

**Metallenergomontazh  
Limited Liability Company**

Location: 6 Barvikhinskaya St., premises I, room 7, Moscow, 121596, OGRN (Primary State Registration Number): 5147746206603

Moscow

31 December 2014

**ORDER No. 3112/14/1**

On Approving the Regulation on the Accounting Policy for Book Accounting Purposes for 2015

In accordance with Federal Law No. 402-FZ dated 6/12/2011 On Accounting and other regulations on accounting,

I HEREBY ORDER: to approve the Regulation on the Accounting Policy for Book Accounting Purposes for 2015 in accordance with the annex to the Order.

**Director General**

**Metallenergomontazh LLC**

*Signature*

**Supereka, P.V.**

Seal: METALLENERGOMONTAZH Limited Liability Company, OGRN 5147746206603

ANNEX to Order No. 3112/14/1 dated 31/12/2014

On Approving the Regulation on the Accounting  
Policy for Book Accounting Purposes for 2015

**The Regulation on the Accounting Policy for  
Book Accounting Purposes for 2015  
"Metallenergmontazh" LLC**

**GENERAL PROVISIONS**

1. The Accounting Policy is developed in accordance with the requirements of Federal Law No. 402-FZ dated 6/12/2011 *On Accounting*, the Regulation on the Maintenance of Accounting Records and Statements approved by Order of the Ministry of Finance of the Russian Federation No. 34n dated 29/7/1998, and the Regulation on Accounting Records "The Accounting Policies of an Organization" RAR 1/2008 approved by Order of the Ministry of the Russian Federation No.106n dated 6/10/2008.
2. The accounting policies of an organization mean the totality of the methods to maintain the accounting records.
3. The Accounting Policy is a document that reflects the specific nature of the methods to maintain the accounting records in the following cases:
  - 1) the accounting standards contain the provisions that allow selecting from several options provided for by the standards and (or) not provided for by the standards directly but not contradicting them;
  - 2) the accounting standards contain general provisions only but do not contain the specific methods to maintain the accounting records;
  - 3) the accounting standards contain vague or ambiguous or contradictory norms or insurmountable doubts;
  - 4) the accounting standards make it possible (or do not prohibit) in any other way to apply the accounting methods established by the accounting policy.
4. Accounting policies of an organization can be amended in the following cases:
  - 1) in case the requirements stipulated by the laws of the Russian Federation regarding the accounting records, the federal and (or) industry standards are amended;
  - 2) in case a new method to maintain the accounting records is developed or selected, and the application thereof leads to better quality of the information on the object of accounting;
  - 3) in case of the material changes of the conditions of an economic entity's activity.
5. In conducting cash transactions, an organization is guided by the Instruction of the Bank of Russia No. 3210-U dated 11/3/2014 *On the Procedure of Processing Cash Transactions by Legal Entities and the Simplified Procedure of Processing Cash Transactions by Individual Entrepreneurs and Small Business Entities*.

**Organizing the Accounting Records Procedure of Maintaining the Records**

***Establishing the Accounting Department***

6. A centralized accounting department (a specialized organization, an accounting specialist) maintains the accounting records of an organization on a contractual basis.

*Ground: Federal Law No. 402-FZ dated 6/12/2011 On Accounting, Article 7*

***Accounting Registers***

7. Accounting registers are kept on electronic media signed with an electronic signature. A specialized program is used for electronic registers -

1C Accounting Program

*Ground: Clause 6, Article 10 of Federal Law No. 402-FZ dated 6/12/2011 On Accounting*

***Forms of Accounting Registers***

8. Forms provisioned by the accounting records maintenance program are used as accounting registers. The forms are provided in the annex to the accounting policy.

*Ground: Clause 5, Article 10 of Federal Law No. 402-FZ dated 6/12/2011 On Accounting*

***Persons responsible for keeping the accounting registers***

9. The following persons are responsible for keeping the accounting registers:

*Ground: Clauses 4, 8, Article 10 of Federal Law No. 402-FZ dated 6/12/2011 On Accounting*

***Working chart of accounts for bookkeeping***

10. The standard chart of accounts for bookkeeping approved by Order of the Ministry of Finance of the Russian Federation No. 94n dated 31/10/2000 shall be used as the working chart of accounts for bookkeeping. If necessary, subaccounts required for the organization's activity can be added to the Working Chart.

*Ground: Clause 8 of the Regulation on the Maintenance of Accounting Records and Statements approved by Order of the Ministry of Finance of the Russian Federation No. 34n dated 29/7/1998*

***Assessment of property, liabilities, and business transactions***

11. The accounting records of property, liabilities, and business transactions of an organization are kept in rubles and kopecks.

*Ground: Clause 25 of the Regulation on the Maintenance of Accounting Records and Statements approved by Order of the Ministry of Finance of the Russian Federation No. 34n dated 29/7/1998*

***Materiality guideline***

12. To be recognized in the accounts separately, an indicator is deemed material in case it amounts to Five (5) per cent of the grand total of data. The grand total of data is

*Ground: Clause 4 of "The Accounting Policies of an Organization" RAR 1/2008 ; Clause 11 , "Accounting Records of an Organization" RAR 4/99*

13. An error is deemed material if its correction results in the value of an indicator in any accounting statements' item changing for more than Five (5) per cent compared to the previous value.

*Ground: Clause 4 of "The Accounting Policies of an Organization" RAR 1/2008 ; Clause 3 "Error Correction in Accounting Records and Statements" RAR 22/2010*

### **Forms of source documents and statements**

#### ***Forms of source accounting documents***

14. Unified forms approved by the Federal State Statistics Service are used as the forms of source accounting documents

The reference details that are obligatory under Federal Law No. 402-FZ dated 6/12/2011 are filled in the unified forms. Other reference details are filled if necessary.

