



RSM RUS LLC

119285, Moscow, Pudovkina str., 4

Tel.: +7 495 363 28 48

Fax: +7 495 981 41 21

E-mail: mail@rsmrus.ru

www.rsmrus.ru

20.02.2018 № PCM-1298

AUDIT REPORT OF INDEPENDENT AUDITOR

To: Public Joint Stock Company “Moscow United Electric Grid Company” (PJSC MOESK) Stockholders

Opinion

We have audited the financial statement of PJSC MOESK (hereinafter referred to as Company), which comprises the Statement of Financial Position as of 31 December 2017, the Profit or Loss Statement, Statement of Changes in Equity and Statement of Cash Flows for the year that ended on the specified date and as well as notes to the balance sheet and to the Profit or Loss Statement including a summary of main principles of accounting policies.

In our opinion, the enclosed financial statement present fairly, in all material respects, the financial position of the Company as at 31 December 2017, and its financial performance, its cash flows for the year that ended on the specified date in accordance with Financial Accountability Regulations (FAR), established in Russian Federation.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the section “Auditor's Responsibilities for the Audit of the Financial Statement” of our report. We are independent in respect of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statement in Russian Federation, and we have fulfilled our other ethical responsibilities in accordance with these requirements and IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Issues

Key audit issues are those issues that, in our professional judgment, were of most significance in our audit of the financial statement of the current period. These issues were examined in the context of our audit of the financial statement as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these issues.

Revaluation of fixed assets

In our opinion, this issue was one of most important in our audit due to a significant share of property, plant and equipment in total assets of the Company. Company's fixed assets mostly present the objects of specialized purposes.

In accordance with accounting policy the Company conducts revaluation of fixed assets at the end of the reporting period on current (replacement) value in respect of the groups of fixed assets "Power Machines and Equipment" in the event of aggregate deviation comprises more than 10% from the original value based on the results of the evaluation.

We have performed procedures on examination of the model used by an appraiser in making the estimates of market value, assessment of adequacy of assumptions underlying the estimates, determination of all issues specified in accounting policy of the Company, the analysis of actual results on appliance of model of market value estimate.

Market value of fixed assets of the group "Power Machines and Equipment" in accordance with appraiser's Report exceeds the original value on 6.2%, that is less than on 10%, for which reason the revaluation of fixed assets of the group "Power Machines and Equipment" as of 31 December 2017 was not carried out.

We have evaluated the accuracy and sufficiency of disclosure the information in respect of determination of current (replacement) value and depreciation of fixed assets.

The information is disclosed in Clause 5 of the Notes to the balance sheet and to the Profit or Loss Statement.

Depreciation of accounts receivable

In our opinion, this issue was one of most important in our audit in relation to significant balances of the Company's accounts receivable as of 31 December 2017. Management evaluation of indemnity possibility of this debt is complicated, to a great extent is subjective, and based on the assumptions, in particular, forecasting financial solvency of the Company's customers.

We have performed procedures of evaluation of the adequacy of the Company's policy on reviewing accounts receivable for the purpose of creation of provisions on depreciation, as well as procedures of confirming the reasonableness of the estimates made by the Company management, including analysis of accounts receivable payments, analysis of maturity dates and delay in fulfilling obligations, analysis of customers' financial solvency.

Our audit procedures included: testing of control facilities on the process of the debt service payments of accounts receivable; testing of receipt of funds after accounting date; testing of reasonableness of provision calculations on doubtful debts, taking into account the available information from external sources about degree of credit exposure in respect of accounts receivable, as well as using our own understanding of dimensions of doubtful accounts receivable in the industry as a whole.

We have also evaluated the sufficiency of disclosures made by the Company, including the degree of using of value judgement during provision calculations on doubtful debts.

Information about calculated provision on doubtful debts is disclosed in Appendices 5.6.1, 5.6.2 and 5.6.3 to the Notes to the balance sheet and to the Profit or Loss Statement.

Recognition and evaluation of revenue

Recognition and evaluation of revenue were one of most important issues in our audit due to certain imperfection of mechanisms of operation of retail electricity market that leads to disagreements between electric grid companies and energy supply companies in respect of volume of electric power transmission. The assessment by the Company's management of favorable outcome of the dispute

resolution for its own benefit is, to a large extent, subjective and is based on the assumptions of dispute resolution.

We have evaluated the internal control system over revenue recognition, have reviewed the accuracy of determined revenue amounts based on concluded contracts for electricity transmission, technological connection and other work (services), on a sample basis have obtained confirmations of accounts receivable balances from the counterparties, have reviewed and evaluated existing procedures for confirming the volume of electricity transmitted and outcomes of litigations in respect of disputed amounts for the provided services, and also have performed other procedures to obtain sufficient and appropriate audit evidence in order to confirm the accuracy, in all material respects, of the amounts of revenues recognized in the financial statement on incomes.

Information on disagreements with retail companies is disclosed in Appendix 5.6.4 to the Notes to the balance sheet and to the Profit or Loss Statement.

Recognition, evaluation and disclosure of provisions and contingent liabilities

Recognition, evaluation and disclosure of provisions and contingent liabilities in respect of litigations and claims of counterparties (including territorial electric grid companies) were one of most important issues in our audit because they require a large volume of Company's management judgments in respect of significant amounts in dispute in the course of litigations and claim settlements.

The audit procedures included review of court decisions made by courts of different levels, review of adequacy of management judgments and documents confirming the assessment of possibility of outflow of economic resources following dispute resolutions, conformity of the prepared documentation with provisions of the existing contracts and compliance with the law.

Information about calculated provisions and contingent liabilities of the Company are disclosed in Clause 13 of the Notes to the balance sheet and to the Profit or Loss Statement and in Appendices 5.7.1 and 5.7.2 to the Notes to the balance sheet and to the Profit or Loss Statement.

Other information

Management is responsible for the other information. Other information includes information containing in PJSC MOESK annual report for 2017 and quarterly report of PJSC MOESK issuer for 1 quarter of 2018 but does not include financial statement and our auditor's report on it. PJSC MOESK annual report for 2017 and quarterly report of PJSC MOESK issuer will be provided to us after the date of the present auditor's report are expected.

Our opinion on financial statement does not apply to other information, and we don't make a conclusion that provides confidence in any form in respect of this information.

If during the examination of the PJSC MOESK annual report for 2017 and quarterly report of PJSC MOESK issuer for 1 quarter of 2018 we conclude that there are significant distortions in them, we must report about this fact to individuals who are responsible for corporate management.

Responsibility of Management and the Audit Committee of the Board of Directors for the Financial Statement

Management is responsible for the preparation and fair presentation of the specified financial statement in accordance with Financial Accountability Regulations established in Russian Federation, and for the internal control system as management determines is necessary to enable the preparation of financial statement that is free from significant distortions, whether due to fraud or errors.

In preparing the financial statement, management is responsible for assessing the Company's ability to continue its activity on an ongoing basis, disclosing information related to continuous activity as

applicable and preparation of reporting based on allowance of continuous activity, excluding moments when the management either intends to liquidate the Company or to cease its activity or has no other realistic alternative but to liquidate or to cease its activity.

The Audit Committee of the Board of Directors is responsible for supervision the Company's financial statement preparation.

Auditor's Responsibility for the Audit of the Financial Statement

Our objective is to obtain reasonable assurance about the fact that the financial statement does not contain significant distortions due to fraud or errors 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 ISA will always detect significant distortions when it exists. Distortions can arise from fraud or errors 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 this financial statement.

As part of an audit in accordance with ISA, we exercise professional judgement and maintain professional skepticism throughout the audit. Moreover, we also exercise:

- Identify and assess the risks of significant distortions of the financial statement, whether due to fraud or errors; design and perform audit procedures responsive to those risks; obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting the significant distortions resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the avoidance of internal control;
- Obtain an understanding of internal control system relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies applied and the reasonableness of accounting estimates and related disclosures prepared by management;
- Conclude on the appropriateness of management's allowance of the continuous activity and based on the audit evidence obtained we conclude whether a material uncertainty exists related to events or conditions that may cause significant doubt on the Company's ability to continue its activity on an ongoing basis. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related information disclosure in the financial statement, or to modify our opinion if such disclosures are inadequate. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease its activity on an ongoing basis;
- Evaluate the overall presentation of financial statement, its structure and content, including the information disclosure, as well as evaluate whether the financial statement represents the underlying transactions and events in a manner that achieves fair presentation;

We communicate with the Audit Committee of the Board of Directors of the Company regarding, among other matters, information about planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control system that we identify during our audit.

We also provide the Audit Committee of the Board of Directors of the Company with a statement that we have complied with relevant ethical requirements regarding independence and have communicated

with these persons about all relationships and other matters that may reasonably be thought to bear on auditor's independence, and where applicable, related safeguards.

From the matters communicated with the Audit Committee of the Board of Directors of the Company, we have determined those matters that were of most significance in the audit of the financial statement of the current period and are therefore the key audit issues. We describe these issues in our auditor's report unless law or regulation precludes public disclosure about the issue or when, in extremely rare circumstances, we determine that an issue should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Chairman of the executive board

N.A. Dantser

Qualification Audit Certificate No. 05-000015 issued following Resolution of auditor self-regulatory organization of Not-for-Profit Partnership "Russian Collegium of Auditors" dated 15 November 2011 No. 24 for an indefinite period.

Principal Number of Registration Entry (PNRE) in the Register of auditors and audit organizations – 21706004215



Person in charge on audit, the result of which the present auditor's report is composed

N.N. Usanova

Qualification Audit Certificate No. 05-000030 issued following Resolution of auditor self-regulatory organization of Not-for-Profit Partnership "Russian Collegium of Auditors" dated 30 November 2011 No.25 for an indefinite period.

Principal Number of Registration Entry (PNRE) in the Register of auditors and audit organizations - 21706004441

Audited entity:

Public Joint Stock Company "Moscow United Electric Grid Company" (abbreviated name - PJSC MOESK).

Location: 3/2, 2nd Paveletskiy proezd, Moscow, 115114, Russia;

Primary state registration number is 1057746555811.

Auditor:

Limited Liability Company "RSM RUS".

Location: 4, Pudovkina Str., Moscow, 119285;

Telephone: (495) 363-28-48; Fax: (495) 981-41-21;

Primary state registration number is 1027700257540;

Limited Liability Company "RSM RUS" is a member of Auditors self-regulatory organization of Association "Sodruzhestvo" (membership certificate №6938, PNRE 11306030308), location: 21, Michurinsky Ave., bldg. 4, Moscow, 119192.

<p align="center">Balance sheet report as of 31__ December__ 2017</p> <p>Organization: PJSC “Moscow United Electric Grid Company”</p> <p>Taxpayer identification number</p> <p>Industry: Electric energy transmission and technological connection to distribution of electrical grid</p> <p>Legal form of organization / form of ownership: Public joint-stock company / Private ownership</p> <p>Unit: RUB, in thousands</p> <p>Location (address): 115114, Moscow, 2nd Paveletsky proezd 3, building 2</p>	<p>Form of OKUD Date (day, month, year)</p> <p>of OKPO TIN</p> <p>of OKOPF/OKFS of OKEI</p>	Codes		
		0710001		
		31	12	2017
		75273098		
		5036065113		
		35.12		
		47/16		
		384		

Notes	Indicator name	Line code	2017 year ended December 31 (1)	2016 year ended December 31 (2)	2015 year ended December 31 (3)
	ASSET				
	I. NON-CURRENT ASSETS				
5.1.1.- 5.2.2.	Intangible assets	1110	2 279 030	1 657 487	1 398 232
5.2.2.	including unfinished operations on acquisition of intangible assets	1111	1 126 620	666 094	528 340
5.2.1.- 5.2.2.	Research and development results	1120	568 640	568 846	475 940
5.2.2.	including the costs of unfinished research and development	1121	305 213	317 556	475 940
	Intangible development assets	1130			
	Tangible development assets	1140			
5.3.1.- 5.3.6.	Fixed assets	1150	304 655 874	298 295 315	288 331 539
	land plots and natural resources sites	1151	101 834	93 740	92 777
	building structures, machinery and equipment, facilities	1152	266 282 948	261 130 610	255 318 388
	other types of fixed assets	1153	3 391 814	3 920 419	3 891 268
5.3.5.	construction in-progress	1154	34 184 191	32 431 686	28 280 384
5.3.6.	advances for capital construction and acquisition of fixed assets	1155	116 298	257 495	346 785
	raw and consumable materials for using in the process of creating the fixed assets*	1156	578 789	461 365	401 937
5.3.1.	Income yielding investments into tangible assets	1160	-	-	-
	property for leasing	1161			
	property provided under a leasing contract	1162			

Notes	Indicator name	Line code	2017 year ended December 31 (1)	2016 year ended December 31 (2)	2015 year ended December 31 (3)
5.4.1.- 5.4.3.	Financial investments	1170	3 910 941	4 063 146	4 445 455
	investments in subsidiary companies	1171	3 771 168	3 806 165	3 960 759
	investments in affiliated companies	1172			
	investments in other organizations	1173			
	loans provided to organizations for more than 12 months period	1174			
	financial investments	1175	139 773	256 981	484 696
5.7.2.	Deferred tax assets	1180	2 991 271	2 335 661	2 115 621
	Other non-current assets	1190	236 548	387 920	336 241
	Total section 1	1100	314 642 304	307 308 375	297 103 028
	II. CURRENT ASSETS				
5.5.1.- 5.5.2.	Stocks	1210	2 869 694	2 700 489	2 444 762
	raw materials, supplies and other similar values	1211	2 850 125	2 680 920	2 425 192
	costs of work-in-process	1212	19 569	19 569	19569
	finished products and goods for resale	1213			1
	goods delivered	1214			
	other materials and costs	1215			
	Value added tax on acquired assets	1220	113 007	73 764	258 475
5.6.1.- 5.6.4.	Accounts receivable	1230	19 602 171	25 702 350	27 219 274
	Payments on which are expected to be made in more than 12 months after the reporting date	1231	642 775	3 807 999	3 877 589
	customers	123101			
	bills receivable	123102			
	advances paid	123103	642 775	3 807 999	3 877 589
	other accounts receivable	123104			
	Payments on which are expected to be made during 12 months after the reporting date	1232	18 959 396	21 894 351	23 341 685
	customers	123201	11 633 796	13 693 813	15 631 335
	bills receivable	123202			
	subsidiaries and affiliates dividends payable	123203			
	shareholders arrears of dues in the authorised share capital	123204			
	advances paid	123205	2 519 956	3 744 001	3 558 313
	other accounts receivable	123206	4 805 644	4 456 537	4 152 037
5.4.1.-	Financial investments (excluding cash	1240	-	-	-

Notes	Indicator name	Line code	2017 year ended December 31 (1)	2016 year ended December 31 (2)	2015 year ended December 31 (3)
5.4.3.	equivalents)				
	loans provided to organizations for less than 12 months period	1241			
	other financial receivables	1242			
F.4	Cash and cash equivalents	1250	382 847	589 631	200 271
	cash account	1251	12	61	51
	currents accounts	1252	382 861	589 569	199 780
	currency accounts	1253			438
	other financial resources	1254	1	1	2
	Other current assets	1260	4 597 975	5 234 994	5 523 780
	Total section II	1200	27 565 721	34 301 228	35 646 562
	BALANCE	1600	342 208 025	341 609 603	332 749 590
	LIABILITIES				
	III. SHAREHOLDERS' FUNDS				
3.1.	Authorized capital (joint-stock capital, legal capital, contributions of partners)	1310	24 353 546	24 353 546	24 353 546
3.1.	Capital (before amendments record)	1311			
3.1.	Treasury shares	1320			
5.3.1.,5.1.1.	Revaluation of non-current assets	1340	46 967 556	46 999 396	47 014 544
3.1.	Additional capital (without re-assessment)	1350	21 680 990	21 680 990	21 680 990
3.1.	Capital provisions	1360	1 217 678	1 217 678	1 217 678
3.1.	Retained profits (outstanding loss)	1370	97 705 760	96 513 286	96 721 632
	of past years	1371	95 035 067	90 433 821	87 475 087
	of accounting period	1372	2 670 693	6 079 465	9 246 545
	Total section III	1300	191 925 530	190 764 896	190 988 390
	IV. LONG-TERM LIABILITIES				
5.6.7.- 5.6.8.	Borrowings	1410	83 000 000	66 314 284	65 367 880
	bank loans repayable after more than 12 months from the balance sheet date	1411	40 000 000	48 314 284	53 367 880
	borrowings repayable after more than 12 months from the balance sheet date	1412	43 000 000	18 000 000	12 000 000
5.7.2.	Deferred tax liability	1420	8 781 616	7 475 762	6 552 342
5.7.1.	Estimated liabilities	1430			
5.6.5.- 5.6.6.	Other liabilities	1450	6 733 765	6 577 125	9 283 941
	Total section IV	1400	98 515 381	80 367 171	81 204 163
	V. SHORT-TERM LIABILITIES				
5.6.7.- 5.6.8.	Borrowings	1510	2 660 488	16 726 908	8 046 151
	bank loans repayable in more than 12	1511	1 734 728	11 189 005	2 590 016

