PROFIT/(LOSS) TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES**

	31.12.14	31.12.13
	€	€
Operating profit/(loss)	6,924	(190,555)
Unrealised forex translation difference	386,477	36,255
Decrease/(increase) in stocks	367,617	(9,231)
Increase in debtors	(989,685)	(99,342)
Increase/(decrease) in creditors	<u>1,032,524</u>	<u>(15,025,972)</u>
<b>Net cash inflow/(outflow) from operating activities</b>	<b><u>803,857</u></b>	<b><u>(15,288,845)</u></b>

**2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT**

	31.12.14	31.12.13
	€	€
<b>Returns on investments and servicing of finance</b>		
Interest received	-	<u>503,014</u>
<b>Net cash inflow for returns on investments and servicing of finance</b>	<u>-</u>	<u>503,014</u>
 <b>Management of liquid resources</b>		
Investment in bank deposit	-	<u>15,000,000</u>
<b>Net cash inflow from management of liquid resources</b>	<u>-</u>	<u>15,000,000</u>

**3. ANALYSIS OF CHANGES IN NET FUNDS**

	At 1.1.14	Cash flow	At
	€	€	31.12.14
			€
Net cash:			
Cash at bank	<u>415,169</u>	<u>803,857</u>	<u>1,219,026</u>
	<u>415,169</u>	<u>803,857</u>	<u>1,219,026</u>
 Total	<u>415,169</u>	<u>803,857</u>	<u>1,219,026</u>

The notes form part of these financial statements

**General Satellite Research & Development  
Limited (Registered number: 04502930)**

**Notes to the Financial Statements  
for the Year Ended 31 December 2014**

**1. ACCOUNTING POLICIES**

**Accounting convention**

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards.

The financial statements are presented in Euro.

**Preparation of consolidated financial statements**

The financial statements contain information about General Satellite Research & Development Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 400 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it and its subsidiary undertaking are included by full consolidation in the consolidated financial statements of its parent, General Satellite Corporation Limited, a company registered in the UK.

**Turnover**

Turnover represents license fees receivable from the sale of software rights, excluding value added tax. The company's policy is to recognise license fees income upon the delivery of and acceptance of the software rights by the customers.

License fees granted for a period of time are recognised over the license term. Deferred revenue comprises of license fees invoiced in advance relating to future periods.

**Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

**Deferred tax**

The charge for taxation takes into account taxation deferred as a result of timing differences between the treatment of certain items for taxation and accounting purposes. In general, deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. However, deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred taxation is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which the timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

**Research and development**

Expenditure on research and development is written off in the year in which it is incurred.

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into euro at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into euro at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

**Fixed asset investments**

The fixed asset investments are valued at lower of cost or net realisable value.

**Amended financial statements**

The revised accounts replace the original accounts. They are now the statutory accounts, and the accounts have been prepared as at the date of the original accounts, and not as at the date of the revised and accordingly do not deal with events between those dates.

The original filed accounts were not the final version of the accounts as they included transactions in note 12 that were not transactions with related parties.

**General Satellite Research & Development  
Limited (Registered number: 04502930)**

**Notes to the Financial Statements - continued  
for the Year Ended 31 December 2014**

**2. STAFF COSTS**

	31.12.14	31.12.13
	€	€
Wages and salaries	<u>84,596</u>	<u>229,873</u>

The average monthly number of employees during the year was as follows:

	31.12.14	31.12.13
Technical	-	10
Administrative	-	2
	<u>-</u>	<u>12</u>

**3. OPERATING PROFIT/(LOSS)**

The operating profit (2013 - operating loss) is stated after charging:

	31.12.14	31.12.13
	€	€
Auditors' remuneration	12,138	9,500
Auditors' remuneration for non audit work	26,929	23,131
Foreign exchange differences	<u>438,781</u>	<u>72,153</u>
Directors' remuneration	<u>-</u>	<u>-</u>

**4. TAXATION**

**Analysis of the tax charge**

No liability to UK corporation tax arose on ordinary activities for the year ended 31 December 2014 nor for the year ended 31 December 2013.