*Ground: Clause 4, Article 9 of Federal Law No. 402-FZ dated 6/12/2011 On Accounting; Clause 4, "The Accounting Policies of an Organization" RAR 1/2008*

15. Source accounting documents are drawn up in electronic form.

*Ground: Clause 5, Article 9 of Federal Law No. 402-FZ dated 6/12/2011 On Accounting*

#### ***Indicators in the forms of accounting statements***

16. The indicators provisioned in the forms that are approved by Order of the Ministry of the Russian Federation No. 66n dated 2/7/2010 shall be used when preparing accounting statements.

*Ground: Clause 3 of Order of the Ministry of the Russian Federation No. 66n dated 2/7/2010*

### **Methods to Maintain the Accounting Records**

#### **Fixed assets**

##### ***Limit of the fixed asset value***

17. To establish the limit of the asset value to be accounted for as fixed assets in the amount of Forty thousand (40,000) rubles.

*Ground: Clause 5 of "Fixed Asset Accounting" RAR 6/01*

##### ***Useful life of fixed assets***

18. The useful life of fixed assets is determined in accordance with the Classification of Fixed Assets included in the depreciation groups (approved by the Decree of the Government of the Russian Federation No. 1 dated 1/1/2002).

*Ground: Clause 20 of "Fixed Asset Accounting" RAR 6/01, and Clause 1 of the Decree of the Government of the Russian Federation No. 1 dated 1/1/2002*

19. The useful life of used fixed assets is determined considering the period during which a facility was operated by previous owners.

*Ground: Clause 20 of "Fixed Asset Accounting" RAR 6/01*

##### ***Fixed Asset Revaluation***

20. In 2015, fixed assets will not be revalued.

*Ground: Clause 15 of "Fixed Asset Accounting" RAR 6/01*

##### ***Leased Fixed Asset Accounting***

21. Leased fixed assets are accounted according to an inventory number given by a company to a fixed asset.

*Ground: Clause 14 of the Fixed Asset Accounting Guidelines approved by Order of the Ministry of Finance of the Russian Federation No. 91n dated 13/10/2003*

### **Intangible Assets**

#### ***Useful life of intangible assets***

22. The useful life of intangible assets is determined considering the expected usable life of an asset during which an organization expects to receive economic benefits (or to use in the activity aimed at achieving the goals of establishing a non-profit organization).

*Ground: Clause 26 of "Fixed Asset Accounting" RAR 6/01*

#### ***Depreciation of Intangible Assets***

23. One method of accrual of depreciation is used for all intangible assets. *Ground: Clause 28 of "Fixed Asset Accounting" RAR 6/01*

#### ***Revaluation and Impairment of Intangible Assets***

24. No intangible asset revaluation is expected in 2015.

*Ground: Clause 17 of "Fixed Asset Accounting" RAR 6/01*

25. In 2015, the company will not check the intangible assets for impairment in accordance with the procedure determined under the IFRS.

*Ground: Clause 17 of "Fixed Asset Accounting" RAR 6/01*

### **Reserves**

#### ***Reserve on doubtful debts***

26. Reserving doubtful debt expense is similar to creating these reserves in the tax accounting.

*Ground: Clause 70 of the Regulation on the Maintenance of Accounting Records and Statements approved by Order of the Ministry of Finance of the Russian Federation No. 34n dated 29/7/1998*

#### ***Other reserves associated with provisions:***

27. The company does not recognize provisions in the accounting records.

*Ground: Clause 3 of RAR 8/2010 approved by the Order of the Ministry of Finance of the Russian Federation dated 13/12/2010 No.167n*

### **Income accounting**

#### ***Classification of income***

28. Income from ordinary activities is income, the share of which in the total revenue exceeds the materiality threshold determined in the Section "Organizing the Accounting Records" of the Accounting Policy.

*Ground: Clause 4 of RAR 9/99 "Income of an Organization"*

#### **Expense accounting Unexpired costs**

29. Unexpired costs are written off on a straight-line basis.

*Ground: Clause 65 of the Regulation on the Maintenance of Accounting Records and Statements approved by Order of the Ministry of Finance of the Russian Federation No. 34n dated 29/7/1998*

### **Profit Tax Accounting**

#### ***Reflecting constant and temporary differences in taxes in the accounting records***

30. Constant and temporary differences are reflected in the accounting records based on the source accounting documents on the accounts directly. *Ground: Clause 3 of RAR 18/02 "Accounting the Organization Profit Tax Calculations"*
31. The amounts of the deferred tax asset and the deferred tax liability are shown in the balance sheet in a compressed manner (only balance).

*Ground: Clause 19 of RAR 18/02 "Accounting the Organization Profit Tax Calculations"*

### **Accounting for Construction Contracts**

#### ***Accounting for the revenue and expenses under the contract using the "when completed" method***

32. In order to recognize the revenue and expenses using the "when completed" method, an organization uses the method of determining the extent of completion of works under a contract as at the reporting date by a share of the works completed as at the reporting date in the total scope of works under a contract.

*Ground: Clause 20 of RAR 2/2008 "Accounting for Construction Contracts"*

#### ***Settlements of Accountable Advances Issuing Accountable Advances***

33. A company issues accountable advances to employees for travel and administrative expense purposes in cash or transfers the funds to payroll cards. A head of a company determines the method of issuing advances in each case. Irrespective of the method to receive the advances (in cash or transferred to a card), employees return the non-spent amounts in cash to a company's cash desk.

*Ground: Article 168 of the Tax Code of the Russian Federation, Letter of the Ministry of Finance of the Russian Federation No. 02-03-10/37209 and the Federal Treasury No. 42-7.4-05/5.2-554 dated 10/9/2013.*