Notes	Indicator name	Line code	2017 year ended December 31 (1)	2016 year ended December 31 (2)	2015 year ended December 31 (3)
	months from the balance sheet date				
	borrowings repayable in more than 12 months from the balance sheet date	1512	925 760	5 537 903	5 456 135
5.6.5.- 5.6.6.	Accounts payable	1520	46 889 705	50 889 745	50 315 164
	suppliers and contractors	1521	20 271 967	20 650 077	19 436 926
	bills payable	1522			
	staff personnel payroll liabilities	1523			69
	debt owed to government and extra-budgetary funds	1524	183 747	212 481	210 427
	taxes, dues and fees payable	1525	2 036 516	1 702 114	1 400 441
	advances received	1526	23 591 587	27 731 748	27 281 823
	outstanding payments of shareholders revenue	1527	39 154		
	other accounts payable	1528	766 734	593 325	1 985 478
	Deferred revenue	1530			
5.7.1.	Estimated liabilities	1540	2 064 919	2 689 621	2 021 238
	Other liabilities	1550	152 002	171 262	174 484
	Total section V	1500	51 767 114	70 477 536	60 557 037
	BALANCE	1700	342 208 025	341 609 603	332 749 590

Acting Chief Executive Officer _____ V.E. Ivanov __
(signature)

Chief Accounting Officer _____ V.V. Vitinsky_
(signature)

"19" February 2018



**Profit or Loss Statement
for 12 months of 2017**

Organization: PJSC "Moscow United Electric Grid Company"

Taxpayer identification number

Industry: Electric energy transmission and technological connection to distribution of electrical grid

Legal form of organization / form of ownership: Public joint-stock company / Private ownership

Unit: RUB, in thousands

Form of OKUD
Date (day, month, year)

of OKPO
TIN

of OKOPF/OKFS
of OKEI

Codes		
0710002		
31	12	2017
75273098		
5036065113		
35.12		
47/16		
384		

Notes	Indicator name	Code	For 12 months of 2017 (1)	For 12 months of 2016 (2)
1	2	3	4	6
	Revenue	2110	147 371 865	139 860 215
	including			
	revenue from electric-power transmission	2111	138 350 486	128 642 390
	revenue from technological connection	2112	7 183 912	10 011 735
	revenue from UES of Russia functioning and development organization in the part of distributing integrated power grid complex	2113		
	revenue from energy and power supply reselling	2114		
	income from participation in other organizations	2115		
	rental income	2116	186 315	153 522
	revenue from the sale of other products, goods, works, industrial services	2117	1 651 152	1 052 568
	revenue from the sale of other products, goods, works, nonindustrial services	2118		
2.1.	Cost of goods sold	2120	(135 891 707)	(123 999 504)
	including			
	cost of electric-power transmission	2121	(134 408 576)	(122 733 691)
	cost of technological connection	2122	(800 765)	(800 661)
	cost of UES of Russia functioning and development organization in the part of distributing integrated power grid complex	2123		
	cost of energy and power supply reselling	2124		
	cost of participation in other organizations	2125		
	rental self-cost	2126	(34 262)	(28 909)
	cost of the sale of other products, goods, works, industrial services	2127	(648 104)	(436 243)
	cost of the sale of other products, goods, works, nonindustrial services	2128		
	Gross profit (loss)	2100	11 480 158	15 860 711
2.1.	Selling and marketing expenses	2210		
2.1.	Management expenses	2220	(437 338)	(414 081)
	Sales profit (loss)	2200	11 042 820	15 446 630
	Income from participation in other organizations	2310		

	Interest receivable	2320	116 663	328 703
	Interest due	2330	(5 338 614)	(5 707 785)
5.11.	Other income	2340	11 211 128	7 201 979
5.11.	Other expenses	2350	(12 613 103)	(10 051 059)
	Income (loss) before taxation	2300	4 368 894	7 218 468
2.3.	Current income tax	2410	(1 506 061)	(2 408 714)
2.3.	including constant tax liabilities (assets)	2421	1 316 602	2 123 540
2.3.	Changes in deferred tax liabilities	2430	(1 303 404)	(1 518 244)
2.3.	Changes in deferred tax assets	2450	696 975	490 784
2.3.	Others	2460	414 289	2 297 171
	Net profit (loss)	2400	2 670 693	6 079 465

Notes	Indicator name	Code	For 12 months of 2017 (1)	For 12 months of 2016 (2)
5.1.1.	FOR REFERENCE			
5.3.1.	Result on revaluation of non-current assets not included in the net profit (loss) of the period	2510		
3.2.	Result on other operations not included in the net profit (loss) of the period	2520		
	Consolidated financial result for the period	2500	2 670 693	6 079 465
2.2.	Basic profit (loss) per share	2900	0.00005	0.00012
2.2.	Diluted earnings (loss) per share	2910		

Acting Chief Executive Officer _____ V.E. Ivanov ___
(signature)

Chief Accounting Officer _____ V.V.Vitinsky_
(signature)

"19" February 2018



2.2. Profit accrued to one share, diluted earnings per share

Index		For 12 months of 2017	For 12 months of 2016
Name	Code		
1	2	3	4
Net profit (uncovered loss) for the accounting period	6610	2 670 693	6 079 465
Preferred shares dividends ³	6611		
Basic profit (loss) for the accounting period	6612	2 670 693	6 079 465
Weighted average number of ordinary shares outstanding during the accounting year	6613	48 707 091 574	48 707 091 574
Basic earnings (losses) per share	6620	0.000055	0.000125
Market value weighted average of one common share	6621		
Possible increase in profit and weighted average number of common shares outstanding	6630	X	X
As a result of the conversion of preferred shares into common shares	6631	X	X
possible increase in profit	66311		
additional number of shares	66312		
As a result of the conversion of notes into common shares	6632	X	X
possible increase in profit	66321		
additional number of shares	66322		
As a result of the implementation of share purchase agreements at the below-market price	6633	X	X
contract price	66331		
possible increase in profit	66332		
additional number of shares	66333		
Diluted earnings per share	6640	0.0000	0.0000
adjusted amount of base profit	6641		
adjusted amount of weighted average number of common shares outstanding	6642		

Acting Chief Executive Officer _____ V.E. Ivanov ___
(signature)

Chief Accounting Officer _____ V.V.Vitinsky_
(signature)

19 February 2018



2.3. Profit taxation

Index		For 12 months of 2017	For 12 months of 2016
Item	Code		
1	2	3	4
Profit (loss) before taxation	6710	4 368 894	7 218 468
including taxable profit as the rate of: 20%	67101		
other rates	67102	4 368 894	7 218 468
not taxable	67103		
Permanent differences	6711		
For reference: permanent differences corresponding with temporary differences	67111		
Temporary exempt differences adjustment	6712	(7 154 813)	(8 349 162)
Temporary taxable differences adjustment	6713	3 825 923	2 698 926
Income tax amount	6714	8 267 264	1 568 232
Profit tax expense (income)	6720	1 210 177	3 609 805
Provisional profit tax expense (income)	6721	795 888	1 312 634
Ongoing tax liability (asset)	6722	1 316 602	2 123 540
For reference: adjustment of deferred taxes attributed to profits and losses	67221		
Expenses (revenue) for deferred taxes	6723	(606 429)	(1 027 460)
including			
deferred tax assets adjustment	67231	696 975	490 784
deferred tax liability adjustment	67232	(1 303 404)	(1 518 244)
Current income tax	6724	(1 506 061)	(2 408 714)
Amounts of profit taxes adjustment for the past tax period	6725	414 289	2 297 171
Other tax payments and penalties from profit	6730		
including on the substantial articles	6731		
Profit (loss) from ordinary activities	6740	2 670 693	6 079 465

Acting Chief Executive Officer

(signature)

__V.E. Ivanov__
(printed name)

Chief Accounting Officer

(signature)

__V.V.Vitinsky__
(printed name)

19 February 2018



Statement of changes in equity for 2017

Organization: PJSC "Moscow United Electric Grid Company"

Taxpayer identification number

Industry: Electric energy transmission and technological connection to distribution of electrical grid

Legal form of organization / form of ownership: Public joint-stock company / Private ownership

Unit: RUB, in thousands

Codes		
0710003		
31	12	2017
of OKPO 75273098		
TIN 5036065113		
of OKOPF/OKFS 35.12		
of OKEI 47/16		
384		

3.1. Net appropriations

Indicator name	Code	Authorized capital	Capital (before registration of changes)	Treasury shares	Additional capital	Provision capital	Retained profit (outstanding loss)	Total
Capital value 2015 year ended 31 December (1)	3100	24 353 546	-	-	68 764 459	1 217 678	96 721 632	190 988 390
<u>For 2016 (2)</u>		-	-	-	-	-	6 093 816	6 093 816
Capital increase – total:	3210							
including:		x	x	x	x	x	6 079 465	6 079 465
net profit	3211							
revaluation of property	3212	x	x	x		x		-
revenue directly assigned to capital increase	3213	x	x	x		x	14 351	14 351
subsequent offering	3214					x	x	-
share denomination increase	3215			x	x	x		x
re-organization of a legal entity	3216							-
Capital decrease – total:	3220	-	-	-	-	-	(6 317 310)	(6 317 310)
including:		x	x	x	x	x		-
loss	3221							
revaluation of property	3222	x	x	x		x		-
revenue directly assigned to capital decrease	3223	x	x	x		x		-
share denomination decrease	3224				x	x		-
number of shares	3225				x	x		-

decrease								
re-organization of a legal entity	3226							-
dividends	3227	x	x	x	x	x	(6 317 310)	(6 317 310)
Additional capital adjustment	3230	x	x	x	(15 148)	x	15 148	x
Provision capital adjustment	3240	x	x	x	x			x
Capital value 2016 year ended 31 December (2)	3200	24 353 546	-	-	68 695 534	1 217 678	96 721 632	190 988 390
For 2017 (3)		-	-	-	-	-	2 680 539	2 680 539
Capital increase – total:	3310							
including:		x	x	x	x	x	2 670 693	2 670 693
net profit	3311							
revaluation of assets	3312	x	x	x		x		-
revenue directly assigned to capital increase	3313	x	x	x		x	9 846	9 846
subsequent offering	3314					x	x	-
share denomination increase	3315			x	x	x		x
re-organization of a legal entity	3316							-
Capital decrease – total:	3320	-	-	-	-	-	(1 519 905)	(1 519 905)
including:		x	x	x	x	x		-
net profit	3321							
revaluation of property	3322	x	x	x		x		-
revenue directly assigned to capital decrease	3323	x	x	x		x		-
share denomination decrease	3324			x	x	x		-
number of shares decrease	3325				x	x		-
re-organization of a legal entity	3326							-
dividends	3327	x	x	x	x	x	(1 519 905)	(1 519 905)
Additional capital adjustment	3330	x	x	x	(31 840)	x	31 840	x

Provision capital adjustment	3340	x	x	x	x			x
Capital value 2017 year ended 31 December (3)	3300	24 353 546	-	-	68 648 546	1 217 678	97 705 760	191 925 530

3.2. Adjustments due to the changes in accounting policies and error correction

Indicator name	Code	For 31 December 2015	Changes in capital for 2016		For 31 December 2016
			as the cost of net profit	as the cost of other factors	
Capital – total:					
before adjustments	3400	190 988 390	(223 494)	-	190 764 896
adjustments due to:					
accounting policies changes	3410	-	-	-	-
error correction	3420	-	-	-	-
after adjustments	3500	190 988 390	(223 494)	-	190 764 896
including:					
retained profit (outstanding loss):		96 721 632	(223 494)	15 148	96 513 286
before adjustments	3401				
adjustments due to:					
accounting policies changes	3411				-
error correction	3421				-
after adjustments	3501	96 721 632	(223 494)	15 148	96 513 286
other capital articles subjected to adjustments: (under articles)		94 266 758	-	(15 148)	94 251 610
before adjustments	3402				
Authorized capital	34021	24 353 546			24 353 546
Capital (before registration of changes)	340211	-			-
Treasury shares	34022	-			-
Additional capital	34023	68 695 534		(15 148)	68 680 386
Provision capital	34024	1 217 678		-	1 217 678
adjustments due to:					
accounting policies changes	3412				-
error correction	3422				-
after adjustments	3502	94 266 758	-	(15 148)	94 251 610

(1) - the year preceding the previous to be indicated

(2) – previous year to be indicated

3.3. Net assets

Indicator name	Code	For 2017 year ended 31 December	For 2016 year ended 31 December	For 2015 year ended 31 December
Net assets	3600	191 925 530	190 764 896	190 988 390

Acting Chief Executive Officer _____ V.E. Ivanov ___
(signature)

Chief Accounting Officer _____ V.V.Vitinsky_
(signature)

"19" February 2018



3.4. Calculation of the valuation of the joint-stock company net assets

Indicator name		Balance sheet line code	2017 year ended December 31 (8)	2016 year ended December 31 (7)	2015 year ended December 31 (6)
1		2	3	4	5
I.	Assets				
1.	Intangible assets	1110	2 279 030	1 657 487	1 398 232
2.	Research and development results	1120	568 640	568 846	475 940
3.	Intangible development assets	1130	-	-	-
4.	Tangible development assets	1140	-	-	-
5.	Fixed assets	1150	304 655 874	298 295 315	288 331 539
6.	Income yielding investments into tangible assets	1160	-	-	-
7.	Current and non-current financial assets	1170 + 1240	3 910 941	4 063 146	4 445 455
8.	Other non-current assets ²	1180 + 1190	3 227 819	2 723 581	2 451 862
9.	Stocks	1210	2 869 694	2 700 489	2 444 762
10.	Value added tax on acquired assets	1220	113 007	73 764	258 475
11.	Accounts receivable ³	1230	19 602 171	25 702 350	27 219 274
12.	Financial resources and their equivalents	1250	382 874	589 631	200 271
13.	Other current assets ¹	1260	4 597 975	5 234 994	5 523 780
14.	Total eligible assets (the sum of 1 – 13 clauses)		342 208 025	341 609 603	332 749 590
II.	Liabilities				
15.	Non-current borrowed funds	1410	83 000 000	66 314 284	65 367 880
16.	Deferred tax liabilities	1420	8 781 616	7 475 762	6 552 342
17.	Provisions	1430 + 1540	2 064 919	2 689 621	2 021 238
18.	Other non-current liabilities	1450	6 733 765	6 577 125	9 283 941
19.	Short-term borrowed funds	1510	2 660 488	16 726 908	8 046 151
20.	Accounts payable ⁴	1520	46 889 705	50 889 745	50 315 164
21.	Other short-term liabilities ⁵	1550	152 002	171 262	174 484
22.	Total eligible liabilities (the sum of 15 – 21 clauses)		150 282 495	150 844 707	141 761 200
23.	Value of the joint-stock company net assets (total eligible assets (page 14) minus total eligible liabilities (page 22))		191 925 530	190 764 896	190 988 390

**Statement of Cash Flows
for 12 months of 2017**

Organization: PJSC "Moscow United Electric Grid Company"

Taxpayer identification number

Industry: Electric energy transmission and technological connection to distribution of electrical grid

Legal form of organization / form of ownership: Public joint-stock company / Private ownership

Unit: RUB, in thousands

Form of OKUD
Date (day, month, year)

of OKPO
TIN

of OKOPF/OKFS
of OKEI

Codes		
0710004		
31	12	2017
75273098		
5036065113		
35.12		
47/17		
384		

Indicator name	Code	For 2017	For 2016
1	2	3	4
Cash flows from operating activities		152 552 585	141 208 590
Revenues – total	4110		
including:		147 046 995	139 237 081
from the sale of products, goods, works and services	4111		
<i>incl. the sale of products, goods, works and services to the parent, subsidiary and associated companies</i>	411101	54 626	27 647
rental payments, license payments, royalty, payments of fees and other similar payments	4112	221 752	60 483
<i>incl. rental charges, license payments, royalty, payment of fees and other similar payments from the parent, subsidiary and associated companies</i>	411201		
financial investments resale	4113		
<i>incl. financial investments resale to the parent, subsidiary and associated companies</i>	411301		
other revenues	4119	5 283 838	1 911 046
<i>incl. other revenues from the parent, subsidiary and associated companies</i>	411901	519	10
Payments – total	4120	(125 990 662)	(113 743 683)
including:		(89 611 091)	(79 595 738)
payments to suppliers (contractors) for raw materials, supplies, works, services	4121		
<i>incl. the payments to suppliers (contractors) for raw materials, supplies, works, services of the parent, subsidiary and associated companies</i>	412101	(2 578 539)	(2 087 874)
in respect of employee compensation	4122	(13 080 303)	(12 627 029)
interest on debt obligations	4123	(5 055 034)	(5 627 029)
<i>incl. the interest on debt obligations to the parent, subsidiary and associated companies</i>	412301		
corporation tax	4124	(1 441 984)	(2 718 622)
other payments	4129	(16 802 250)	(13 039 539)
<i>incl. other payments to the parent, subsidiary and associated companies</i>	412901	(15 203)	
Balance of cash flow from operating activities	4100	26 561 923	27 464 907
Cash flows from investing activities			
Revenues – total	4210	215 568	219 027
including:		98 360	6 367
from the sale of non-current assets (except financial investments)	4211		
<i>incl. from the sale of non-current assets (except financial</i>	421101		

