European Bank
for Reconstruction and Development

The Balkan Region Special Fund

Annual Financial Report
31 December 2013

The Balkan Region Special Fund

Contents

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Statement of comprehensive income

For the year ended 31 December 2013

	Note	Year to 31 December 2013 € 000	Year to 31 December 2012 € 000
Interest income		-	3
Fee income		43	46
Foreign exchange movement		(7)	7
Other operating expenses	3	(7)	(8)
Net profit and comprehensive income for the year		29	48
Attributable to:			
Contributors		29	48

Balance sheet

At 31 December 2013

	Note	€ 000	31 December 2013 € 000	€ 000	31 December 2012 € 000
Assets					
Placements with credit institutions			7,866		7,829
Other financial assets	4		76		28
Total assets			7,942		7,857
Liabilities					
Other financial liabilities	5		71		22
Contributors' resources					
Contributions	6	9,779		9,772	
Accumulated loss		(1,908)		(1,937)	
Total contributors' resources			7,871		7,835
Total liabilities			7,942		7,857
Memorandum items					
Guarantees			7,663		7,633

The Balkan Region Special Fund

Statement of changes in contributors' resources

For the year ended 31 December 2013

	Contributions	Accumulated loss	Total
	€ 000	€ 000	€ 000
At 31 December 2011	9,779	(1,985)	7,794
Revaluation of contributions	(7)	-	(7)
Total comprehensive income for the year	-	48	48
At 31 December 2012	9,772	(1,937)	7,835
Revaluation of contributions	7	-	7
Total comprehensive income for the year	-	29	29
At 31 December 2013	**9,779**	**(1,908)**	**7,871**

Statement of cash flows

For the year ended 31 December 2013

		Year to 31 December 2013		Year to 31 December 2012
	€ 000	€ 000	€ 000	€ 000
Cash flows from operating activities				
Net profit for the year	29		48	
Adjustment for:				
Interest income	-		(3)	
Foreign exchange	7		(7)	
	36		38	
Interest income received	-		16	
Decrease/(increase) in operating assets:				
Fee income receivable	1		(2)	
Deferred fee income receivable	-		9	
Decrease in operating liabilities:				
Accrued expenses	-		(24)	
Net cash from operating activities		37		37
Net increase in cash and cash equivalents		37		37
Cash and cash equivalents at beginning of year		7,829		7,792
Cash and cash equivalents at 31 December		7,866		7,829

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Accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

A. Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and liabilities held at fair value through profit or loss. The financial statements have been prepared on a going concern basis.

New and amended IFRS mandatorily effective for the current reporting period

The following new and amended standards are effective for the current reporting period:

Pronouncement	Nature of change	Impact
IFRS 7 (Amendment) Financial Instruments: Disclosures – Offsetting of Financial Assets and Liabilities	Requires disclosure of information that will enable users of an entity's financial statements to evaluate the effect or potential effect of netting arrangements on the entity's financial position.	No changes of presentation required
IFRS 10: Consolidated Financial Statements	Establishes the principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities.	Not applicable
IFRS 11: Joint Arrangements	Establishes the principles for financial reporting by parties to a joint arrangement.	No changes of presentation required
IFRS 12: Disclosure of Interests in Other Entities	Consolidates the disclosure requirements for interests in subsidiaries, joint arrangements, associates and unconsolidated structured entities.	Not applicable
IFRS 13: Fair Value Measurement	Defines fair value, establishes a single framework for measuring fair value and requires disclosures about fair value measurements.	No change to the Fund's fair value procedures
IAS 1 (Amendment): Presentation of Financial Statements	Requires entities to group items presented in other comprehensive income ("OCI") on the basis of whether they are potentially re-classifiable to profit or loss.	No changes of presentation required
IAS 19 (Amendment): Employee Benefits	There are various amendments to the standard including: • elimination of the option to defer the recognition of gains and losses through the use of the corridor method; • streamlining the presentation of changes in assets and liabilities arising from defined benefit plans; • enhancing disclosure requirements for defined benefit plans	Not applicable
IAS 27 (Reissued): Separate Financial Statements	Requires an entity preparing separate financial statements to account for investments in subsidiaries, joint ventures and associates at cost or in accordance with IFRS 9: Financial Instruments.	Not applicable
IAS 28 (Reissued): Investments in Associates and Joint Ventures	Prescribes the accounting for investments in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures.	Not applicable