**Factors affecting the tax charge**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	31.12.14	31.12.13
	€	€
Profit on ordinary activities before tax	<u>6,924</u>	<u>312,459</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2013 - 23.250%)	1,385	72,647
Effects of:		
Group relief	(1,385)	(72,636)
Other adjustment	<u>-</u>	<u>(11)</u>
Current tax charge	<u>-</u>	<u>-</u>

**General Satellite Research & Development  
Limited (Registered number: 04502930)**

**Notes to the Financial Statements - continued  
for the Year Ended 31 December 2014**

**5. FIXED ASSET INVESTMENTS**

Shares in  
group  
undertakings  
€

**COST**

At 1 January 2014  
and 31 December 2014

1,800

**NET BOOK VALUE**

At 31 December 2014

1,800

At 31 December 2013

1,800

The company's investments at the Balance Sheet date in the share capital of companies include the following:

**National Development Centre Limited**

Country of incorporation: Russian Federation

Nature of business: Development of software and consultancy

Class of shares:

Ordinary

%  
holding  
90.00

31.12.14  
€

31.12.13  
€

Aggregate capital and reserves

126,470

125,061

Profit for the year

62,738

51,811

**6. STOCKS**

31.12.14  
€

31.12.13  
€

Work-in-progress

-

305,500

Finished goods

131,982

194,099

131,982

499,599

**7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

31.12.14  
€

31.12.13  
€

Trade debtors

1,315,539

644,084

Other debtors

-

19,894

VAT receivable

18,781

17,930

Prepayments and accrued income

382,826

45,553

1,717,146

727,461

**General Satellite Research & Development  
Limited (Registered number: 04502930)**

**Notes to the Financial Statements - continued  
for the Year Ended 31 December 2014**

**8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.12.14	31.12.13
	€	€
Trade creditors	16,663	711,919
Other creditors	2,056	6,302
Shareholder's loan	1,800	1,800
Accruals	2,030,666	101,794
Deferred income	57,477	254,323
	<u>2,108,662</u>	<u>1,076,138</u>

**9. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.12.14	31.12.13
			€	€
1	Ordinary	£1	<u>1</u>	<u>1</u>

**10. RESERVES**

	Profit and loss account €	Translation reserve €	Totals €
At 1 January 2014	531,635	36,255	567,890
Profit for the year	6,924		6,924
Movement during the year	-	386,477	386,477
At 31 December 2014	<u>538,559</u>	<u>422,732</u>	<u>961,291</u>

**11. ULTIMATE PARENT COMPANY**

General Satellite Holding Company Limited (incorporated in Jersey) is regarded by the directors as being the company's ultimate parent company.

The company's immediate parent company is General Satellite Corporation Limited, a company registered in the UK. Copies of the group financial statements which include this company are available from 3rd Floor, Fairgate House, 78 New Oxford Street, London WC1A 1HB. General Satellite Corporation Limited is the only group in which the result of this company have been consolidated.

**12. RELATED PARTY TRANSACTIONS**

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 8 Related Party Disclosures, not to disclose related party transactions with wholly owned subsidiaries within the group.

During the year, the company made sales to the following related parties:

	2014	2013
	€	€
Cifra LLC	855,791	461,892

**General Satellite Research & Development  
Limited (Registered number: 04502930)**

**Notes to the Financial Statements - continued  
for the Year Ended 31 December 2014**

	368,329	7,185
GS Nanotech Public Company		
EC Satprof	1,326	Nil

At the year end €289,933 of these sales were included in accrued income.

At the balance sheet date, the following amounts were receivable/(payable) from/to related parties:

	2014	2013
	€	€
Cifra LLC	520,858	276,173
Neotion SA	(700,000)	(273,813)
Cifra LLC	(22,500)	(24,933)
EC Satprof	Nil	(35,448)
GS Nanotech Public Company	85,921	7,185

During the year, the company made purchases from the following related parties:

	2014	2013
	€	€
Neotion SA	760,000	747,625
Cifra LLC	26,640	24,933
EC Satprof	146,059	173,722
OOO Consult-Technologiya	Nil	60,000

At the year end €707,500 of these purchase were included in accruals. Other creditors include an amount of €2,056 (2013: €2,056) payable to P Chumakov, a former director.

During the year the company has paid trade association subscription of €124,120 (2013: €172,446) to Association of Producers and Traders of Radio-Electronic Equipment of Kaliningrad Region "General Satellite Corporation", an association registered in Russia. Andrey Tkachenko is the president of this trade association.

The above companies are related due to common control.

**13. ULTIMATE CONTROLLING PARTY**

As at 31 December 2014 the company's ultimate controlling individual was Tkachenko Andrey Georgievich based on his 100% share in General Satellite Holding Company Limited, Jersey, Channel Islands. On 31 December 2014 this holding was transferred to the Bitterlong Foundation, Jersey, Channel Islands.

**14. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	31.12.14	31.12.13
	€	€
Profit for the financial year	6,924	312,459
Translation reserve	<u>386,477</u>	<u>36,255</u>
<b>Net addition to shareholders' funds</b>	<b>393,401</b>	<b>348,714</b>
Opening shareholders' funds	<u>567,891</u>	<u>219,177</u>
<b>Closing shareholders' funds</b>	<b><u>961,292</u></b>	<b><u>567,891</u></b>