

Company Registration No. 04614811 (England and Wales)

Norilsk Nickel Europe Limited

**Annual report and financial statements
for the year ended 31 December 2017**

MONDAY



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Norilsk Nickel Europe Limited

Company information

Directors	Andrey Kolchin Dmitry Ryshkov
Secretary	Clyde Secretaries Limited
Company number	04614811
Registered office	The St Botolph Building 138 Houndsditch London EC3A 7AR
Independent auditors	Saffery Champness LLP 71 Queen Victoria Street London EC4V 4BE
Solicitors	Clyde & Co The St Botolph Building 138 Houndsditch London EC3A 7AR

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Directors' report

For the year ended 31 December 2017

The directors present their report and financial statements for the year ended 31 December 2017.

Principal activities

The principal activity is the provision of sales and market related services to other group companies.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Andrey Kolchin

Adam Esah

Dmitry Ryshkov

(Resigned 26 January 2018)

(Appointed 15 February 2018)

Results and dividends

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Auditor

Saffery Champness LLP have expressed their willingness to continue in office.

Statement of directors' responsibilities

The directors are responsible for preparing the annual report 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 UK 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.

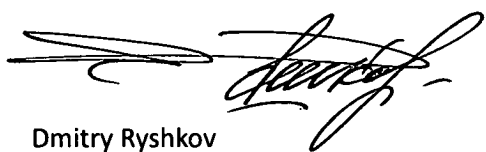
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies 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 of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board

A handwritten signature in black ink, appearing to read 'Dmitry Ryshkov', is written over a horizontal line.

Dmitry Ryshkov

Director

25 April 2018

Opinion

We have audited the financial statements of Norilsk Nickel Europe Limited (the 'company') for the year ended 31 December 2017 which comprise the Income Statement, the Statement of Financial Position, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its loss 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.

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 an auditor's report 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Independent auditor's report (continued)
To the members of Norilsk Nickel Europe Limited

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Directors' Report and take advantage of the small companies exemption from the requirement to prepare a Strategic Report.

Independent auditor's report (continued)
To the members of Norilsk Nickel Europe Limited

Responsibilities of directors

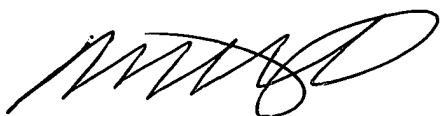
As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.



Michael Di Leto (Senior Statutory Auditor)
for and on behalf of Saffery Champness LLP

25 April 2018

Chartered Accountants
Statutory Auditors

71 Queen Victoria Street
London
EC4V 4BE

Norilsk Nickel Europe Limited

Income statement

For the year ended 31 December 2017

		2017	2016
	Notes	£	£
Revenue	2	-	1,988,659
Cost of sales		-	(367,054)
Gross profit		-	1,621,605
Administrative expenses		(1,240,418)	(2,188,626)
Operating loss	3	(1,240,418)	(567,021)
Investment income	5	5,226	18,790
Loss before taxation		(1,235,192)	(548,231)
Taxation		(31,416)	(141,521)
Loss for the financial year		(1,266,608)	(689,752)
Total comprehensive income for the year		(1,266,608)	(689,752)

Norilsk Nickel Europe Limited

**Statement of financial position
As at 31 December 2017**

	Notes	£	2017 £	£	2016 £
Fixed assets					
Property, plant and equipment	6		25,612		49,866
Current assets					
Trade and other receivables	7	66,518		107,395	
Cash at bank and in hand		3,098,187		4,408,703	
		<u>3,164,705</u>		<u>4,516,098</u>	
Current liabilities	8	(365,577)		(474,616)	
Net current assets			<u>2,799,128</u>		<u>4,041,482</u>
Total assets less current liabilities			<u>2,824,740</u>		<u>4,091,348</u>
Equity					
Called up share capital	9		1		1
Retained earnings			<u>2,824,739</u>		<u>4,091,347</u>
Total equity			<u>2,824,740</u>		<u>4,091,348</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 25 April 2018 and are signed on its behalf by:

Dmitry Ryshkov
Director



Company Registration No. 04614811

Norilsk Nickel Europe Limited

**Statement of changes in equity
For the year ended 31 December 2017**

	Share capital	Retained earnings	Total
	£	£	£
Balance at 1 January 2016	1	7,396,602	7,396,603
Year ended 31 December 2016:			
Loss and total comprehensive income for the year	-	(689,752)	(689,752)
Dividends	-	(2,615,503)	(2,615,503)
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2016	1	4,091,347	4,091,348
Year ended 31 December 2017:			
Loss and total comprehensive income for the year	-	(1,266,608)	(1,266,608)
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2017	1	2,824,739	2,824,740
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

1 Accounting policies

Company information

Norilsk Nickel Europe Limited is a private company limited by shares incorporated in England and Wales. The registered office is The St Botolph Building, 138 Houndsditch, London, EC3A 7AR.