IFRS not yet effective but adopted early

IFRS 9: Financial Instruments is the IASB's replacement project for IAS 39 which is being completed in a number of distinct stages. At this time there is no mandatory application date for the standard although entities are allowed to adopt early all completed phases. The Fund adopted the first stage 'recognition and measurement of financial assets' (November 2009) in its 2010 financial statements. See the accounting policy for financial assets for more details.

IFRS not yet effective and not adopted early

The following standards are not yet effective and have not been adopted early.

Pronouncement	Nature of change	Potential Impact
IFRS 9 Financial Instruments	Classification and measurement of financial liabilities (October 2010) Hedge accounting (November 2013) There is currently no mandatory effective date for application of this standard.	The Fund is yet to assess the potential impact of adopting this standard
IAS 32 (Amendment) Financial Instruments: Presentation – Offsetting of Financial Assets and Financial Liabilities	Updates the application guidance and basis of conclusions in relation to the offsetting of financial assets and financial liabilities. Effective for accounting periods beginning on or after 1 January 2014.	Not applicable
Investment entities – amendments to IFRS 10, IFRS 12 and IAS 27	Introduces an exception to consolidating particular subsidiaries for "investment entities", requiring instead such subsidiaries to be measured at fair value through profit or loss in accordance with IFRS 9 Financial Instruments. New disclosure requirements are also introduced. Effective for accounting periods beginning on or after 1 January 2014.	Not applicable
IAS 19 Amendment: Employee contributions to defined benefit plans	Simplifies the accounting for contributions to defined benefit plans from employees and other third parties. Effective for accounting periods beginning on or after 1 July 2014.	Not applicable

A number of existing standards were reviewed by the IASB in December 2013 as part of the IFRS annual improvements cycle. It is the Fund's opinion that none of these amendments, effective for accounting periods beginning on or after 1 July 2014, will have a material impact on the Fund's financial statements.

B. Significant accounting policies

Financial assets - Classification and measurement

The Fund early adopted the first instalment of IFRS 9: Financial Instruments, concerning the classification and measurement of financial assets, with effect from 1 January 2010. Pursuant to that adoption, the Fund classifies its financial assets in the following categories: those measured at amortised cost and those measured at fair value. This classification depends on both the contractual characteristics of the assets and the business model adopted for their management.

Financial assets at amortised cost

An investment is classified as 'amortised cost' only if both of the following criteria are met: the objective of the Fund's business model is to hold the asset to collect the contractual cash flow; and the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, interest being consideration for the time value of money and the credit risk associated with the principal amount outstanding.

Investments meeting these criteria are measured initially at fair value plus transaction costs that are directly attributable to the acquisition of the financial assets. They are subsequently measured at amortised cost using the effective interest method less any impairment. The Fund's financial assets at amortised cost are recognised at settlement date.

Financial assets at fair value
If either of the two criteria above is not met, the financial instrument is classified as 'fair value through profit or loss'. The fund does not currently have any such assets in this category.

Financial liabilities

The Fund has not adopted early that part of IFRS 9 which relates to financial liabilities and therefore still applies IAS 39: Financial Instruments.

All financial liabilities are measured at amortised cost, except for financial guarantees which are measured in accordance with IAS 39, as described under 'Financial guarantees' below.

Financial guarantees

The Fund provides guarantees to the European Bank for Reconstruction and Development ("the Bank") to cover principal losses the Bank may incur from providing its own guarantees under its Trade Facilitation Programme ("TFP"). The Fund's resources are allocated into a TFP sub-account and the TFP guarantees are provided on a first-loss basis.