Indicator name	Code	For 2017	For 2016
<i>investments) to the parent, subsidiary and associated companies</i>			
from the sale of other entities shares (units of interest)	4212		
<i>incl. from the sale of other entities shares (units of interest) to the parent, subsidiary and associated companies</i>	421201		
from the repayment of granted loans, the sale of debt securities (rights of claim on financial assets to other persons)	4213	117 208	212 660
<i>incl. from the repayment of granted loans, the sale of debt securities (rights of claim on financial assets to other persons) of the parent, subsidiary and associated companies</i>	421301	116 000	212 660
dividends, interest on debt financial investments and similar additions from	4214		
<i>incl. dividends, interest on debt financial investments and similar additions from the parent, subsidiary and associated companies</i>	421401		
other revenues	4219		
<i>incl. other revenues from the parent, subsidiary and associated companies</i>	421901		
Payments – total	4220	(27 782 285)	(30 503 857)
including:		(25 608 172)	(28 382 615)
the ones associated with acquisition, creation, modernization, reconstruction and preparation for the use of non-current assets	4221		
<i>incl. the payments to the parent, subsidiary and associated companies associated with acquisition, creation, modernization, reconstruction and preparation for the use of non-current assets</i>	422101	(781 277)	(701 267)
Associated with the acquisition of shares of other entities (units of interest)	4222		
<i>incl. the payments to the parent, subsidiary and associated companies associated with the acquisition of shares of other entities (units of interest)</i>	422201		
associated with the acquisition of debt securities (rights of claim on financial assets to other persons), granting of loans to other persons	4223		
<i>incl. the payments to the parent, subsidiary and associated companies associated with the acquisition of debt securities (rights of claim on financial assets to other persons), granting of loans to other persons</i>	422301		
interest on debt obligations included in the value of investment asset	4224	(2 174 113)	(2 121 042)
<i>incl. the payments associated with the interest on debt obligations included in the value of investment asset to the parent, subsidiary and associated companies</i>	422401		
other payments	4229		
<i>incl. other payments to the parent, subsidiary and associated companies</i>	422901		
Balance of cash flow from investing activities	4200	(27 566 717)	(30 284 830)
Cash flows from financing activities			
Revenues – total	4310	83 430 686	59 878 522
including:		63 382 334	41 878 522
borrowing	4311		
<i>incl. borrowing from the parent, subsidiary and associated companies</i>	431101		
owners (shareholders) deposits of cash	4312		
<i>incl. owners (shareholders) deposits of cash of the parent, subsidiary and associated companies</i>	431201		

Indicator name	Code	For 2017	For 2016
from the issue of shares, increase of percentage holding	4313		
<i>incl. from the issue of shares, increase of percentage holding of the parent, subsidiary and associated companies</i>	431301		
from the issue of bonds, drafts and other debt securities	4314	20 000 000	18 000 000
<i>incl. from the issue of bonds, drafts and other debt securities, etc. from the parent, subsidiary and associated companies</i>	431401		
other revenues	4319		
<i>incl. other revenues from the parent, subsidiary and associated companies</i>	431901		
Payments – total	4320	(82 632 649)	(56 669 239)
including:			
to the owners (shareholders) due to the repurchase of their company shares (units of interest) or their cessation of membership	4321		
<i>incl. to the owners (shareholders) due to the repurchase of their company shares (units of interest) or their cessation of membership of the parent, subsidiary and associated companies</i>	432101		
service and other payments on the appropriation of profit on the account of the owners (shareholders)	4322	(1 519 905)	(6 317 310)
<i>incl. on the service and other payments on the appropriation of profit on the account of the owners (shareholders) of the parent, subsidiary and associated companies</i>	432201	(773 704)	(3 215 805)
subsequent to the payment (protection) of bills and other debt securities, repayment of loans	4323	(81 096 618)	(50 332 118)
<i>incl. subsequent to the payment (protection) of bills and other debt securities, repayment of loans to the parent, subsidiary and associated companies</i>	432301		
other payments	4329	(16 126)	(19 811)
<i>incl. other payments to the parent, subsidiary and associated companies</i>	432901		
Balance of the cash flows from financial activities	4300	798 037	3 209 283
Balance of the cash flows for the accounting period	4400	(206 757)	389 360
Opening cash and cash-equivalent item balance	4450	589 631	200 271
Closing cash and cash-equivalent item balance	4500	382 874	589 631
Effect of exchange rate changes against ruble	4490		

Acting Chief Executive Officer _____ V.E. Ivanov _____
(signature)

Chief Accounting Officer _____ V.V. Vitinsky _____
(signature)

19 February 2018



5.1. Intangible assets

5.1.1. Existence and flow of the intangible assets

Indicator			At the beginning of year				Changes for the period								As of the end of the period			
Name	Code	Period	Initial / current market value	Accumulated depreciation	Impairment loss	Depreciated book value	Increased	Initial / current market value	Accumulated depreciation	Impairment loss	Accumulated depreciation	Impairment losses	Revaluation		Initial / current market value	Accumulated depreciation	Impairment loss	Depreciated book value
													Initial / current market value	Accumulated depreciation				
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
Intangible assets - total	5100	for 2017 (1)	1 116 700	(125 307)	-	991 393	277 117	-	-	-	(116 100)	-	-	-	1 393 817	(241 407)	-	1 152 410
	5110	for 2016 (2)	903 474	(33 582)	-	869 892	213 226	-	-	-	(91 725)	-	-	-	1 116 700	(125 307)	-	991 393
Intellectual property items (exclusive rights of intellectual property)	5101	for 2017 (1)	1 116 700	(125 307)	-	991 393	221 137	-	-	-	(116 100)	-	-	-	1 337 837	(241 407)	-	1 096 430
	5111	for 2016 (2)	903 474	(33 582)	-	869 892	213 226	-	-	-	(91 725)	-	-	-	1 116 700	(125 307)	-	991 393
including:																		
from the patent holder of the invention, design invention, utility model	51011	for 2017 (1)	24 720	(6 456)	-	18 264	20 888				(10 967)				45 608	(17 423)	-	28 185
	51111	for 2016 (2)	16 719	(5 482)		11 237	8 001				(974)				24 720	(6 456)	-	18 264
from the right holder of the computer software, databases	51012	for 2017 (1)	981 616	(100 599)	-	881 017	200 249				(104 977)				1 181 865	(200 576)	-	976 289
	51112	for 2016 (2)	776 391	(10 004)		766 387	205 225				(90 595)				981 616	(100 599)	-	881 047
from the right holder of the integrated circuit topography	51013	for 2017 (1)	-	-	-	-									-	-	-	-
	51113	for 2016 (2)				-									-	-	-	-
from the owner of a trademark, service mark, protected designation of origin	51014	for 2017 (1)	110 364	(18 252)	-	92 112					(156)				110 364	(18 408)	-	91 956
	51114	for 2016 (2)	110 364	(18 096)		92 268					(156)				110 364	(18 252)	-	92 112
Goodwill	5102	for 2017 (1)	-	-	-	-									-	-	-	-
	5112	for 2016 (2)				-									-	-	-	-
Other	5103	for 2017 (1)	-	-	-	-	55 960								55 980	-	-	55 980
	5113	for 2016 (2)				-									-	-	-	-

(1) – the accounting year is specified

(2) – the previous year is specified

5.2. Results of research, developments and technological work and intangible assets

5.2.1. Existence and flow of the R&D results

Indicator name	Code	Period	At the beginning of year		Changes for the period				At the end of the period	
			initial value	part of the cost expensed as incurred	increased	decreased		part of the cost expensed as incurred for the period	initial value	part of the cost expensed as incurred
						initial value	part of the cost expensed as incurred			
1	2	3	4	5	6	7	8	9	10	11
R&D – total	5140	for 2017 (1)	286 081	(34 791)	74 126	-	-	(61 989)	360 207	(96 780)
	5150	for 2016 (2)	-	-	286 081	-	-	(34 791)	286 081	(34 791)
of which:									-	-
The costs of R&D the results of which are used for the production needs	5141	for 2017 (1)	-	-					-	-
	5151	for 2016 (2)							-	-
Patentable results of the completed R&D	5142	for 2017 (1)	-	-					-	-
	5152	for 2016 (2)							-	-
The costs of R&D handed using own resources	5143	for 2017 (1)	-	-					-	-
	5153	for 2016 (2)							-	-
The costs of R&D handled using external companies	5144	for 2017 (1)	286 081	(34 791)	74 126			(61 989)	360 207	(96 780)
	5154	for 2016 (2)			286 081			(34 791)	286 081	(34 791)

(1) – the accounting year is specified

(2) – the previous year is specified

5.2.2. Incomplete and unexecuted R&D and incomplete operations on IA acquisition

Indicator name	Code	Period	At the beginning of year	Changes for the period			At the end of the period
				costs for the period	absorbed costs as not giving a positive result	accepted for recording as IA or R&D	
1	2	3	4	5	6	7	8
Costs of the pending research and development works – total	5160	for 2017 (1)	314 556	170 850	-	(183 193)	305 213
	5170	for 2016 (2)	475 940	135 698	-	(294 082)	317 556
including:							
Research activities	5161	for 2017 (1)	-	36 549			36 549
	5171	for 2016 (2)					-
Development activities	5162	for 2017 (1)	-	114 895			114 895
	5172	for 2016 (2)					-
Technological activities	5163	for 2017 (1)	89 812	19 406		(2 548)	106 670
	5173	for 2016 (2)	248 196	135 698		(294 082)	89 812
Other	5164	for 2017 (1)	227 744			(180 645)	47 099
	5174	for 2016 (2)	227 744				227 744
Incomplete operations on acquisition of intangible assets – total	5180	for 2017 (1)	666 094	628 574	-	(168 048)	1 126 620
	5190	for 2016 (2)	528 340	342 979	-	(205 225)	666 094
including:							
from the patent holder on the invention, design invention, utility model	5181	for 2017 (1)	-				-
	5191	for 2016 (2)					-
from the right holder of the computer software, databases	5182	for 2017 (1)	174 917	628 574		(168 048)	635 443
	5192	for 2016 (2)	37 163	342 979		(205 225)	174 917
from the right holder of the integrated circuit topography	5183	for 2017 (1)	-				-
	5193	for 2016 (2)					-
from the owner of a trademark, service mark, protected designation of origin	5184	for 2017 (1)	-				-
	5194	for 2016 (2)					-
Other	5185	for 2017 (1)	491 177				491 177
	5195	for 2016 (2)	491 177				491 177

(1) – the accounting year is specified

(2) – the previous year is specified

5.3. Fixed assets

5.3.1. Existence and flow of the fixed assets

Indicator name	Code	Period	At the beginning of year			Changes for the period							As of the end of the period		
			Initial value	Accumulated depreciation	Depreciated book value	Increased	Accumulated depreciation on admitted objects	Initial value	Accumulated depreciation	Depreciation accrued	Revaluation		Initial value	Accumulated depreciation	Depreciated book value
											Initial value	Accumulated depreciation			
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Fixed assets (excluding income yielding investments into tangible assets) – total	5200	for 2017	443 060 825	(177 916 056)	265 144 769	28 843 550	-	(564 824)	299 153	(23 946 052)	-	-	471 339 551	(201 562 955)	269 776 596
	5210	for 2016	413 338 543	(154 036 110)	259 302 433	30 528 245	-	(804 963)	305 263	(24 185 209)	-	-	443 060 825	(177 916 056)	265 144 769
including:															
Depreciable fixed assets – total	5201	for 2017	442 967 085	(177 916 056)	265 051 029	28 835 456	-	(564 824)	299 153	(23 946 052)	-	-	471 237 717	(201 562 955)	269 674 762
	5211	for 2016	413 245 766	(154 036 110)	259 209 656	30 527 282	-	(804 963)	305 263	(24 185 209)	-	-	442 967 085	(177 916 056)	265 051 029
including:															
industrial buildings	52011	for 2017	25 346 656	(5 346 350)	20 000 306	1 033 029		(27 988)	4 397	(810 777)			26 351 697	(6 152 730)	20 198 967
	52111	for 2016	24 279 482	(4 555 922)	19 723 560	1 068 924		(1 750)	954	(791 382)			25 346 656	(5 346 350)	20 000 306
Facilities, except ETL	52012	for 2017	8 441 800	(1 669 979)	6 771 821	3 100 817		(744)	613	(408 018)			11 541 873	(2 077 384)	9 464 489
	52112	for 2016	6 635 135	(1 348 463)	5 286 672	1 808 735		(2 070)	742	(322 258)			8 441 800	(1 669 979)	6 771 821
power transmission lines and equipmen	52013	for 2017	185 333 340	(43 009 289)	142 324 051	15 321 183		(1 752)	121 754	(9 048 652)			200 652 771	(51 936 187)	148 716 584
	52113	for 2016	167 746 241	(34 360 714)	133 385 527	18 283 762		(696 663)	219 127	(8 867 702)			185 333 340	(43 009 289)	142 324 051
machinery and equipment for power generation, substations, equipment for power conversion	52014	for 2017	217 172 515	(125 138 083)	92 034 432	8 831 507		(9 726)	147 477	(13 100 782)			225 994 296	(138 091 388)	87 902 908
	52114	for 2016	208 525 885	(111 603 256)	96 922 629	8 737 733		(91 103)	71 845	(13 606 672)			217 172 515	(125 138 083)	92 034 432
production and organizational inventory	52015	for 2017	249 085	(185 959)	63 126	1 634		(4 846)	4 846	(3 873)			245 873	(184 986)	60 887
	52115	for 2016	223 386	(170 390)	52 996	26 310		(611)	611	(16 180)			249 085	(185 959)	63 126
other	52016	for 2017	6 423 689	(2 566 396)	3 857 293	547 286		(519 768)	20 066	(573 950)			6 451 207	(3 120 280)	3 330 927
	52116	for 2016	5 835 637	(1 997 365)	3 838 272	601 818		(13 766)	11 984	(581 015)			6 423 689	(2 566 396)	3 857 293
Objects with unlimited useful life, not depreciable - total	5202	for 2017	93 740	-	93 740	8 094	-	-	-	-	-	-	101 834	-	101 834
	5212	for 2016	92 777	-	92 777	963	-	-	-	-	-	-	93 740	-	93 740
including:															
plots of land	52021	for 2017	93 740	-	93 740	8 094							101 834	-	101 834
	52121	for 2016	92 777	-	92 777	963							93 740	-	93 740
objects of nature management	52022	for 2017	-	-	-	-							-	-	-
	52122	for 2016	-	-	-	-							-	-	-
Capital investments for fundamental improvement of lands	5203	for 2017	-	-	-	-							-	-	-
	5213	for 2016	-	-	-	-							-	-	-
Accounted for as part of income yielding investments into	5220	for 2017	-	-	-	-	-	-	-	-	-	-	-	-	-
	5230	for 2016	-	-	-	-	-	-	-	-	-	-	-	-	-

Indicator name	Code	Period	At the beginning of year			Changes for the period							As of the end of the period		
			Initial value	Accumulated depreciation	Depreciated book value	Increased	Accumulated depreciation on admitted objects	Initial value	Accumulated depreciation	Depreciation accrued	Revaluation		Initial value	Accumulated depreciation	Depreciated book value
											Initial value	Accumulated depreciation			
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
tangible assets – total															
including:															
property subject to lease	5221	for 2017	-	-	-								-	-	-
	5231	for 2016											-	-	-
property provided under lease agreement	5222	for 2017	-	-	-								-	-	-
	5232	for 2016											-	-	-

(1) – the accounting year is specified

(2) – the previous year is specified

5.3.2. Useful lives and depreciation methods

Indicator name	Code	Specified useful life (in months)	Depreciation methods
1	2	3	4
Industrial buildings	7001	374	straight-line method
Facilities, except ETL	7002	286	straight-line method
Power transmission lines and equipment for them	7003	273	straight-line method
Machinery and equipment for power generation, substations, equipment for power conversion	7004	180	straight-line method
Production and organizational stock	7005	52	straight-line method
Other	7006	78	straight-line method

5.3.3. Change in value of fixed assets as a result of further construction, equipping, reconstruction and partial dismantlement

Indicator name	Code	For 2017	For 2016
1	2	3	4
Increase in value of fixed assets as a result of further construction, equipping, reconstruction – total	5260	8 782 830	8 041 334
including:			
industrial buildings	5261	728 523	458 401
facilities, except ETL	5262	123 759	16 605
power transmission lines and equipment for them	5263	6 640 393	6 651 343
machinery and equipment for power generation, substations, equipment for power conversion	5264	1 290 155	914 889
production and organizational stock	5265		
other	5266		96
Decrease in value of fixed assets as a result of partial dismantlement – total	5270	(343 366)	(148 140)
including:			
industrial buildings	5271	(101)	
facilities, except ETL	5272		
power transmission lines and equipment for them	5273	(289 460)	(140 217)
machinery and equipment for power generation, substations, equipment for power conversion	5274	(53 805)	(7 923)
production and organizational stock	5275		
other	5276		

5.3.4. Other use of fixed assets

Indicator name	Code	2017 year ended <u>December 31</u> (1)	2016 year ended <u>December 31</u> (2)	2015 year ended <u>December 31</u> (3)
1	2	3	4	5
Fixed assets on the balance sheet subject to lease	5280			
Fixed assets off the balance sheet subject to lease	5281			
Fixed assets on the balance sheet subject to capital lease	5282			
Fixed assets off the balance sheet subject to capital lease	5283	23 687 378	22 641 855	21 771 298
items of immovable property accepted for use and actually used, being in the state registration process	5284	11 236 759	11 113 016	9 953 973
Fixed assets transferred to conservation	5285			
Other use of fixed assets (charge, etc.)	5286			