1.1 Accounting convention

The financial statements have been prepared on the historical cost basis except for any modification to a fair value basis for financial instruments specified in the accounting policies below.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The parent company whose consolidated financial statements include Norilsk Nickel Europe Limited is PJSC Mining and Metallurgical Company Norilsk Nickel, a company incorporated in Russia. The consolidated financial statements can be obtained from PJSC Mining and Metallurgical Company Norilsk Nickel, 1-iy Krasnogvardeyskiy proezd, 15, Moscow, 123100, Russia.

1.2 Going concern

The directors have at the time of approving the financial statements, a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements

1.3 Revenue

Revenue is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

1.4 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures, fittings & equipment	10% - 33% Straight line
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to the income statement.

Notes to the financial statements (continued)
For the year ended 31 December 2017

1 Accounting policies (continued)

1.5 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.6 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

1.7 Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Notes to the financial statements (continued)
For the year ended 31 December 2017

1 Accounting policies (continued)

Other financial liabilities

Other financial liabilities, including debt instruments that do not meet the definition of a basic financial instrument, are measured at fair value through profit or loss.

1.8 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between taxable profits and results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured on a non-discounted basis at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

1.9 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or non-current assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.10 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

Notes to the financial statements (continued)
For the year ended 31 December 2017

1 Accounting policies (continued)

1.11 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

1.12 Foreign exchange

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the start of the month for the transaction date. All differences are taken to profit and loss account.

2 Revenue

An analysis of the company's revenue is as follows:

	2017	2016
	£	£
Sales Commission	-	1,988,659
	<u> </u>	<u> </u>

3 Operating loss

	2017	2016
	£	£
Operating loss for the year is stated after charging:		
Exchange losses	1,994	76,832
Fees payable to the company's auditors for		
the audit of the company's financial statements	22,000	23,000
taxation and payroll services	38,205	19,625
Depreciation of property, plant and equipment	24,254	26,841
Operating lease charges	117,875	116,775
	<u> </u>	<u> </u>

Notes to the financial statements (continued)
For the year ended 31 December 2017

4 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2017	2016
	Number	Number
Directors	1	1
Direct sales	-	1
Administration	5	4
	<u>6</u>	<u>6</u>

5 Investment income

	2017	2016
	£	£
Interest receivable from group undertakings	2,834	11,557
Bank interest	2,392	7,233
	<u>5,226</u>	<u>18,790</u>

6 Property, plant and equipment

	Plant and machinery
	£
Cost	
At 1 January 2017	158,401
At 31 December 2017	<u>158,401</u>
Depreciation and impairment	
At 1 January 2017	108,535
Depreciation charged in the year	24,254
At 31 December 2017	<u>132,789</u>
Carrying amount	
At 31 December 2017	<u>25,612</u>
At 31 December 2016	<u>49,866</u>

Norilsk Nickel Europe Limited

Notes to the financial statements (continued)
For the year ended 31 December 2017

7 Trade and other receivables

	2017	2016
	£	£
Amounts falling due within one year:		
Other receivables	66,518	107,395
	<u>66,518</u>	<u>107,395</u>

8 Current liabilities

	2017	2016
	£	£
Corporation tax	5,815	74,141
Other taxation and social security	30,494	24,149
Other payables	329,268	376,326
	<u>365,577</u>	<u>474,616</u>

9 Called up share capital

	2017	2016
	£	£
Ordinary share capital		
Authorised		
1,000 Ordinary Shares of £1 each	1,000	1,000
	<u>1,000</u>	<u>1,000</u>
Issued and fully paid		
1 Ordinary Shares of £1 each	1	1
	<u>1</u>	<u>1</u>

Norilsk Nickel Europe Limited

Notes to the financial statements (continued)

For the year ended 31 December 2017

10 Operating lease commitments

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

	2017 £	2016 £
Within one year	74,724	74,724
Between two and five years	37,362	112,086
	<u>112,086</u>	<u>186,810</u>

11 Related party transactions

Under FRS102, Norilsk Nickel Europe Limited has taken the exemption for subsidiary undertakings to disclose related party transactions with each other where they are wholly owned. The only related party transactions during the reporting period were of this nature.

12 Controlling party

The company's immediate parent company is Norilsk Nickel Holding SA, a company incorporated in Switzerland. The ultimate parent company and ultimate controlling party is PJSC Mining and Metallurgical Company Norilsk Nickel, a company incorporated in Russia.