When a guarantee is issued, it is initially recognised at its fair value. This is measured as the present value of the fees to be received by the Fund for the provision of those guarantees. This initial fair value represents both an asset for the Fund and a liability for the same amount.

The initial fair value for both the asset and the liability is subsequently amortised to nil over the life of the guarantee using the effective interest rate method, unless it is both probable that the guarantee will need to be settled and the settlement amount can be reliably estimated. In this case, the liability is measured at the higher of the initial fair value less cumulative amortisation or the expenditure required to settle the commitment at the balance sheet date.

Financial guarantees are recognised within other financial assets and other financial liabilities.

Contributors' resources

The Fund recognises contributions received from contributors as a liability on the basis that should a contributor choose to withdraw from the Fund, the Fund is obligated to return such contributions to the extent these are not needed to meet existing commitments and obligations of the Fund.

Statement of cash flows

The statement of cash flows is prepared using the indirect method. Cash and cash equivalents comprise balances with less than three months maturity from the date of the transaction, which are available for use at short notice and that are subject to insignificant risk of changes in value.

Foreign currencies

The Fund's reporting currency for the presentation of its financial statements is the euro (€).

Foreign currency transactions are initially translated into euro using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation at the year-end exchange rate of monetary assets and liabilities denominated in foreign currencies, are included in the income statement.

Contributions

Contributions received in currencies other than euro are translated into euro at the exchange rates ruling at the time of the transaction.

Interest and fees

Interest is recorded on an accruals basis using the effective interest method. All interest income is recognised within 'interest income' in the income statement.

Fees received in respect of services provided over a period of time are recognised as income as the services are provided. Other fees and commissions are recognised as income when received.

Taxation

In accordance with Article 53 of the Agreement Establishing the Bank ("the AEB") within the scope of its official activities, the Bank, its assets, property and income are exempt from all direct taxes and all taxes and duties levied upon goods and services acquired or imported, except for those parts of taxes or duties that represent charges for public utility services. As described in note 1, this exemption is extended to the Fund.

The Balkan Region Special Fund

Risk management

The Fund was established to assist the reconstruction of the Balkan Countries through the Bank's Balkan Region Action Plan, by providing funds to finance investments and technical cooperation activities and to provide guarantees.

As the purpose of the Fund is to promote development in the Balkan Countries rather than to generate a return on its assets, not all financial risks are actively managed by the Fund. Credit risk is jointly managed with the Bank; however the Fund does not hedge against market risk and is hence exposed to foreign exchange risk and interest rate risk.

A. Credit risk

Credit risk is the potential loss to a portfolio that could result from the default of a counterparty or the deterioration of its creditworthiness. The Fund may also be exposed to concentration risk, which is the risk arising from too high a proportion of the portfolio being allocated to a specific country, industry sector or obligor, or to a particular type of instrument or individual transaction.

The Fund is exposed to credit risk as counterparties could default on their contractual obligations.

The carrying amounts of financial assets presented on the balance sheet, together with the guarantees as shown under memorandum items, best represents the Fund's maximum exposure to credit risk at 31 December 2013 and 31 December 2012, without taking account of any collateral held or other credit enhancements.

Credit risk management and measurement

As previously stated, the Fund participates jointly with the Bank in the financing of investments in the Bank's countries of operations. It therefore benefits from the same governance process employed by the Bank in the measurement and management of credit exposures, which is described below.

The Board of Directors ("the Board") approves a credit process document that defines the procedures for the approval, management and review of Banking exposures by the Operations Committee. The Audit Committee reviews the credit process annually and its review is submitted to the Board for approval.