(1) – the accounting date is specified

(2) – the previous year is specified

(3) – the year preceding the previous is specified

5.3.5. In-progress capital investments

Indicator name	Code	Period	At the beginning of year	Changes for the period			As of the end of the period
				period costs	written off	accepted as fixed assets or the value increased	
Unfinished construction and incomplete operations on acquisition, modernization, etc. of fixed assets – total	5240	for 2017 (1)	32 431 686	34 648 878	(198 392)	(32 697 981)	34 184 191
	5250	for 2016 (2)	28 280 384	35 828 121	(2 020 474)	(29 656 345)	32 431 686
including:							
Production	5241	for 2017 (1)	32 431 686	34 648 878	(198 392)	(32 697 981)	34 184 191
	5242	for 2016 (2)	28 280 384	35 828 121	(2 020 474)	(29 656 345)	32 431 686
construction in-progress	52411	for 2017 (1)	30 108 995	30 063 944	(132 610)	(28 104 278)	31 936 051
	52511	for 2016 (2)	27 576 817	30 473 320		(27 941 142)	30 108 995
acquisition of fixed assets	52412	for 2017 (1)	-	739 273		(739 273)	-
	52512	for 2016 (2)		1 715 203		(1 715 203)	-
equipment to be installed	52413	for 2017 (1)	2 322 691	3 845 661	(65 782)	(3 854 430)	2 248 140
	52413	for 2016 (2)	703 567	3 639 598	(2 020 474)		2 322 691
other	51414	for 2017 (1)	-				-
	51514	for 2016 (2)					-
Non-production	5242	for 2017 (1)	-	-	-	-	-
	5252	for 2016 (2)	-	-	-	-	-
construction in-progress	52421	for 2017 (1)	-				-
	52521	for 2016 (2)					-
acquisition of fixed assets	52422	for 2017 (1)	-				-
	52522	for 2016 (2)					-
equipment to be installed	52423	for 2017 (1)					
	52423	for 2016 (2)					
other	51424	for 2017 (1)	-				-
	51524	for 2016 (2)					-

5.3.6. Advances issued for capital construction purposes and for purchasing fixed assets

Indicator name	Code	Period	At the beginning of year		Changes for the period							As of the end of the period	
			accounted for under the terms of the contract	amount of provisions for doubtful debts	additions			replacement				accounted for under the terms of the contract	amount of provisions for doubtful debts
					as a result of accounting transactions (amount of transaction debt)	other accruals	provisions accrual	payment	allocation of account of previously accrued provisions	allocation on profit or loss	allowance recovery		
1	2	3	4		6	7						13	
Advances issued for capital construction	5291	for 2017 (1)	547 229	(289 734)	59 285	-	-	(200 482)	-	-	-	406 032	(289 734)
	5292	for 2016 (2)	636 519	(289 734)	261 680	-	(75 300)	(275 670)	(75 300)	-	-	547 229	(289 734)
including:													
<i>capital construction</i>	52911	for 2017 (1)	547 229	(289 734)	30 796			(200 482)				377 543	(289 734)
	52921	for 2016 (2)	636 519	(289 734)	261 680		(75 300)	(275 670)	(75 300)			547 229	(289 734)
<i>acquisition of fixed assets</i>	52912	for 2017 (1)	-	-	28 489							28 489	-
	52922	for 2016 (2)										-	-
<i>Others</i>	52913	for 2017 (1)	-	-								-	-
	52923	for 2016 (2)										-	-

5.4. Financial assets

5.4.1. Existence and flow of financial assets

Indicator name	Code	Period	At the beginning of year		Changes for the period					As of the end of the period	
			initial value	accumulated correction	increased	decreased (repaid)		accrual of interest (incl. bringing the initial value to the nominal)	current market value (impairment losses)	initial value	accumulated correction
						initial value	accumulated correction				
1	2	3	4	5	6	7	8	9	10	11	12
Financial fixed assets – total	5301	for 2017 (1)	4 350 130	(286 984)	-	(117 208)	-	-	(34 997)	4 232 922	(321 981)
	5311	for 2016 (2)	4 577 845	(132 390)	-	(227 715)	-	-	(154 594)	4 350 130	(286 984)
Contributions to the equity (joint) capital of other entities – total	53021	for 2017 (1)	4 093 149	(286 984)	-	-	-	-	(34 997)	4 093 149	(321 981)
	53121	for 2016 (2)	4 093 149	(132 390)	-	-	-	-	(154 594)	4 093 149	(286 984)
including:											
subsidiary business companies	530211	for 2017 (1)	4 093 149	(286 984)					(34 997)	4 093 149	(321 981)
	531211	for 2016 (2)	4 093 149	(132 390)					(154 594)	4 093 149	(286 984)
dependent business companies	530212	for 2017 (1)	-	-						-	-
	531212	for 2016 (2)								-	-
other	530213	for 2017 (1)	-	-						-	-
	531213	for 2016 (2)								-	-
Federal and municipal securities	53022	for 2017 (1)	-	-						-	-
	53122	for 2016 (2)								-	-
Securities of other companies	53023	for 2017 (1)	256 981	-		(117 208)				139 773	-
	53123	for 2016 (2)	484 696	-		(227 715)				256 981	-
including:											
debt securities (debentures, notes)	530231	for 2017 (1)	256 981	-		(117 208)				139 773	-
	531231	for 2016 (2)	484 696	-		(227 715)				256 981	-
Loans granted	53024	for 2017 (1)	-	-						-	-
	53124	for 2016 (2)								-	-
Certificates of deposit	53025	for 2017 (1)	-	-						-	-
	53125	for 2016 (2)								-	-
Other	53026	for 2017 (1)	-	-						-	-
	53126	for 2016 (2)								-	-
Financial fixed assets with current market value – total	5302	for 2017 (1)	-	-	-	-	-	-	-	-	-
	5312	for 2016 (2)	-	-	-	-	-	-	-	-	-
Contributions to the equity (joint) capital of other entities – total	53031	for 2017 (1)	-	-	-	-	-	-	-	-	-
	53131	for 2016 (2)	-	-	-	-	-	-	-	-	-
including:											
subsidiary business companies	530311	for 2017 (1)	-	-						-	-
	531311	for 2016 (2)								-	-
dependent business companies	530312	for 2017 (1)	-	-						-	-
	531312	for 2016 (2)								-	-
other	530313	for 2017 (1)	-	-						-	-
	531313	for 2016 (2)								-	-
Federal and municipal securities	53032	for 2017 (1)	-	-						-	-
	53132	for 2016 (2)								-	-
Securities of other companies	53033	for 2017 (1)	-	-						-	-
	53133	for 2016 (2)								-	-
including:											
debt securities (debentures, notes)	530331	for 2017 (1)	-	-						-	-
	531331	for 2016 (2)								-	-
Other	53034	for 2017 (1)	-	-						-	-
	53134	for 2016 (2)								-	-
Financial fixed asset without current market value – total	5303	for 2017 (1)	4 350 130	(286 984)		(117 208)			(34 997)	4 232 922	(321 981)
	5313	for 2016 (2)	4 577 845	(132 390)		(227 715)			(154 594)	4 350 130	(286 984)

5.4. Financial assets

5.4.1. Existence and flow of financial assets (continuation)

Indicator name	Code	Period	At the beginning of year		Changes for the period					As of the end of the period	
			initial value	accumulated correction	increased	decreased (repaid)		accrual of interest (incl. bringing the initial value to the nominal)	current market value (impairment losses)	initial value	accumulated correction
						initial value	accumulated correction				
1	2	3	4	5	6	7	8	9	10	11	12
Financial receivables - total	5305	for 2017 (1)	468 747	(468 747)	-	-	-	-	-	468 747	(468 747)
	5315	for 2016 (2)	468 747	(468 747)	-	-	-	-	-	468 747	(468 747)
Contributions to the equity capital of other companies – total	53061	for 2017 (1)	-	-						-	-
	53161	for 2016 (2)								-	-
Federal and municipal securities	53062	for 2017 (1)	-	-						-	-
	53162	for 2016 (2)								-	-
Securities of other companies – total	53063	for 2017 (1)	468 747	(468 747)						468 747	(468 747)
	53163	for 2016 (2)	468 747	(468 747)						468 747	(468 747)
including:											
debt securities (debentures, notes)	530631	for 2017 (1)	468 747	(468 747)						468 747	(468 747)
	531631	for 2016 (2)	468 747	(468 747)						468 747	(468 747)
Loans granted	53064	for 2017 (1)	-	-						-	-
	53164	for 2016 (2)								-	-
Certificates of deposit	53065	for 2017 (1)	-	-						-	-
	53165	for 2016 (2)								-	-
Other	53066	for 2017 (1)	-	-						-	-
	53166	for 2016 (2)								-	-

Indicator name	Code	Period	At the beginning of year		Changes for the period					As of the end of the period	
			initial value	accumulated correction	increased	decreased (repaid)		accrual of interest (incl. bringing the initial value to the nominal)	current market value (impairment losses)	initial value	accumulated correction
						initial value	accumulated correction				
1	2	3	4	5	6	7	8	9	10	11	12
Financial receivables with current market value – total	5306	for 2017 (1)	-	-	-	-	-	-	-	-	-
	5316	for 2016 (2)	-	-	-	-	-	-	-	-	-
Contributions to the equity capital of other companies – total	53071	for 2017 (1)	-							-	-
	53171	for 2016 (2)								-	-
Federal and municipal securities	53072	for 2017 (1)	-							-	-
	53172	for 2016 (2)								-	-
Securities of other companies – total	53073	for 2017 (1)	-							-	-
	53173	for 2016 (2)								-	-
including:											
debt securities (debentures, notes)	530731	for 2017 (1)	-							-	-
	531731	for 2016 (2)								-	-
Other	53074	for 2017 (1)	-							-	-
	53174	for 2016 (2)								-	-
Financial receivables without current market value – total	53075	for 2017 (1)	468 747	(468 747)						468 747	(468 747)
	53175	for 2016 (2)	468 747	(468 747)						468 747	(468 747)
Financial assets - total	53076	for 2017 (1)	4 818 877	(755 731)	-	(117 208)	-	-	(34 997)	4 701 669	(790 728)
	53176	for 2016 (2)	5 046 592	(601 137)	-	(227 715)	-	-	(154 594)	4 818 877	(755 731)

5.4.2. Assessment adjustment of financial assets

Index		At the beginning of year	Changes for the period			As of the end of the period
Name	Code		Increase	Decrease	Replacement due to withdrawal of financial assets	
1	2	3	4	5	6	7
Financial fixed assets	7100	(286 984)	(173 704)	138 707	-	(321 981)
Difference between the current market value of financial assets and the previous value	7110	-	-	-	-	-
<i>including:</i>						
Contributions to the equity (joint) capital of other companies – total	7111	-	-	-	-	-
<i>including:</i>						
subsidiary business companies	71111					-
dependent business companies	71112					-
other	71113					-
Federal and municipal securities	7112					-
Securities of other companies – total	7113					-
<i>including:</i>						
debt securities (debentures, notes)	71131					-
Other	7114					-
Difference between the current value of debt securities and their initial value	7120	-	-	-	-	-
<i>including:</i>						
Securities of other companies – total	7121					-
<i>including:</i>						
debt securities (debentures, notes)	71211					-
Other	7122					-
Provision for impairment of financial assets without a market value	7130	(286 984)	(173 704)	138 707	-	(321 981)
<i>including:</i>						
Contributions to the equity (joint) capital of other companies – total	7131	(286 984)	(173 704)	138 707	-	(321 981)
<i>including:</i>						
subsidiary business companies	71311	(286 984)	(173 704)	138 707		(321 981)
dependent business companies	71312					-
other	71313					-
Federal and municipal securities	7132					-
Securities of other companies – total	7133					-
<i>including:</i>						
debt securities (debentures, notes)	71331					-
Loans granted	7134					-
Certificates of deposit	7135					-
Other	7136					-

Index		At the beginning of year	Changes for the period			As of the end of the period
Name	Code		Increase	Decrease	Replacement due to withdrawal of financial assets	
1	2	3	4	5	6	7
Financial receivables	7200	(468 747)	-	-	-	(468 747)
Difference between the current market value of financial assets and the previous value according which it was estimated	7210	-	-	-	-	-
<i>including:</i>						
Contributions to the equity (joint) capital of other companies – total	7211	-	-	-	-	-
<i>including:</i>						
subsidiary business companies	72111					-
dependent business companies	72112					-
other	72113					-
Securities of other companies – total	7212					-
<i>including:</i>						
debt securities (debentures, notes)	72121					-
Other	7213					-
Difference between the current value of debt securities and their initial value	7220	-	-	-	-	-
<i>including:</i>						
Securities of other companies – total	7221					-
<i>including:</i>						
debt securities (debentures, notes)	72211					-
Other	7222					-
Provision for impairment of financial assets without a market value	7230	(468 747)	-	-	-	(468 747)
<i>including:</i>						
Contributions to the equity (joint) capital of other companies – total	7231	-	-	-	-	-
<i>including:</i>						
subsidiary business companies	72311					-
dependent business companies	72312					-
other	72313					-
Federal and municipal securities	7232					-
Securities of other companies – total	7233	(468 747)				(468 747)
<i>including:</i>						
debt securities (debentures, notes)	72331	(468 747)				(468 747)
Loans granted	7234					-
Certificates of deposit	7235					-
Other	7236					-

5.4.3. Other use of financial assets

Line item	Code	2017 year ended December 31 (1)	2016 year ended December 31 (2)	2015 year ended December 31 (3)
1	2	3	4	5
Pledged financial assets	5320			
including:				
debentures	5321			
notes	5322			
stocks	5323			
Financial assets transferred to third parties (except sale) – total	5325			
including:				
debentures	5326			
notes	5327			
stocks	5328			
Other use of financial assets	5329			

- (1) – the accounting date of the reporting period is specified
- (2) – the previous year is specified
- (3) – the year preceding the previous is specified

5.5. Inventory and supplies

5.5.1. Existence and flow of the supplies

Indicator name	Code	Period	At the beginning of year		Changes for the period					As of the end of the period	
			self-cost	Provision for impairment of value	revenues and costs	Decreased		losses from the impairment of value	inventory turnover between their groups (types)	self-cost	Provision for impairment of value
						self-cost	Provision for impairment of value				
1	2	3	4	5	6	7	8	9	10	11	12
Supplies – total	5400	for 2017 (1)	3 097 060	(396 571)	19 062 668	(19 266 791)	(83 425)	456 753	x	2 892 937	(23 243)
	5420	for 2016 (2)	2 840 230	(395 468)	18 034 064	(17 777 234)	(4 263)	3 160	x	3 097 060	(396 571)
Stock & raw material	5401	for 2017 (1)	3 077 491	(396 571)	19 062 668	(19 266 791)	(83 425)	456 753		2 873 368	(23 243)
	5421	for 2016 (2)	2 820 660	(395 468)	18 034 064	(17 777 233)	(4 263)	3 160		3 077 491	(296 571)
In-process production	5402	for 2017 (1)	19 569	-						19 569	-
	5422	for 2016 (2)	19 569							19 569	-
Goods delivered	5403	for 2017 (1)	-	-						-	-
	5423	for 2016 (2)								-	-
Finished products and goods	5404	for 2017 (1)	-	-						-	-
	5424	for 2016 (2)	1			(1)				-	-
Other supplies and costs	5405	for 2017 (1)	-	-						-	-
	5425	for 2016 (2)								-	-

5.5.2. Pledged inventory

Line item	Code	2017 year ended December 31 (1)	2016 year ended December 31 (2)	2015 year ended December 31 (3)
1	2	3	4	5
The inventory not paid as of reporting date – total	5440	-	-	-
including:				
stock & raw material	5441			
in-process production	5442			
goods delivered	5443			
finished products and goods	54441			
other supplies and costs	54442			
Stocks in pledge under the contract – total	5445	-	-	-
including:				
stock & raw material	5446			
goods delivered	5447			
finished products and goods	5448			
other supplies and costs	5449			

- (1) – the accounting date of the reporting period is specified
- (2) – the previous year is specified
- (3) – the year preceding the previous is specified

5.6. Accounts receivable and accounts payable

5.6.1. Existence and flow of accounts receivable

Indicator name	Code	Period	At the beginning of year		Changes for the period							As of the end of the period		
			accounted for under the terms of the contract	amount of provisions for doubtful debts	additions			payment	allocation for account of previously accrued provisions	allocation on profit or loss	allowance recovery	transfer from short-term into long-term debt	accounted for under the terms of the contract	amount of provisions for doubtful debts
					as a result of accounting transactions (amount of transaction debt)	interest payable, penalties and other accruals	provisions accrual							
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Non-current loan receivable – total	5501	for 2017 (1)	8 594 060	(4 786 061)	-	-	(3 000 465)	(275 102)	-	-	110 343	-	8 318 958	(7 676 183)
	5521	for 2016 (2)	8 715 663	(4 838 074)	-	-	-	(121 603)	-	-	52 013	-	8 594 060	(4 786 061)
including:														
settlements with buyers and customers	5502	for 2017 (1)	-	-	-	-	-	-	-	-	-	-	-	-
	5522	for 2016 (2)	-	-	-	-	-	-	-	-	-	-	-	-
including:														
<i>on electric power transmission</i>	55021	for 2017 (1)	-	-									-	-
	55221	for 2016 (2)											-	-
<i>on integration</i>	55022	for 2017 (1)	-	-									-	-
	55222	for 2016 (2)											-	-
<i>on the organization and development of UES Russia in the part of distribution power</i>	55023	for 2017 (1)	-	-									-	-
	55223	for 2016 (2)											-	-
<i>on energy and power reselling</i>	55024	for 2017 (1)	-	-									-	-
	55224	for 2016 (2)											-	-
<i>on rental revenue</i>	55025	for 2017 (1)	-	-									-	-
	55225	for 2016 (2)											-	-
<i>on other issues</i>	55026	for 2017 (1)	-	-									-	-
	55226	for 2016 (2)											-	-
Advance paid out	5503	for 2017 (1)	8 594 060	(4 786 061)			(3 000 465)	(275 102)			110 343		8 318 958	(7 676 183)
	5523	for 2016 (2)	8 715 663	(4 838 074)				(121 603)			52 013		8 594 060	(4 786 061)
Notes receivable	5504	for 2017 (1)	-	-									-	-
	5524	for 2016 (2)											-	-
Other receivables	5505	for 2017 (1)	-	-	-	-	-	-	-	-	-	-	-	-
	5525	for 2016 (2)	-	-	-	-	-	-	-	-	-	-	-	-
including:														
<i>non-interest-bearing notes</i>	55051	for 2017 (1)	-	-									-	-
	55251	for 2016 (2)											-	-
<i>Other</i>	55052	for 2017 (1)	-	-									-	-
	55252	for 2016 (2)											-	-
From the total amount of non-current loan	5506	for 2017 (1)	-	-	-	-	-	-	-	-	-	-	-	-
	5526	for 2016 (2)	-	-	-	-	-	-	-	-	-	-	-	-