Banking projects are reviewed by the Operations Committee which is chaired by the First Vice President Banking and whose membership comprises senior managers of the Bank. The Operations Committee is responsible for reviewing all Banking operations prior to their submission for Board approval. This includes a number of frameworks for smaller projects which are then each considered by the Small Business Investment Committee. Both committees review projects to ensure they meet the Bank's criteria for sound banking, transition impact and additionality. The Operations Committee operates within the authority delegated by the Board, via the Executive Committee, to approve projects within Board-approved framework operations. The Operations Committee is also responsible for approving significant changes to existing operations.

The responsibility for oversight of the Banking portfolio resides with the Risk Committee. The Risk Committee is chaired by the Vice President Risk, comprises senior managers of the Bank and operates within the authority delegated by the Board via the Executive Committee. Risk Management is responsible for recommending provisions for the impairment of Banking loans and reports these quarterly to the Risk Committee.

The Bank conducts reviews of exposures within the Banking portfolio. At each review, Risk Management assesses whether there has been any change in the risk profile of the exposure, recommends actions to mitigate risk and reconfirms or adjusts the risk rating. At the recommendation of Risk Management, investments considered to be in jeopardy may be transferred from Banking teams to the Corporate Recovery Unit – which reports jointly to Risk Management and Banking – in order to manage the restructuring work-out and recovery process.

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The table below shows the Bank's internal probability of default rating scale from 1.0 (lowest risk) to 8.0 (highest risk) and how this maps to the external ratings of Standard & Poor's (S&P). References to risk rating through this text relate to probability of default ratings unless otherwise specified.

EBRD risk category	EBRD risk rating[1]	External rating equivalent	Category name	Broader category
1	1.0	AAA	Excellent	Investment Grade
2	1.7 2.0 2.3/2.5	AA+ AA AA-	Very Strong	
3	2.7 3.0 3.3	A+ A A-	Strong	
4	3.7 4.0 4.3	BBB+ BBB BBB-	Good	
5	4.7 5.0 5.3	BB+ BB BB-	Fair	
6	5.7 6.0 6.3	B+ B B-	Weak	
7	6.7 7.0 7.3	CCC+ CCC CCC-	Special Attention	Classified
8	8.0	CC/CD	Expected Loss/Impaired	

Disbursements are managed by the Operations Administration Department (OAD) within the Office of the General Counsel (OGC). The OAD is responsible for checking compliance with loan and other project agreements and ensuring that correct procedures are followed in line with approved policy. Waivers, consents and amendments of loan covenants and conditionality are prepared by the OAD and are approved by Banking, Risk Management and, where required, by the OGC, the Office of the Chief Economist and the Environment and Sustainability Department.

The Bank assigns its internal risk ratings to all counterparties in the portfolio. Counterparty risk ratings reflect the financial strength of the risk counterparty as well as consideration of any implicit support, for example from a major shareholder. For non-sovereign operations, probability of default ratings are normally capped by the local sovereign rating, except where the Bank has recourse to a guarantor from outside the country of operations which may have a better rating than the local sovereign rating. The Bank also assigns loss given default ratings on a scale of 0 per cent to 100 per cent determined by seniority, jurisdiction and sector of the transaction.

The Bank's general portfolio provisions are based on an assumed value for the probability of default rating assigned to each transaction by Risk Management and loss given default parameters based on product seniority and legal jurisdiction. Both the assumed probability of default value and the loss given default assumptions remain more conservative than the Bank's own default and recovery experience.

Risk Management reports on the development of the portfolio as a whole on a quarterly basis to the Audit Committee. The report includes a summary of key factors affecting the portfolio and provides analysis and commentary on trends within the portfolio and within various sub-portfolios. It also includes reporting on compliance with all portfolio risk limits including explanation of any limit breaches.

Placements with credit institutions
The Fund's placements with credit institutions were all internally risk rated at 2 (approximately AA+ to AA- in terms of S&P equivalent).

Other financial assets
Other financial assets represent guarantee fees payable by the Bank to the Fund and the initial fair value balance of guarantee assets less cumulative amortisation.