Indicator name	Code	Period	At the beginning of year		Changes for the period								As of the end of the period		
			accounted for under the terms of the contract	amount of provisions for doubtful debts	additions				payment	allocation for account of previously accrued provisions	allocation on profit or loss	allowance recovery	transfer from short-term into long-term debt	accounted for under the terms of the contract	amount of provisions for doubtful debts
					as a result of accounting transactions (amount of transaction debt)	interest payable, penalties and other accruals	provisions accrual								
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
receivable:															
Debt of subsidiary companies	55061	for 2017 (1)	-	-									-	-	
	55261	for 2016 (2)											-	-	
Debt of dependent companies	55062	for 2017 (1)	-	-									-	-	
	55262	for 2016 (2)											-	-	
Short-term receivables – total	5510	for 2017 (1)	25 598 375	(3 704 024)	202 649 332	-	(1 766 944)	(204 591 254)	(231 264)	(9)	773 920	-	23 425 180	(4 465 784)	
	5530	for 2016 (2)	24 848 620	(1 508 935)	190 884 786	-	(3 130 674)	(189 783 643)	(343 125)	(8 263)	590 460	-	25 598 375	(3 704 024)	
including:															
settlements with buyers and customers	5511	for 2017 (1)	14 542 094	(848 281)	175 496 505	-	(598 655)	(176 958 094)	(6 708)	-	227	-	13 073 797	(1 440 001)	
	5531	for 2016 (2)	15 866 424	(235 089)	165 082 199	-	(725 417)	(166 405 616)	(887)	(26)	111 338	-	14 542 094	(848 281)	
including:															
<i>on electric power transmission</i>	55111	for 2017 (1)	12 860 778	(552 226)	164 525 273		(292 490)	(165 961 074)					11 424 977	(844 716)	
	55311	for 2016 (2)	13 436 398	(94 780)	151 798 936		(461 348)	(152 374 556)			3 902		12 860 778	(552 226)	
<i>on integration</i>	55112	for 2017 (1)	1 170 065	(253 715)	8 477 016		(293 224)	(8 441 054)	(2 631)		89		1 203 396	(544 219)	
	55312	for 2016 (2)	1 824 412	(128 360)	11 813 847		(230 433)	(12 468 079)	(115)		104 963		1 170 065	(253 715)	
<i>on the organization and development of UES Russia in the part of distribution power</i>	55113	for 2017 (1)	-	-									-	-	
	55313	for 2016 (2)											-	-	
<i>on energy and power reselling</i>	55114	for 2017 (1)	-	-									-	-	
	55314	for 2016 (2)											-	-	
<i>on rental revenue</i>	55115	for 2017 (1)	101 670	-	242 918			(264 233)					80 355	-	
	55315	for 2016 (2)	31 746	-	181 138			(111 214)					101 670	-	
<i>on other issues</i>	55116	for 2017 (1)	409 581	(42 340)	2 251 298		(12 941)	(2 291 733)	(4 077)		138		365 069	(51 066)	
	55316	for 2016 (2)	573 868	(11 949)	1 288 278		(33 636)	(1 451 767)	(772)	(26)	2 473		409 581	(42 340)	
Advance paid out	5512	for 2017 (1)	3 775 150	(31 149)	18 731 119		(1 254)	(19 953 922)	(260)	(9)	21		2 552 078	(32 122)	
	5532	for 2016 (2)	3 673 518	(115 205)	18 863 069		(3 152)	(18 510 403)	(51 001)	(33)	36 207		3 775 150	(31 149)	
Notes receivable	5513	for 2017 (1)	-	-									-	-	
	5533	for 2016 (2)											-	-	
debts of partners (shareholders) for contributions to authorized capital stock	5514	for 2017 (1)	-	-									-	-	
	5534	for 2016 (2)											-	-	
debts of subsidiary and associated companies for dividends	5515	for 2017 (1)	-	-									-	-	
	5535	for 2016 (2)											-	-	

Indicator name	Code	Period	At the beginning of year		Changes for the period								As of the end of the period	
			accounted for under the terms of the contract	amount of provisions for doubtful debts	additions			payment	allocation for account of previously accrued provisions	allocation on profit or loss	allowance recovery	transfer from short-term into long-term debt	accounted for under the terms of the contract	amount of provisions for doubtful debts
					as a result of accounting transactions (amount of transaction debt)	interest payable, penalties and other accruals	provisions accrual							
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Other accounts receivable	5516	for 2017 (1)	7 281 131	(2 824 594)	8 421 708	-	(1 167 035)	(7 679 238)	(224 296)	-	773 672	-	7 799 305	(2 993 661)
	5536	for 2016 (2)	5 308 678	(1 156 641)	7 139 518	-	(2 402 105)	(4 867 624)	(291 237)	(8 204)	442 915	-	7 281 131	(2 824 594)
including:														
<i>non-interest-bearing notes</i>	55161	for 2017 (1)	-	-									-	-
	55361	for 2016 (2)											-	-
<i>overpay for taxation and revenue</i>	55162	for 2017 (1)	2 468 542	-	1 530 771			(1 787 834)					2 211 479	-
	55362	for 2016 (2)			3 414 284			(945 722)					2 468 542	-
<i>asset sales</i>	55163	for 2017 (1)	-	-									-	-
	55363	for 2016 (2)											-	-
<i>Other</i>	55164	for 2017 (1)	4 812 589	(2 824 594)	6 890 937		(1 167 035)	(5 891 404)	(224 296)		773 672		5 587 826	(2 993 661)
	55364	for 2016 (2)	5 308 678	(1 156 641)	3 725 254		(2 402 105)	(3 921 902)	(291 237)	(8 204)	442 915		4 812 589	(2 824 594)
From the total amount of short-term receivables:	5517	for 2017 (1)	752 143	-	93 990	519	-	(63 189)	-	-	-	-	783 463	-
	5537	for 2016 (2)	829 801	-	10 563	3 828	-	(92 049)	-	-	-	-	752 143	-
Debt of subsidiary companies	55171	for 2017 (1)	752 143	-	93 990	519	-	(63 189)					783 463	-
	55371	for 2016 (2)	829 801	-	10 563	3 828	-	(92 049)					752 143	-
Debt of dependent companies	55172	for 2017 (1)	-	-									-	-
	55372	for 2016 (2)											-	-
TOTAL	5500	for 2017 (1)	34 192 435	(8 490 085)	202 649 332	-	(4 767 409)	(204 866 356)	(231 264)	(9)	884 263	-	31 744 138	(12 141 967)
	5520	for 2016 (2)	33 584 283	(6 345 009)	190 884 786	-	(3 130 674)	(189 905 246)	(343 125)	(8 204)	642 473	-	34 192 435	(8 490 085)

5.6.2. Provision for doubtful debts

Index		At the beginning of year	Changes for the period		As of the end of the period
Name	Code		provision creation	provision write off	
1	2	3	4	5	6
Settlements with buyers and customers	7310	848 281	598 654	(6 934)	1 440 001
including:					
<i>on electric power transmission</i>	7311	552 226	292 490		844 716
<i>on integration</i>	7312	253 715	293 233	(2 719)	544 219
<i>on the organization and development of UES in Russia in the part of distribution power</i>	7313				-
<i>on energy and power reselling</i>	7314				-
<i>on rental revenue</i>	7315				-
<i>other</i>	7316	42 340	12 941	(4 215)	51 086
Advance paid out	7330	5 140 583	3 001 719	(110 624)	8 031 678
Other account receivable	7320	2 824 594	1 167 035	(997 968)	2 993 661
Total	7300	8 813 458	4 767 408	(1 115 526)	12 465 340

5.6.3. Overdue accounts receivable

Indicator name	Code	2017 year ended December 31 (1)		2016 year ended December 31 (2)		2015 year ended December 31 (3)	
		accounted for under the terms of the contract	balance sheet value less provision for doubtful debts	accounted for under the terms of the contract	balance sheet value less provision for doubtful debts	accounted for under the terms of the contract	balance sheet value less provision for doubtful debts
1	2	3	4	5	6	7	8
Payments on which are expected to be made during 12 months after the reporting date	564	7 122 720	3 560 423	8 197 674	5 616 437	5 890 637	5 366 573
including: buyers and customers including	5641	4 497 249	3 070 826	5 473 330	5 142 314	3 244 512	3 021 372
<i>on electric power transmission</i>	56411	3 443 561	2 598 845	4 676 897	4 586 019	1 564 025	1 469 245
<i>on integration</i>	56412	944 185	413 544	796 433	556 295	1 680 487	1 552 127
<i>on the organization and development of UES in Russia in the part of distribution power</i>	56413						
<i>on energy and power reselling</i>	56414						
<i>on rental revenue</i>	56415						
<i>other</i>	56416	109 503	58 437				
Notes receivable	5642						
debts of subsidiary and associated companies for dividends	5643						
debts of partners (shareholders) for contributions to authorized capital stock	5644						
Advance paid out	5645						
Other account receivable	5646	2 625 471	489 597	2 724 344	474 123	2 646 125	2 345 201

5.6.4. Differences with sales companies

Counterparty	At the beginning of year		Changes for the period				As of the end of the period	
	Data on the Company	Data on the Counterparty	accrued during the period (debit turnover, RUB, in thousands)		Paid during the period (credit turnover, RUB, in thousands)		Data on the Company	Data on the Counterparty
			Data on the Company	Data on the Counterparty	Data on the Company	Data on the Counterparty		
1	2	3	4	5	6	7	8	9
PJSC Mosenergosbyt	8 322 388	6 275 492	148 517 149	150 551 659	148 368 219	149 368 219	8 417 318	6 973 835
LLC Regionenergocontract	5 087	5 003	91 838	91 549	92 089	92 089	4 836	4 463
LLC Energoholding	10 594	6 860	13 403	13 403			23 997	20 263
JSC Transservisenergo	1 162	1 059	15 178	13 882	14 291	14 291	2 049	650
LLC "IES Garant" Kirov branch	63 201	7 177	91 194	91 194	91 283	91 283	63 112	7 088
							-	-

5.6.5. Existence and flow of accounts payable

Indicator name	Code	Period	Opening balance	Changes for the period					Closing balance
				Additions				transfer from long-term to short-term debt	
				as a result of accounting transactions (the amount of debt under the transaction, operations)	accrued interest, penalties and other charges	payment	allocation on profit or loss		
1	2	3	4	5	6	7	8	9	10
Long-term accounts payable – total	5551	for 2017 (1)	6 577 125	4 397 925	-	(920 349)	-	(3 320 936)	6 733 765
	5571	for 2016 (2)	9 283 941	2 997 393	-	(4 949 123)	-	(755 086)	6 577 125
including:									
suppliers and contractors account payable	5552	for 2017 (1)	-	-	-	-	-	-	-
	5572	for 2016 (2)	-	-	-	-	-	-	-
including:									
<i>construction</i>	55521	for 2017 (1)	-	-	-	-	-	-	-
	55721	for 2016 (2)	-	-	-	-	-	-	-
<i>other</i>	55522	for 2017 (1)	-	-	-	-	-	-	-
	55722	for 2016 (2)	-	-	-	-	-	-	-
Other accounts payable	5553	for 2017 (1)	6 577 125	4 397 925		(920 349)		(3 320 936)	6 733 765
	5573	for 2016 (2)	9 283 941	2 997 393		(4 949 123)		(755 086)	6 577 125
From total amount of long-term debt	5554	for 2017 (1)	-	-	-	-	-	-	-
	5574	for 2016 (2)	-	-	-	-	-	-	-
<i>debts to subsidiary companies</i>	55541	for 2017 (1)							-
	55741	for 2016 (2)							-
<i>debts to associated companies</i>	55542	for 2017 (1)							-
	55742	for 2016 (2)							-
Short-term accounts payable – total	5560	for 2017 (1)	50 889 745	242 045 200	330 232	(249 638 701)	(57 707)	3 320 936	46 889 705
	5580	for 2016 (2)	50 315 164	193 204 535	385 744	(193 310 482)	(460 302)	755 086	50 889 745
including:									
Settlements with buyers and customers	5561	for 2017 (1)	20 650 077	136 988 715	-	(137 357 922)	(8 903)	-	20 271 967
	5581	for 2016 (2)	19 436 926	128 657 914	3 172	(127 433 840)	(14 095)	-	20 650 077
including:									
<i>construction</i>	55611	for 2017 (1)	10 056 849	28 732 864		(30 198 771)	(8 896)		8 582 046
	55811	for 2016 (2)	12 227 331	31 532 715	3 162	(33 695 857)	(10 502)		10 056 849
<i>other</i>	55612	for 2017 (1)	10 593 228	108 255 851		(107 159 151)	(7)		11 689 921

Indicator name	Code	Period	Opening balance	Changes for the period					Closing balance
				Additions				transfer from long-term to short-term debt	
				as a result of accounting transactions (the amount of debt under the transaction, operations)	accrued interest, penalties and other charges	payment	allocation on profit or loss		
1	2	3	4	5	6	7	8	9	10
	55812	for 2016 (2)	7 209 595	97 125 199	10	(93 737 983)	(3 593)		10 593 228
<i>Advances received</i>	5562	for 2017 (1)	27 731 748	73 947 955	-	(81 361 354)	(47 698)	3 320 936	23 591 587
	5582	for 2016 (2)	27 281 823	33 581 470	-	(33 441 416)	(445 215)	755 086	27 731 748
including:									
on electric power transmission	55621	for 2017 (1)	2 272 263	69 219 412		(71 489 978)			1 697
	55821	for 2016 (2)	7 329	28 200 342		(25 935 408)			2 272 263
<i>on integration</i>	55622	for 2017 (1)	24 995 305	3 008 348		(8 095 583)	(44 621)	3 320 936	23 184 385
	55822	for 2016 (2)	26 845 682	4 380 673		(6 540 928)	(445 208)	755 086	24 995 305
<i>on the organization and development of UES in Russia in the part of distribution power</i>	55623	for 2017 (1)	-						-
	55823	for 2016 (2)							-
<i>on energy and power reselling</i>	55624	for 2017 (1)	-						-
	55824	for 2016 (2)							-
<i>on participation in other organizations</i>	55625	for 2017 (1)	-						-
	55825	for 2016 (2)							-
<i>on rental services</i>	55626	for 2017 (1)	-	121 864		(115 190)			6 674
	55826	for 2016 (2)							-
<i>on other issues</i>	55627	for 2017 (1)	464 810	1 598 331		(1 660 603)	(3 077)		398 831
	55827	for 2016 (2)	428 812	1 000 455		(965 080)	(7)		464 180
Debts to partners (founders) for income payment	5563	for 2017 (1)	-	1 519 905		(1 480 751)			39 154
	5583	for 2016 (2)	-	6 317 310		(6 317 310)			-
bills payable	5564	for 2017 (1)	-						-
	5584	for 2016 (2)	-						-
Debt to State non-budgetary funds	5565	for 2017 (1)	212 481	3 911 696		(3 940 430)			183 747
	5585	for 2016 (2)	210 427	3 739 651	121	(3 737 718)			212 481
Settlements in respect of taxes and levies	5566	for 2017 (1)	1 702 114	6 269 785		(5 935 383)			2 036 516
	5586	for 2016 (2)	1 400 441	4 268 560	31	(3 966 918)			1 702 114
Debt to corporate staff	5567	for 2017 (1)	-	14 736 465		(14 736 465)			-
	5587	for 2016 (2)	69	14 239 033		(14 329 102)			-

Indicator name	Code	Period	Opening balance	Changes for the period					Closing balance
				Additions				transfer from long-term to short-term debt	
				as a result of accounting transactions (the amount of debt under the transaction, operations)	accrued interest, penalties and other charges	payment	allocation on profit or loss		
1	2	3	4	5	6	7	8	9	10
Other accounts payable	5568	for 2017 (1)	593 325	4 670 679	330 232	(4 826 396)	(1 106)		766 734
	5588	for 2016 (2)	1 985 478	2 310 597	382 420	(4 084 178)	(992)		593 325
From the total amount of the short-term debt	5569	for 2017 (1)	915 791	2 396 821	-	(2 798 124)	-	-	514 488
	5589	for 2016 (2)	788 983	2 986 041	-	(2 859 233)	-	-	915 791
<i>debt to subsidiary companies</i>	55691	for 2017 (1)	915 791	2 396 821		(2 798 124)			514 488
	55891	for 2016 (2)	788 983	2 986 041		(2 859 233)			915 791
<i>debt to associated companies</i>	55692	for 2017 (1)	-						-
	55892	for 2016 (2)							-
Total	5550	for 2017 (1)	57 466 870	246 443 125	330 232	(250 559 050)	(57 707)	-	53 623 470
	5570	for 2016 (2)	59 599 105	196 201 928	385 744	(198 259 605)	(460 302)	-	57 466 870

(1) – the accounting year is specified

(2) – the previous year is specified

5.6.6. Overdue accounts payable

Indicator name	Code	2017 year ended December 31 (1)	2016 year ended December 31 (2)	2015 year ended December 31 (3)
1	2	3	4	5
V. SHORT-TERM LIABILITIES				
Accounts payable		17 531 525	18 190 367	15 582 803
including: settlements with buyers and customers	5691	7 489 604	5 517 129	6 284 996
<i>including</i>				
<i>construction</i>	56911	3 066 849	2 861 429	5 259 165
<i>other</i>	56912	4 422 755	2 655 700	1 025 831
bills payable	5692			
Debt to corporate staff	5693			
Debt to State non-budgetary funds	5694			
Settlements in respect of taxes and levies	5695			
Advance received	5696	10 041 921	12 673 238	9 297 807
Debts to partners (founders) for income payment	5697			
Other account payable	5698			

5.6.7. Loans and credit lines

Line item	Code	Period	At the beginning of year	Changes for the period					At the end of the period
				additions	interest accrual	principal repayment	repayment of interest	transfer from long-term into short-term debt	
1	2	3	4	5	6	7	8	9	10
Long-term borrowed funds – total	7410	for 2017 (1)	66 314 284	103 205 927	-	(80 520 211)	-	(6 000 000)	83 000 000
	7430	for 2016 (2)	65 367 880	69 379 304	-	(45 536 329)	-	(22 896 571)	66 314 284
including:									
Credits	7411	for 2017 (1)	48 314 284	81 577 126		(76 891 410)		(11 000 000)	40 000 000
	7431	for 2016 (2)	53 387 880	51 379 304		(38 536 329)		(17 896 571)	48 314 284
Loans	7412	for 2017 (1)	18 000 000	21 628 801		(1 626 801)		5 000 000	43 000 000
	7432	for 2016 (2)	12 000 000	18 000 000		(7 000 000)		(5 000 000)	18 000 000
Short-term borrowed funds – total	7420	for 2017 (1)	16 726 908	35 211 346	7 562 727	(55 611 346)	(7 229 147)	6 000 000	2 660 488
	7440	for 2016 (2)	8 046 151	50 850 227	7 828 827	(65 146 798)	(7 748 070)	22 896 571	16 726 908
including:									
Credits	7421	for 2017 (1)	11 100 000	35 211 346		(55 611 346)		11 000 000	1 700 000
	7441	for 2016 (2)	2 531 297	50 850 227		(60 146 798)		17 865 274	11 100 000
<i>Credit interest</i>	74211	for 2017 (1)	89 005		3 942 310		(3 996 587)		34 728
	74411	for 2016 (2)	58 719		5 865 739		(5 866 750)	31 297	89 005
Loans	7422	for 2017 (1)	5 537 903		3 620 417		(3 232 560)	(5 000 000)	925 760
	7442	for 2016 (2)	5 456 135		1 963 088	(5 000 000)	(1 881 320)	5 000 000	5 537 903

(1) – the accounting year is specified

(2) – the previous year is specified

5.6.8. Expenses for loan and credit lines

Index		For long-term loan and credit lines	For short-term loan and credit lines
Name	Code		
1	2	3	4
Expenses for credits – total:	7510	3 082 595	859 715
other expenses as incurred	7511	2 212 546	617 158
included in amount of assets	7512	870 049	242 557
Expenses for loans – total:	7520	3 212 370	408 047
other expenses as incurred	7521	2 270 521	288 389
included in amount of assets	7522	941 849	119 658
From the total expenses for loan and credit lines	7530	6 294 964	1 267 763
interest accrued	7531	3 082 594	859 716
other expenses	7532	3 212 370	408 047

5.7. Contingent assets and liabilities

5.7.1. Estimated liabilities

Index		Opening balance	Recognized	Repaid	Written off as surplus amount	Closing balance
Item	Code					
1	2	3	4	5	6	7
Estimated liabilities – total:	5700	2 689 621	5 597 811	(5 939 959)	(282 554)	2 064 919
including:	5701	574 198	1 547 877	(1 461 683)	(3 819)	653 573
Payment of upcoming vacation						
Payment of remuneration year-end	5702	1 093 731	812 419	(943 272)		962 878
On repairs of fixed assets	5703					-
Work in connection with the seasonal nature of production	5704					-
product warranty liabilities and reclamation	5705					-
liquidation liabilities	5706					-
legal proceedings not completed as of reporting date	5707	612 724	2 881 021	(3 187 530)	(278 735)	27 480
claims of tax authorities on the results of tax inspection unsettled as of reporting date	5708					-
other estimated liabilities	5709	411 968	356 494	(347 474)		420 988
From the total amount of contingent liabilities:						
Formed by the expenses of ordinary activities	5710	2 527 705				
Formed by other expenses	5720	2 881 021				
Included in the asset value	5730	189 085				

5.7.2. Deferred taxes

Name	Code	Deductible temporary differences	Deferred tax assets	Taxable temporary differences	Deferred tax liabilities
1	2	3	4	5	6
Balance at the beginning of the reporting year	7700		2 335 661		7 475 762
Income	7710		654 845		
Expense	7720				1 303 404
Result of changes in tax rates	7730	X	765	X	2 450
Result of correction of errors of previous years	7740				
Permanent differences in the value of assets and liabilities	7750				
Write-off that does not produce tax consequences	7760				
Balance at the end of the reporting period	7800	-	2 991 271	-	8 781 616

5.8. Securities

Indicator		As at 31	As at 31	As at 31
Name	Code	December	December	December
1	2	2017 (1)	2016 (2)	2015 (3)
		3	4	5
Received - total	5800	2 202 849	2 946 969	2 347 935
including:	5801			
promissory notes				
property in pledge	5802	-	-	-
therefrom:	58021			
items of fixed assets				
security papers and other financial investments	58022			
other	58023			
other received	5803	2 202 849	2 946 969	2 347 935
Issued under own obligations - total	5810	-	-	-
including:	5811			
promissory notes				
pledged property	5812	-	-	-
therefrom:	58121			
items of fixed assets				
security papers and other financial investments	58122			
other	58123			
other issued	5813			

(1) – the accounting date of the reporting period is specified

(2) – the previous year is specified

(3) – the year preceding the previous is specified

5.9. Government aid

Indicator name	Code	For 2017 (1)				For 2016 (2)			
1	2	3				4			
Received budget funds - total	5900	-				-			
including:									
for current expenses	5901								
compensation for Chernobyl victims	5902								
for performance of tasks on mobilization training	5903								
for elimination of interterritorial cross-subsidization	5904								
for investments in non-current assets	5905								
for other purposes	5906								
Indicator name	Code	As at the beginning of the year	Received during the year	Returned during the year	As at the end of the year	As at the beginning of the year	Received during the year	Returned during the year	As at the end of the year
Budgetary loans - total	5910	-	-	-	-	-	-	-	-
including:									
financing preventive measures to reduce occupational injuries and diseases	5911				-				-
financing of in-depth medical examinations of workers engaged in works with harmful and (or) dangerous production factors	5912				-				-
others	5913				-				-

(1) – the accounting year is specified

(2) – the previous year is specified

5.10. Government aid for which the conditions for granting it were not met

Indicator		For 2017 (1)		For 2016 (2)	
Name	Code	To be returned	Actually returned	To be returned	Actually returned
1	2	3	4	5	6
Received budgetary funds for which the conditions for granting them were not met	7910	-	-	-	-
<i>including:</i>					
<i>for current expenses</i>	7911				
<i>compensation for Chernobyl victims</i>	7912				
<i>for performance of tasks on mobilization training</i>	7913				
<i>for elimination of interterritorial cross-subsidization</i>	7914				
<i>others</i>	7915				
Received budgetary loans for which the conditions for granting them were not met	7920	-	-	-	-
<i>including:</i>					
<i>financing preventive measures to reduce occupational injuries and diseases</i>	7921				
<i>financing of in-depth medical examinations of workers engaged in works with harmful and (or) dangerous production factors</i>	7922				
<i>others</i>	7925				

(1) – the accounting year is specified

(2) – the previous year is specified

5.11. Other income and expenses

Indicator		For 2017 (1)	For 2016 (2)
Name	Code		
1	2		
Other income - total	8000	11 211 128	7 201 979
including:			
From the sale of fixed assets, except apartments	8001	65 764	2 239
From the sale of apartments	8002		
From the sale of material and production stocks	8003	5	1 865
From the sale of currency	8004		
From the sale of intangible assets	8005		
From the sale of security papers	8006		
From the sale of other assets	8007		41 386
From joint activities	8008		
The profit of 2016, accounted in the reporting period	8009	156 652	(41 398)
The profit of 2015, accounted in the reporting period	8010	97 455	(422 764)
The profit of 2014, accounted in the reporting period	8011	12 067	(118 163)
The profit before 01.01.2014, accounted in the reporting period	8012	2 493	(51 091)
Penalties, fines and forfeits recognized or for which the court (arbitration court) decisions are received on their recovery	8013	2 494 952	730 844
Accounts payable, for which time allowed for claims has expired (more than three years)	8014	57 707	460 302
Exchange rate differences	8015	1	252
Property that is in surplus according to the inventory check	8016		871 900
Donated assets, except for fixed and intangible assets	8017	283 930	106 590
Income from donated fixed assets determined according to the established procedure	8018	3 159 576	3 873 095
Value of material assets remaining after the write-off of assets that are unfit for restoration and further use	8019	68 609	67 744
Revaluation of financial investments at current market value	8020		
Income from reduction (write-off) of the provision for doubtful debts	8021	884 262	519 979
Income from reduction (write-off) of the provision for estimated liabilities	8022	282 554	72 604
Income from reduction (write-off) of the provision for depreciation of material and production stocks	8023	456 753	3 160
Income under claim assignment agreements	8024		
Income from revealed non-contractual electricity consumption	8025	2 237 711	670 378
Insurance payments to be received	8026	273 637	258 257
Income from participation in the authorized capital of other organizations	8027		
Restoration of accounts receivable that were written off earlier	8028		
Discount on promissory notes	8029		
Compensation for difference in tariffs (budgetary financing)	8030		
Income from reduction (write-off) of the provision for depreciation of financial investments	8031	138 707	1 682
Write-up of items of fixed assets	8032		
Income from write-up of items of fixed assets which were written down earlier	8033		
Income from payment of promissory notes	8034		
Others	8035	538 293	153 118

Indicator		During 2017 (1)	During 2016 (2)
Name	Code		
1	2		
Other expenses - total	8100	(12 613 103)	(10 051 059)
including:			
From the sale of fixed assets, except for apartments	8101		
From the sale of apartments	8102		
From the sale of inventory stocks	8103		(847)
From the sale of currency	8104		
From the sale of intangible assets	8105		
From the sale of security papers	8106		
From the sale of other assets	8107	(2 447)	(43 079)
Other taxes	8108	(4 356)	(4 382)
Expenses on payment for services of banks	8109	(1 773)	(1 912)
Expenses on servicing of financial investments	8110		
Provision for doubtful debts	8111	(4 767 409)	(3 130 674)
Provision for depreciation of financial investments	8112	(173 704)	(156 276)
Provision for depreciation of material valuables	8113	(83 425)	(4 263)
Provision for discontinued operations	8114		
Provision for estimated liabilities	8115	(2 881 021)	(1 203 616)
Retirement of assets without revenue	8116	(80 452)	(36 974)
VAT on donated property	8117	(183)	(179)
Loss of 2016, accounted in the reporting period	8118	(313 646)	(1 324 658)
Loss of 2015, accounted in the reporting period	8119	(177 901)	(61 574)
Loss of 2014, accounted in the reporting period	8120	(637 350)	109 305
Loss before 01.01.2014, accounted in the reporting period	8121	(88 844)	(170 398)
Penalties, fines and forfeits recognized or for which the court (arbitration court) decisions are received on their recovery	8122	(1 134 418)	(385 480)
State duties under business contracts	8123	(37 358)	(38 638)
Revaluation of financial investments at current market value	8124		
Discount on promissory notes	8125		
Expenses under claim assignment agreements	8126		
Non-refundable VAT	8127	(158 113)	(294 262)
Expenses from revealed non-contractual electricity consumption	8128		
Contributions to associations and funds	8129		
Accounts receivable, for which time allowed for claims has expired (more than three years)	8130	(9)	(8 263)
Exchange rate differences	8331	(166)	(55)
Legal expenses	8132	(2 749)	(478)
Thefts, shortages	8133		
Costs of enforcement proceedings	8134		
Repayment of the cost of apartments of employees	8135	(53 002)	(55 952)
Other material (financial) assistance and other payments to employees	8136	(585 701)	(632 402)
Material assistance to pensioners (including lump sum payments, compensation for utility payments)	8137	(66 088)	(42 543)
Expenses for conducting of sporting events	8138	(14 239)	(15 093)
Expenses for conducting of cultural and educational events	8139	(24 887)	(20 535)
Charity expenses	8140	(105 808)	(158 395)
Cost of promissory notes that are repaid	8141		
Residual value of fixed values that are written off	8143	(243 270)	(498 948)
Write-down of items of fixed assets	8144		
Others	8145	(974 784)	(1 870 488)

5.12. Certificate on off-balance accounts' values

Indicator	Code	As at 31 December 2017 (1)	As at 31 December 2016 (2)	As at 31 December 2015 (3)
1	2	3	4	6
Leased fixed assets	8200	23 687 378	22 641 855	19 448 346
including: for leasing	82001	2 322 952	2 322 952	2 322 952
Goods and materials accepted for custody	8201			
Materials accepted for processing	8202			
Goods accepted on commission	8203			
Equipment accepted for installation	8204			
Indebtedness of insolvent debtors written off to losses	8205	1 622 813	1 439 694	999 456
Depreciation of external improvement facilities and other similar facilities	8206			
Accountable forms	8207	94	2 029	2 001
Property in federal ownership	8208			
Intangible assets received for use	8209			
Property transferred to the authorized capital in payment for acquired shares	8210			

5.13. Information on reportable segments

	Code	Name of reportable segment Moscow	Name of reportable segment Moscow Region	Name of reportable segment	Name of reportable segment	Name of reportable segment	Other segments	Total
1	2	3	4	5	6	7	8	9
Income from external purchasers	8310	75 226 110	72 145 755					147 371 865
Income from the sale between segments	8320							-
Total income of the segment	8300	75 226 110	72 145 755	-	-	-	-	147 371 865
including								-
<i>income from the transfer</i>	8301	68 815 507	69 534 979					138 350 486
<i>income from the technological connection</i>	8302	5 169 383	2 014 529					7 183 912
<i>other income</i>	8303	1 241 220	596 247					1 837 467
Interest receivable	8330	91 131	25 532					116 663
Interest payable	8340	(2 950 278)	(2 438 336)					(5 388 614)
Income tax expenses	8350	(996 310)	(509 751)					(1 506 061)
Profit/(loss) of the segment	8360	4 535 224	(1 864 531)					2 670 693
Assets of segments	8370	239 103 519	103 104 506					342 208 025
including non-current assets	8371	213 411 358	101 230 946					314 642 304
Liabilities of segments	8380	142 798 809	7 483 686					150 282 495
Depreciation of fixed and intangible assets	8390	13 266 618	10 846 514					24 113 132

Acting Chief Executive Officer _____ V.E. Ivanov

(signature)

Chief Accounting Officer _____ V.V. Vitinsky

(signature)

"19" February 2018



PUBLIC JOINT STOCK COMPANY
Moscow United Electric Grid Company

Textual Explanations to the Balance Sheet and Statement of Financial Results for 2017

These textual explanations are an integral part of the annual accounting (financial) reporting of Public Joint Stock Company Moscow United Electric Grid Company (hereinafter — the "Company") for 2017 prepared in accordance with the current legislation of the Russian Federation.

All amounts are specified in thousands of rubles, unless otherwise indicated. Negative indicators are shown in parentheses.

1. General information

Full name: Public Joint Stock Company Moscow United Electric Grid Company.

Abbreviated name: PJSC MOESK, PJSC Moscow United Electric Grid Company.

Company address: 115114, Russian Federation, Moscow, 2nd Paveletsky Passage, 3, building 2.

Date and number of state registration: April 01, 2005, No. 1057746555811.

The Company was created by reorganization of OJSC Mosenergo in the form of subdivision on the basis of the decision of the annual General Meeting of Shareholders of OJSC Mosenergo (Minutes No. 1 of June 29, 2004).

The main activities of the Company include:

- rendering services on transmission and distribution of electric energy in Moscow and the Moscow Region,
- connecting new consumers to the electric grid and increasing the capacity of existing consumers,
- other activities.

By the decision of the annual General Meeting of Shareholders of the Company of June 06, 2016 (Minutes No. 19 of 14.06.2017), LLC RSM RUS was approved as the Auditor.