[1] Probability of default

Guarantees
At 31 December 2013, the Bank had outstanding guarantees under the Balkan Region TFP for which, in the event of a future default, losses incurred by the Bank will be refunded in part from the resources of the Fund. At 31 December 2013, the Fund's maximum exposure under such guarantees was €7.7 million (2012: €7.6 million).

No amounts are currently recognised as required to settle a guarantee commitment (2012: nil). The guarantee liability shown within 'other financial liabilities' on the balance sheet represents the initial fair value recognised when the guarantees were issued less cumulative amortisation. The Fund does not actively manage credit risk on its guarantee exposure.

Set out below is an analysis of the Fund's guarantees for each of the Bank's relevant internal risk rating categories.

	2013	2012
	€ 000	€ 000
5: Fair	**2,345**	1,523
6: Weak	**3,778**	4,730
7: Special attention	**1,540**	1,380
At 31 December	**7,663**	7,633

Concentration of credit risk exposure

The following table breaks down the Fund's guarantee exposures by geographic region.

	2013	2012
	€ 000	€ 000
Bosnia and Herzegovina	**109**	240
Croatia	**2,345**	1,523
Kosovo	**-**	13
FYR Macedonia	**3,057**	4,402
Romania	**612**	-
Serbia	**1,540**	1,455
At 31 December	**7,663**	7,633

B. Market risk

Market risk is the potential loss that could result from adverse market movements. The driver of market risk for the Fund is interest rate risk.

Market risk management and measurement

As discussed at the beginning of the risk management section, the Fund does not actively monitor or hedge against market risk.

Interest rate risk
Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The length of time for which the rate of interest is fixed on a financial instrument indicates to what extent it is exposed to interest rate risk.

The Fund's placements are repriced to market interest rates within one month, therefore the exposure to interest rate risk is considered to be minimal.

Foreign exchange risk

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The fund does not hold any assets or liabilities of non-euro denomination as at 31 December 2013, hence it is not exposed to any foreign exchange risk.

C. Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

The Fund's Rules and regulations require that technical assistance, investments and guarantees are financed from the resources of the Fund, which comprise contributions received and investment income. Accordingly, the Fund cannot commit more than the available resources and cannot borrow funds to finance operations. The Fund's guarantees are limited to the resources of the TFP sub-account. The Fund recognises contributions received as a liability, which may be returned to a contributor upon termination of a contribution agreement. Amounts returned are based on the Fund's net assets and take into account any existing commitments and guarantees. As a result, the Fund's exposure to liquidity risk is considered to be minimal.

The Balkan Region Special Fund

Notes to the financial statements

1. Creation of the Special Fund

The creation of the Fund was approved by the Board at its meeting on 15 September 1999 and is administered, *inter alia,* in accordance with the AEB and under the terms of the Rules and Regulations of the Fund. The Fund became operational on 7 December 1999 following the signing of the first contribution agreement.

The Fund's principal office is located in London at One Exchange Square, EC2A 2JN.

The Fund was established in accordance with Article 18 of the AEB. The Fund is not part of the ordinary capital resources of the Bank, but any privileges and immunities available to the Bank are extended to the Fund.

2. President's responsibilities

The President is responsible for preparing the financial statements in accordance with IFRS issued by the IASB.

3. Other operating expenses

Other operating expenses comprise administrative expenses directly related to the Fund and include external auditor's remuneration of €6,500 (2012: €7,700). At 31 December 2013 €6,500 (2012: €6,500) is payable to the Bank in relation to the 2013 external audit. The external auditor is appointed for a four-year term with Deloitte LLP (UK) serving as auditor for the period 2011-14. The external auditor may only serve a maximum of two consecutive terms.

4. Other financial assets

	2013	2012
	€ 000	€ 000
Fee income receivable from financial guarantees	**11**	12
Unamortised fair value of TFP financial guarantees	**65**	16
At 31 December	**76**	28

5. Other financial liabilities

	2013	2012
	€ 000	€ 000
Unamortised fair value of TFP financial guarantees	**65**	16
Audit fees payable	**6**	6
At 31 December	**71**	22

6. Contributions

Contributions received are set out below.

	2013	**2013**	2012	2012
Cumulative contributions received	**€ 000**	**%**	€ 000	%
Austria	**276**	**2.8**	276	2.8
Canada	**1,472**	**15.1**	1,525	15.6
Denmark	**750**	**7.7**	750	7.7
Norway	**1,568**	**16.0**	1,181	12.1
Switzerland	**4,218**	**43.1**	4,902	50.2
Taipei China	**1,495**	**15.3**	1,138	11.6
At 31 December	**9,779**	**100.0**	9,772	100.0

7. Analysis of current and non-current assets and liabilities

The table below provides the classification of current and non-current assets and liabilities in the balance sheet.

	Current 2013	Non-current 2013	Total 2013	Current 2012	Non-current 2012	Total 2012
Assets	€ 000	€ 000	€ 000	€ 000	€ 000	€ 000
Placements with credit institutions	7,866	-	7,866	7,829	-	7,829
Other financial assets	29	47	76	28	-	28
Total assets	7,895	47	7,942	7,857	-	7,857
Liabilities						
Other financial liabilities	(71)	-	(71)	(22)	-	(22)
Total contributors' resources	(7,871)	-	(7,871)	(7,835)	-	(7,835)
Total liabilities	(7,942)	-	(7,942)	(7,857)	-	(7,857)

8. Fair value of financial assets and liabilities

The carrying amounts of financial assets and liabilities presented on the balance sheet approximate to their fair value.

9. Events after the reporting period

There have been no material post-reporting date events that would require disclosure or adjustment to these financial statements.

10. Related parties

The Fund's related parties are the Bank and the contributors.

The Bank is entitled to charge the Fund a management fee of an amount equal to 2.5 and 5 per cent of each contribution instalment received relating to investment and technical cooperation activities respectively. As there were no contributions received in 2013, there were no management fees paid by the Fund to the Bank (2012: nil) and there was no accrued management fee payable by the Fund to the Bank at 31 December 2013 (2012: nil). Also during 2013, the Fund received fees from the Bank in relation to TFP guarantees of €43,000 (2012: €46,000), of which €11,000 are receivable as at 31 December 2013 (2012: €12,000).

Audit fees payable to the Bank are outlined in note 3.

Contributions received from the contributors are outlined in note 6.

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF GOVERNORS OF THE EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT ("THE BANK")

Report on the financial statements

We have audited the financial statements of the Balkan Region Special Fund ("the Fund") for the year ended 31 December 2013 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in contributors' resources, the statement of cash flows for the year then ended together with the accounting policies, the risk management section and the related notes 1 to 10. The financial reporting framework that has been applied in their preparation is International Financial Reporting Standards as issued by the International Accounting Standards Board.

President's responsibility for the financial statements

The President is responsible for the preparation and fair presentation of the Financial Statements in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board, and for such internal control as the President determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's 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 ethical requirements and plan and perform the audit to obtain reasonable assurance whether the Financial Statements are free from 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 the auditor's 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, the auditor considers internal control relevant to the Bank'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 Bank's internal control. An audit also includes evaluating the appropriateness of accounting policies 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 audit opinion.

Opinion

In our opinion the Financial Statements present fairly, in all material respects, the financial position of the Balkan Region Special Fund as at 31 December 2013 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

Other reporting responsibilities

We also report to you if, in our opinion, the Financial Statements are not in agreement with the accounting records, if the proper accounting records have not been kept, or if we have not received all the information and explanations we require for our audit. We have nothing to report in connection with this duty.

Other Matters

The financial statements have been prepared for, and only for, the Bank in accordance with Article 24 of the Agreement Establishing the Bank dated 29 May 1990, and for the use of the contributors and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this Report is shown or into whose hands it may come, save where expressly agreed by our prior consent in writing.

Deloitte LLP

Deloitte LLP
Chartered Accountants
London, United Kingdom
9 April 2014