The Board of Directors of the Company includes:

№ p/o	Full name	Position in the Board of Directors	Place of employment	Position as at 31.12.2017
1.	Livinsky Pavel Anatolievich	Chairman of the executive board	PJSC Rosseti	CEO, Chairman of the executive board
2.	Budargin Oleg Mikhailovich	Member of the Board of Directors		
3.	Gavrilenko Anatoly Anatolyevich	Member of the Board of Directors	CJSC Leader (Pension fund asset management company)	Chief Executive Officer
4.	Grischenko Sergey Valentinovich	Member of the Board of Directors	Bank GPB (JSC)	Deputy Head of the Direct Investments Department
5.	Demin Andrey Alexandrovich	Member of the Board of Directors	PJSC Rosseti	Member of the Executive Board
6.	Isaev Oleg Yurievich	Member of the Board of Directors	PJSC MRSK Central	Chief Executive Officer
7.	Kravchenko Vyacheslav Mikhailovich	Member of the Board of Directors	Ministry of Energy of the Russian Federation	Deputy Minister of Energy of the Russian Federation
8.	Lebedev Sergey Yurievich	Member of the Board of Directors	PJSC Rosseti	Director of the Department of Strategic Development
9.	Logovinsky Evgeny Ilyich	Member of the Board of Directors	NON-STATE PENSION FUND GAZFOND	Vice President - Chief Financial Officer

№ p/o	Full name	Position in the Board of Directors	Place of employment	Position as at 31.12.2017
10.	Nikitin Sergey Alexandrovich	Member of the Board of Directors	CJSC Leader (Pension fund asset management company)	Deputy Director General - Head of Corporate Control Department
11.	Nuzhdov Alexey Viktorovich	Member of the Board of Directors	CJSC Leader (Pension fund asset management company)	Deputy Director General for Investments and Interaction with Government Agencies
12.	Petukhov Konstantin Yurievich	Member of the Board of Directors	PJSC Rosseti	Deputy General Director for Development and Implementation of Services
13.	Sinyutin Petr Alekseyevich	Member of the Board of Directors	PJSC MOESK	Chief Executive Officer, Chairman of the Executive Board

The Board of Directors of the Company includes:

№ p/o	Full name	Place of employment	Position as at 31.12.2017
1.	Sinyutin Petr Alekseyevich	PJSC MOESK	Chief Executive Officer, Chairman of the Executive Board
2.	Budyko Mark Leonidovich	PJSC MOESK	Deputy General Director for Logistics and Material and Technical Support
3.	Vologin Andrey Viktorovich	PJSC MOESK	Director of Branch Moscow Electrical power Networks
4.	Ezhokin Mikhail Anatolievich	PJSC MOESK	Director of PJSC MOESK Branch South Electrical power Networks
5.	Filin Aleksandr Valentinovich	PJSC MOESK	First Deputy Director General for Corporate Protection and Corruption Prevention
6.	Myasnikov Vladimir Yurievich	PJSC MOESK	First Deputy Director General for Financial and Economic Activities and Corporate Management
7.	Ivanov Vsevolod Evgenyevich	PJSC MOESK	First Deputy Director General - Chief Engineer
8.	Pyatigor Aleksandr Mikhaylovich	PJSC MOESK	Deputy Director General for Technological Connection and Service Development
9.	Starostin Aleksey Sergeyevich	PJSC MOESK	Deputy General Director for Corporate Management and Property Relations
10.	Saltykov Sergey Vladimirovich	PJSC MOESK	Deputy Director General for Transport and Power Recording

The Revision Commission is comprised of:

No.	Full name	Position in the Revision Commission	Place of employment	Position as at 31.12.2017
1.	Zadorozhnaya Angelika Aleksandrovna	Chairperson of the Revision Commission	PJSC Rosseti	Head of the Internal Audit Office
2.	Kabizskina Elena Aleksandrovna	Member of the Revision Commission	PJSC Rosseti	Deputy Head of the Audit activities Office of the Control and Audit Department
3.	Medvedeva Oksana Alekseevna	Member of the Revision Commission	PJSC Kubanenergo	Chief Expert of the Audit activities Office of the Control and Audit Department

4.	Kirillov Artem Nikolaevich	Member of the Revision Commission	PJSC Rosseti	Deputy Head of the Audit activities Office of the Control and Audit Department
5.	Erandina Elena Stanislavovna	Member of the Revision Commission	PJSC Rosseti	Chief Expert of the Control and Expert Office of the Control and Audit Department

As of December 31, 2017 the Company has the following branches in its structure:

1. South Electric Grids.
2. East Electric Grids.
3. North Electric Grids.
4. West Electric Grids.
5. Moscow Cable Networks.
6. Energouchet.
7. New Moscow.
8. Moscow High-Voltage Networks.

Information on branch organizations of the Company is presented in the table:

Name	Place of incorporation	Scope of activity	Share of participation of the Company
JSC Moskabelsetmontazh (JSC MKSM)	115088, Moscow, Yuzhnoportovaya str., 17, bld. 3	Construction and installation works (including works on installation of external engineering networks and equipment, laying of cable power lines of 1-10, 20, 35, 110, 220 and 500 kV; preparation of the construction site and excavation works; erection of load-bearing and enclosing structures; installation of internal engineering networks; works on protection of structures and equipment; commissioning works).	100%
JSC Plant for Repair of Electrical Equipment (JSC Plant RETO)	Moscow, Starokashirskoye highway, 4a	Installation, adjustment and repair of power facilities, electric power, heat power equipment and power installations of consumers; works on capital and current repair of power electrical equipment in power networks, at CHPP, GRES and other facilities.	100%
JSC Moskabelenergoremont (JSC MKER)	111539, Moscow, Reutovskaya, 7B	Installation, adjustment and repair of power facilities, electric power, heat power equipment and power installations of consumers.	100%
JSC Energocenter	142117, Moscow Region, Podolsk, Kirova str., 65	Investment activities; provision of services of connection to electric grids; development of electric grids and other electric grid facilities including design, engineering surveys, construction, reconstruction, technical re-equipment, installation and commissioning.	100%

2. Principal provisions of accounting policy

In the reporting period, the Company had a financial and tax accounting policy approved by the order of the General Director No. 1591 of 31.12.2016. In 2017, changes of the accounting policy of the Company for financial accounting purposes were made by order of PJSC MOESK No. 1111 of 25.09.2017. No changes of the accounting policy of the Company for tax accounting purposes were made.

2.1. Regulatory framework

The Company's financial report is formed based on the financial and tax accounting and reporting rules that are in force in the Russian Federation, in particular:

1. Federal Law No. 402-FZ of 06.12.2011 "On Accounting";
2. Regulation on financial accounting and reporting in the Russian Federation, approved by order of the Ministry of Finance of Russia No. 34n of 29.07.1998;
3. Regulation on financial accounting No. 1/2008 "Accounting policy of the enterprise", approved by order of the Ministry of Finance of Russia No. 106n of 06.10.2008;
4. Regulation on financial accounting No. 2/2008 "Accounting for construction contracts", approved by order of the Ministry of Finance of Russia No. 116n of 24.10.2008;
5. Regulation on financial accounting No. 3/2006 "Accounting for assets and liabilities whose value is denominated in foreign currency", approved by order of the Ministry of Finance of Russia No.154n of 27.11.2006;
6. Regulation on financial accounting No. 4/99 "Financial reporting of the organization", approved by order of the Ministry of Finance of Russia No. 43n of 06.07.1999;
7. Regulation on financial accounting No. 5/01 "Stock accounting", approved by order of the Ministry of Finance of Russia No. 44n of 09.06.2001;
8. Regulation on financial accounting No. 6/01 "Accounting for fixed assets", approved by order of the Ministry of Finance of the Russian Federation No. 26n of 30.03.2001;
9. Regulation on financial accounting No. 7/98 "Events after the reporting date", approved by order of the Ministry of Finance of the Russian Federation No. 56n of 25.11.1998;
10. Regulation on financial accounting No. 8/10 "Estimated liabilities, contingent liabilities and contingent assets", approved by order of the Ministry of Finance of the Russian Federation No. 167n of 13.12.2010;
11. Regulation on financial accounting No. 9/99 "Incomes of the organization", approved by order of the Ministry of Finance of Russia No. 32n of 06.05.1999;
12. Regulation on financial accounting No. 10/99 "Expenses of the organization", approved by order of the Ministry of Finance of the Russian Federation No. 33n of 06.05.1999;
13. Regulation on financial accounting No. 11/2008 "Information on related parties", approved by order of the Ministry of Finance of Russia No. 48n of 29.04.2008;
14. Regulation on financial accounting No. 12/2010 "Information on segments", approved by order of the Ministry of Finance of Russia No. 143n of 08.11.2010;
15. Regulation on financial accounting No. 13/2000 "Accounting for state aid", approved by order of the Ministry of Finance of the Russian Federation No. 92n of 16.10.2000;
16. Regulation on financial accounting No. 14/2007 "Accounting for intangible assets", approved by order of the Ministry of Finance of the Russian Federation No. 153n of 27.12.2007;
17. Regulation on financial accounting No. 15/2008 "Accounting for expenses on loans and credits", approved by order of the Ministry of Finance of Russia No. 107n of 16.10.2008;
18. Regulation on financial accounting No. 16/02 "Information on discontinued operations", approved by order of the Ministry of Finance of Russia No. 66n of 02.07.2002;
19. Regulation on financial accounting No. 17/02 "Accounting for expenses for research, development and technological works", approved by order of the Ministry of Finance of Russia No. 115n of 19.11.2002;
20. Regulation on financial accounting No. 18/02 "Accounting for income tax payments", approved by order of the Ministry of Finance of Russia No. 114n of 19.11.2002;
21. Regulation on financial accounting No. 19/02 "Accounting for financial investments", approved by order of the Ministry of Finance of the Russian Federation No. 126n of 10.12.2002;
22. Regulation on financial accounting No. 20/03 "Information on participation in joint activities", approved by order of the Ministry of Finance of Russia No. 105n of 24.11.2003;

23. Regulation on financial accounting No. 21/2008 "Changes in estimated values", approved by order of the Ministry of Finance of Russia No. 106n of 06.10.2008;
24. Regulation on financial accounting No. 22/2010 "Correction of errors in financial accounting and reporting", approved by order of the Ministry of Finance of Russia No. 63n of 28.06.2010;
25. Regulation on financial accounting No. 23/11 "Statement of cash flows", approved by order of the Ministry of Finance of the Russian Federation No. 11n of 02.02.2011;
26. Regulation on financial accounting No. 24/11 "Accounting for costs of development of natural resources", approved by order of the Ministry of Finance of Russia No. 125n of 06.10.2011;
27. Regulation on financial accounting of long-term investments, approved by letter of the Ministry of Finance of the Russian Federation No. 160 of 30.12.1993;
28. Order No. 66n of 02.07.2010 "On the forms of financial reporting of organizations";
29. Other current Russian rules (standards) of financial accounting;
30. Tax, labor, land and other regulations of the Russian Federation.

2.2. Intangible assets

Intangible assets are accepted for accounting at their original cost. The original cost of intangible assets is determined as the amount calculated in monetary terms equal to the amount of payment in monetary and other form or the amount of accounts payable, paid or accrued by the organization upon acquisition or creation of an asset and provision of conditions for using the asset for intended purposes.

The original cost of intangible assets received under contracts providing for the performance of obligations (payment) by non-monetary assets is determined based on the value of the assets transferred or to be transferred. If it is not possible to determine the value of assets transferred or to be transferred under such contracts, the cost of the intangible assets received is established based on the price at which similar intangible assets are acquired in comparable circumstances.

The original cost of an intangible asset at which it is accepted for accounting is not changed and revaluation of the cost of intangible assets is not made.

Depreciation of intangible assets with a certain term of useful life is made in a linear way, based on the term of useful life of intangible assets. The term of useful life is specified by the commission of the Company, which is created by an order of the Chief Executive Officer of the Company.

Depreciation charges on intangible assets are reflected in the accounting for the reporting period to which they relate and are charged regardless of the results of the Company's activities in the reporting period.

The terms of useful life of intangible assets for depreciation purposes:

Intangible assets	Terms of useful life, months
Trade mark	102
Patent for the Device for Restriction of Transient Recovery Voltages in Circuits with Current-Limiting Reactions	120
Patent for the Simulation Device for Determining the Installation Locations of Reactive Power Compensation Equipment in General Purpose Electrical Networks	120
Automated management system for corporate finance and contracts PJSC MOESK	120
Automated system of visual management reporting for the financial and economic block of PJSC MOESK	120
Automated management system for financial and economic activities of PJSC MOESK	120
Patent No. 155569 dated 18.09.2015 for utility model "Device for automatic voltage regulation of a transformer"	120
Patent No. 154190 dated 21.07.2015 for utility model "Device for charging of public electric transport"	120
Certificate of state registration of the computer program № 2015613699 dated 18.09.2015 "Program for calculating the settings of devices for automatic voltage regulation of electrical network transformers"	120
Patent No. 155427 dated 11.09.2015 for utility model "Device for charging of public	

electric transport"	120
Software complex for technological control of charging stations	98
Patent No. 130459 for utility model "Charging station for electric transport"	101
Automated management system for investment activities of PJSC MOESK in the field of capital construction	120
Patent No. 2574819 for utility model "System of automatic reduction of voltage drop"	216
Patent No. 165635 for utility model "Device for automatic restarting of aerial cable electricity transmission line"	108
Automated system of economic evaluation of the application on contracting PJSC MOESK	120
Patent No. 2631873 dated 28.09.2017 for invention "Management system of stress regime in power distribution network"	228
Map material with coordinate referencing of location of urban construction sites with the possibility of plotting electric network objects of Moscow cable network - PJSC MOESK branch – and with the possibility of further use in geographic information system	60
Support programme of preparation process of specification requirements on technological connection of power supply up to 150 kW in Moscow cable network - PJSC MOESK branch – and integration with automated system of financial and economic management (Programme of preparation process of specification requirements on technological connection of power supply up to 150 kW in Moscow cable network). Certificate of state registration of the program for electronic data processing machine № 2015615544 dated 20.05.2015	60
Automated system of property management PJSC MOESK	120
Automated system of budget management PJSC MOESK	120

2.3. Fixed assets

Items of fixed assets are accepted for accounting at their original cost. The original cost of fixed assets purchased for a fee is treated as the amount of actual costs of acquisition, construction and manufacturing, excluding value added tax and other reimbursable taxes (except for cases provided for by the legislation of the Russian Federation).

Actual costs of acquisition, construction and manufacturing of fixed assets are costs that are directly connected with acquisition, construction and manufacturing of the item of fixed assets. The costs are included in the original value of the item of fixed assets for the intended purpose. In case if they are related to several items, their value is pro rate to the item cost.

The property received by the Company under contracts that provide for performance of obligations (payment) by non-monetary assets is valued based on the cost of the values transferred or to be transferred to the Company. The cost of the values transferred or to be transferred to the Company is determined in receipts in cash from asset disposal of the similar property by the Company during the same reporting period. If there is no possibility of asset disposal of the similar property, the evaluation of values transferred or to be transferred is made on the assumption of market value of transferred property.

If it is not possible to determine the cost of values transferred or to be transferred, the cost of the fixed assets received under contracts that provide for performance of obligations (payment) by non-monetary assets is determined based on the cost at which similar items of fixed assets are acquired in comparable circumstances.

Acquired items of fixed assets, the rights to which are subject to state registration, are accepted for accounting as fixed assets on the date of operational readiness regardless the fact of state registration of proprietary right or submission of documents on such registration.

Fixed assets valued at no more 40 000 rubles per unit are reflected in financial accounting reporting in material and production stocks.

Change of the original cost of the fixed assets, at which they are accepted for accounting, is allowed in cases of further construction, further equipping, reconstruction, modernization, partial liquidation and revaluation of items of the fixed assets.

The fixed assets, the rights to which are subject to state registration in accordance with the legislation of the Russian Federation, and for which capital investments are completed, the relevant primary accounting documents for delivery acceptance are processed, the documents are submitted for state registration and which are actually in operation, are accepted for accounting as fixed assets with allocation to a separate sub-account for the account of fixed assets. For such items, depreciation is charged per standard procedure from the first day of the month following the month of the commissioning of the item.

The Company revalues the fixed assets not more often than once a year (at the end of the reporting year) at current (replacement) cost in respect of the following groups of fixed assets: "Power Machines and Equipment".

The revaluation of the group of homogeneous items of fixed assets "Power Machines and Equipment" is made in accordance with the procedure established by the legislation of the Russian Federation at the end of the reporting year, based on the relevant administrative document of the Chief Executive Officer of the Company, in case if based on the results of conducted assessment, the cumulative deviation from the original cost is more than 10 percent. Revaluation of items of the fixed assets of the Company is carried out by independent appraisers.

The amount of write-down of an item of the fixed assets due to revaluation is classified in the financial results as other expenses. The amount of write-down of an item of the fixed assets, implemented within the limits of write-up carried out in previous reporting periods and allocated to the additional capital of the organization, is reflected as reduction of the additional capital.

The amount of write-up of an item of the fixed assets due to revaluation is allocated to the additional capital of the organization. The amount of write-up of the item of the fixed assets equal to the amount of its write-down performed in previous reporting periods and allocated in the financial results to other expenses is included into the financial results as other incomes.

In case of retirement of an item of the fixed assets, the amount of its write-up is transferred from the additional capital of the organization to the unallocated income of the organization.

Depreciation on items of the fixed assets is made in a linear way. The terms of useful life of fixed assets used to calculate depreciation are as follows:

Groups of fixed assets	Terms of useful life, months
Production buildings	374
Constructions, except for power transmission lines	286
Power transmission lines and equipment for them	273
Machinery and equipment for electricity production, substations, equipment for electricity conversion	180
Production and organizational stock	52
Others	78

The fixed assets are recorded in the reporting at their residual value.

2.4. Material and production stocks

The following assets are accepted as the material and production stocks:

- used as raw materials, materials, etc. in the production of products intended for sale (performance of works, provision of services);
- intended for sale;
- used for management needs of the Company.

The nomenclature number is adopted as the unit of material and production stocks. The material and

production stocks are accepted for accounting at accounting price. Average actual self-cost of materials is accepted as accounting prices.

The amount of actual acquisition costs except value added tax and other compensate taxes is accepted as actual self-cost of the material and production stocks (excluding cases provided for in legislation of Russian Federation).

Actual self-cost of the material and production stocks when manufacturing by the Company is determined on the assumption of actual costs related to its production.

Value of assets transferred or to be transferred is accepted as actual self-cost of the material and production stocks received under contracts that provide for performance of obligations (payment) by non-monetary assets.

Actual self-cost of the material and production stocks left from liquidation, demolition and installation of fixed assets and objects of in-progress construction or extracted in process of current maintenance, repair, reconstruction and modernization of the objects of fixed assets and other assets, as well as revealed as surplus during taking inventory is determined on the assumption of their current market value on the date of entry on the books and costs related to its bringing to ready for use condition.

Transportation and procurement costs of the Company's directly connected with provisioning, delivery of raw materials and materials to the point of use are included in the deviation in cost of materials.

Material and production stocks that are morally obsolete, completely or partially lost their original quality, are reflected in the balance sheet at the end of the reporting year less provision for write-off of tangible assets. This provision is formed at the expense of the Company's financial results.

Valuation of material and production stocks in case of their release to production and other retirement is carried out at the average self-cost.

At the end of the reporting year, material and production stocks are reflected in the balance sheet at a cost determined based on the above stock valuation methods.

2.5. Long-term and short-term financial investments

Separate unit of security paper (loan, contribution to the equity capital), a state registration code, series or another homogeneous set of financial investments is accepted as the unit of accounting for financial investments, based on the nature, procedure for acquisition and use.

All costs directly related to the acquisition of assets as financial investments are included in the original cost of financial investments.

The Company forms a provision for impairment of financial investments, for which the market value cannot be determined, in case of a sustained significant reduction in the amount of economic benefits that the Company expects to receive from these financial investments under the normal conditions of its operations as determined at the end of the reporting year.

Financial investments, for which the market value cannot be determined, are reflected in accounting on accounting date on original cost adjusted (decreased) on the value of provision created for devaluation of financial investments at the end of the reporting year.

Financial investments, for which the market value can be determined, are reflected in accounting at the end of each quarter on current market value by applying an adjustment of their evaluation on the previous accounting date.

On retirement of financial investments, for which the current market value cannot be determined, their cost is determined as follows:

- contributions to the authorized capital of other organizations (except for shares of joint-stock companies), loans provided to other organizations, deposits in credit institutions, accounts receivable obtained based on the assignment of claim are valued at the original cost of each retiring unit of financial investments;
- security papers (shares and bonds) are valued on retirement at the average original cost.

On retirement of assets accepted for accounting as financial investments, for which the current market value can be determined, their cost is determined based on the latest valuation.

Interest (coupon yield, discount) on security papers is accrued for each reporting period in accordance with the contract conditions and accepted as other incomes.

2.6. Accounts receivable

Accounts receivable from buyers and customers are determined on the basis of prices established by agreements between the Company and buyers and customers.

The Company creates provisions for doubtful debts in case of recognition of receivables as doubtful with allocation of the amounts of the provisions to financial results.

Doubtful receivables are treated as receivables that are not repaid or most likely will not be repaid within the terms established by the contract and are not secured by appropriate guarantees. The amount of the provision is determined separately for each doubtful debt, depending on the financial condition (solvency) of the debtor and the estimated probability of whole or partial repayment of the debt.

2.7. Recognition of incomes

Revenue is accepted for accounting in the amount, calculated in monetary terms, equal to the amount of receipt of monetary funds and other assets and (or) the amount of accounts receivable. If the amount of receipts covers only part of the revenue, the revenue received for accounting is determined as the amount of receipts and accounts receivable (with regard to the part which is not covered by receipts).

Revenue is recognized in accounting when the following conditions are met:

- The Company has the right to receive these receipts, which results from a specific contract or is confirmed in another appropriate way;
- the amount of the revenue can be determined;
- there is a certainty that a specific operation will result in an increase of economic benefits;
- the right of ownership (possession, use and disposal) for products (goods) passed from the Company to the buyer or the work was accepted by the customer (the service has been provided);
- costs that are incurred or will be incurred in connection with this operation can be determined.

Revenue from the sale of goods, provision of services is reflected in the statement of financial results less the value added tax. Incomes from ordinary activities include:

- income from electricity transmission;
- income from the provision of services for connection of capacity;
- income from leasing of property;
- income from the provision of industrial services.

2.8. Recognition of expenses

Expenses are accepted for accounting in the amount, calculated in monetary terms, equal to the amount of payment in monetary form and other form or the amount of accounts payable.

Expenses from ordinary activities include the expenses related with manufacture and sale of products, acquisition and sale of goods, the expenses related with performance of works, provision of services, implementation of which is related with the usual activities of the Company. Expenses from ordinary activities are divided into:

- expenses from electricity transmission;
- expenses from the provision of services for connection of capacity;
- expenses from leasing of property;
- expenses from the provision of industrial services.

2.9. Accounting for expenses on loans and credits

Loans and credits are monetary funds (credit, loan) received from the lender (creditor) in the amount and on conditions stipulated by the contract, which the borrower undertakes to return in full after a certain period of time and pay interest, unless otherwise provided by law or the loan agreement.

Calculations for loans and credits reflect information on the status of settlements of the lender and the borrower on the part of the borrower. Herewith, calculations for interest payment are recorded separately from calculations for the principal amount of the debt.

Interest on loan obligations arising when the Company attracts funds in order to create its own investment asset is included in the value of this asset.

An item is recognized as an investment asset when the following criteria are met:

- preparation of the item for intended use requires a long period of time and significant expenses for acquisition, construction and (or) manufacture;
- the item is specified by the Company's investment program;
- in the current period, the work necessary to prepare an investment asset for intended use was started and continues to be performed.

In particular, creation of an investment asset may be related with:

- implementation of capital construction in the form of new construction, as well as reconstruction, expansion and technical re-equipment (including further construction, further equipping, modernization, etc.) of the existing non-productive assets. These works (except for new construction) lead to a change in the nature of objects, for which they are carried out, and the expenses incurred in doing so are not the period expenses by their content;
- acquisition of buildings, structures, equipment, vehicles and other individual items of fixed assets (or parts thereof);
- acquisition and creation of intangible assets (patents, software products, R&D, etc.).

The Company makes the reclassification (translation) of long-term debt into short-term debt at each reporting date. Reclassification of the debt on the received borrowed funds (both for the principal debt and for the corresponding amounts of accrued interest) is made in the following order:

- short-term debt is transferred to long-term debt, if an agreement is concluded on the prolongation of the short-term loan agreement in such a way that the maturity of the loan will be more than 12 months from the reporting date;
- long-term debt is transferred to short-term debt when under the conditions of the credit (loan) agreement less than 12 months left to the repayment of the debt.
- under long-term credit (loan) agreements, repayable in installments, the debt on the due installment of the credit (loan) agreement is transferred to the current portion of long-term borrowed funds, when under the conditions of the credit (loan) agreement less than 12 months left to the repayment of this installment of debt.

2.10. Cash and cash equivalents, accounting for cash flows

Cash and cash equivalents

In order to prepare the statement of cash flows, the Company includes cash equivalents in cash, which are treated as short-term highly liquid financial investments that can easily be converted into a known amount of cash and are subject to an insignificant risk of changes in value. In particular, the Company considers as cash equivalents deposits in credit institutions, that are redeemed on demand and/or have a maturity of three months or less, as well as highly liquid bank promissory notes with a maturity of up to three months.

Reflecting of cash flows on a net basis

Cash flows are reflected in the statement of cash flows on a net basis in cases when they characterize not so much the activities of the Company as the activities of its counterparties, and (or) when the receipts from some persons determine appropriate payments to other persons. In particular, the Company reflects on a net basis the indirect taxes within receipts from buyers and customers, payments to suppliers and contractors and payments to the budget system of the Russian Federation or reimbursement from it. Also, cash flows are reflected in the statement of cash flows on a net basis in cases when they are characterized by rapid turnover, large amounts and short terms of return.

Accounting for exchange rate difference on assets and liabilities, value of which is expressed in foreign currency

Exchange rate difference is reflected in financial accounting and reporting in the reporting period in which the underlying payment obligations were settled or for which the financial reporting is made.

Exchange rate difference is to be recorded in the Company's financial results as other incomes or other expenses, with the exception of the exchange rate difference related with the formation of the Company's authorized capital, which is subject to attribution to additional capital.

The exchange rate of the Central Bank of the Russian Federation for the US dollar to the ruble as of December 31, 2017 amounts to: 57.6002 rubles (December 31, 2016: 60.6569 rubles, December 31, 2015: 72.8827 rubles).

2.11. State subsidies

Funds of targeted financing is treated as funds (in the form of cash or (and) non-cash resources) intended for implementation of targeted activities, received from other organizations and individuals, as well as state aid, including in the form of subsidies (hereinafter — "budgetary funds"). Budgetary funds, including non-cash resources, are accepted for accounting in the presence of the following conditions:

- there is a certainty that these funds will be received. This evidence may be in the form of an approved budgetary list, notification of budgetary allocations, limits of budgetary obligations, delivery and acceptance certificates for the resources and other relevant documents;
- there is a certainty that the conditions for the provision of these funds by the Company will be met. This evidence may be in the form of agreements concluded by the Company, adopted and publicly announced decisions, feasibility studies, approved design estimates, etc.

2.12. Methods for classifying assets and liabilities

Assets and liabilities are classified in financial reporting as short-term, if their term of circulation/settlement does not exceed 12 months from the day after the reporting date; other assets and liabilities are reported as long-term.

Expenses incurred in the reporting period but related to the next reporting periods are reflected in the balance sheet in accordance with the asset recognition terms established by regulatory legal acts on financial accounting and are subject to writing off in accordance with the procedure established for writing off the value of assets of this type. These expenses are allocated in financial accounting to account 97 "Expenses of future periods", and if they are of a long-term nature, they are included in balance line "Other non-current assets" except for the part that is subject to settlement within 12 months after the reporting date. This short-term parts, as well as expenses of an initially short-term nature, are included in balance line "Other current assets".

If no methods of accounting are established in regulatory legal acts for a specific issue, then when forming the accounting policy, the organization develops an appropriate method, based on the provisions for accounting, as well as International Financial Reporting Standards.

2.13. Methods of property valuation

Valuation of property and liabilities is made for the purpose of their reflection in financial accounting and reporting in monetary terms.

Property acquired for a fee is valued by summation of actually incurred expenses for its purchase; property received free of charge is valued based on the market value as of the date of posting; property produced in the organization itself is valued based on the cost of its manufacture.

2.14. Uncertainty of estimates

Key assumptions regarding future events and other sources of estimation uncertainty as of the reporting date, which may require significant adjustments to the carrying amount of assets and liabilities during the next financial year, are presented below:

- provision for doubtful debts;
- provision for write-off of inventory stocks;
- terms of useful life of intangible assets;
- provisions formed in connection with the consequences of contingent facts of economic activity.

The Company recognizes in financial accounting and reporting the estimated liabilities, which are reflected in the account for provisions for future expenses (account 96). When recognizing an estimated liability, depending on its nature, the value of the estimated liability is allocated to expenses of ordinary activities or other expenses, or is included in the cost of an asset.

Provisions for estimated liabilities include the following future expenses:

- provision for future expenses on vacation payments to employees;
- provision for future expenses on payment of remuneration based on annual performance results,

- monthly and quarterly remuneration;
- other provisions for future expenses.

The provision for future expenses on vacation payments to employees is formed individually for each employee. When forming the provision, the following indicators are taken into account: the actual wages of employees and other payments for the accounting period stipulated by the wage system and taken into account when calculating the average wage in accordance with Article 139 of the Labor Code of the Russian Federation, the total number of unused vacation calendar days at the reporting date, and accrued amounts of insurance premiums. The provision is accrued on a monthly basis.

Accumulated, but not used at the end of the month amount of the provision is recorded as a carry-over of the provision for future expenses.

The provision for future expenses of vacation payments to employees as of the reporting date is adjusted based on the actual number of days of unused vacation. When the accumulated amount of the provision is exceeded, a recovery is made. If the accumulated provision is insufficient, a one-time additional accrual of the provision for the forthcoming vacation payment is made. The results are documented by an inventory report of the provision balance.

The provision for future expenses on payment of remuneration based on annual performance results, for the fourth quarter, for December of the reporting period is determined as the amount of remuneration, the right to receive which employees of the organization acquire for the reporting period. The amount of the provision comprises all amounts of insurance premiums and contributions to social insurance from accidents calculated from the amount of deductions to the provision.

3. Intangible assets

Intangible assets of the Company as of December 31, 2017 include the Company's trade mark, patents and rights to developments and discoveries.

Information on availability and movement of intangible assets in the reporting period is presented in Table No. 5.1.1, and on unfinished acquisitions in Table 5.2.2 of the Explanations to the Balance Sheet.

In 2017, the Company incurred expenses for acquisition (creation) of intangible assets (new technologies, patent rights, licenses for the use of inventions, industrial designs, utility models, etc.) for a total amount of 628,574 thousand rubles. (2016: 342,979 thousand rubles).

4. Results of research and development (R&D)

Information on availability and movement of R&D results of the Company in the reporting period is presented in Table 5.2.1, and on expenses for unfinished and unregistered research, development and technological works in the Table and 5.2.2 of the Explanations to the Balance Sheet.

In 2017, the Company incurred expenses for uncompleted and unregistered research, development and technological works for a total amount of 170,850 thousand rubles. (2016: 135,698 thousand rubles).

5. Fixed assets

Information on availability and movement of fixed assets and corresponding accumulated depreciation is presented in Table No. 5.3.1 of the Explanations to the Balance Sheet.

The fixed assets of group "Machinery and equipment" are accounted for at revalued cost. In accordance with Accounting policy of the Company the independent appraiser has evaluated the fixed assets of group "Machinery and equipment". Whereas as the result of conducted evaluation cumulative deviation from original cost is 6.2%, in 2017 revaluation of fixed assets was not carried out.

As of December 31, 2017, the original cost of fully depreciated fixed assets amounted to 61,892,563 thousand rubles. (December 31, 2016: 47,263,787 thousand rubles, December 31, 2015: 39,720,896 thousand rubles).

The expenses on credits and loans in the amount of 2,174,113 thousand rubles (2016: 2,121,042 thousand rubles) were capitalized during the reporting period. The capitalization rate is 0.76% (2016: 0.84%) and represents the weighted average annual rate for all no-purpose loans used to create investment assets.

The fixed assets include items whose consumer properties do not change over time, i.e. not subject to

depreciation. Information on the carrying amount of items of this kind as of December 31 is presented in the table:

Items of fixed assets	2017	2016	2015
Land plots	101,834	93,740	92,777
Housing facilities	64	64	64
Total	101,898	93,804	92,841

The Company owns thirty-three land plots with a total area of 54.50 hectares (December 31, 2016: 52.12 ha, December 31, 2015: 56.49 ha).

Information on changes of the cost of fixed assets at which they are accepted for accounting (further construction, further equipping, reconstruction, partial liquidation and revaluation of items of fixed assets) is presented in Table 5.3.3 of the Explanations to the Balance Sheet.

Information on real estate objects that are taken into operation and actually used, or are in the process of state registration as of the reporting date is presented in Table No. 5.3.4 of the Explanations to the Balance Sheet.

Information on availability and movement of unfinished construction objects and unfinished transactions on acquisition, modernization, etc. of fixed assets is presented in Table 5.3.5 of the Explanations to the Balance Sheet.

6. Financial investments

Information on availability and movement of financial investments in the reporting period is presented in Table 5.4.1 of the Explanations to the Balance Sheet.

Investments to the authorized capital of other companies

As of December 31, 2017, the Company has shares in the authorized capital of following companies:

Company name	Share in the authorized capital	Balance as of December 31, 2017	Balance as of December 31, 2016	Balance as of December 31, 2015
MKER	100%	466,739	466,739	466,739
Energocenter	100%	1,171,000	1,171,000	1,171,000
RETO	100%	661,955	661,955	661,955
MKSM	100%	1,793,454	1,793,454	1,793,454
Total		4,093,148	4,093,148	4,093,148

As of December 31, 2017, the Company identified signs of impairment of financial investments and in 2016 made an additional accrual of the provision in the amount of 173,704 rubles, as well as made recovery of the provision in the amount of 138,707 thousand rubles, having identified signs of increase of the estimated value of financial investments (in 2016: an additional accrual of the provision in the amount of 156,276 thousand rubles, and recovery of the provision in the amount of 1,682 thousand rubles). The value of investments to the authorized capital of subsidiary companies as of the reporting date is reflected in the balance sheet at the original cost less the accrued provisions. Information on movement of provision for financial investments to the authorized capital of other companies is presented in Table 5.4.1 of the Explanations to the Balance Sheet.

At the present time JSC Moskabelsetmontazh and JSC Moskabelenergoremont are in the process of reorganization in form of joining. In August 14, 2017 the contract on joining of JSC Moskabelenergoremont to JSC Moskabelsetmontazh and was signed, as well as a number of other legally significant actions on reorganization was performed. As of 31.12.17 the process of reorganization is not completed, the procedures on termination of company business of JSC Moskabelenergoremont and registration on issue of securities of JSC Moskabelsetmontazh is taking place.

Debt financial investments

As of December 31, 2017 debt instruments, the current market value of which cannot be determined, include:

Borrower	Amount due for repayment within 12 months after the reporting date	Amount due for repayment within the period exceeding 12 months after the reporting date	Maturity
JSC Energocenter	-	139,773	2024
JSC Energo-finance	468,747	-	12.12.2014
Minus provision	(468,747)	-	
Total	-	139,773	

The rights of claims under bonds of the subsidiary company JSC Energocenter were transferred to the Company in 2012 by assignment of the right of claim of third-party creditors. Provisions for bonds of borrowers are not received. The Company intends to hold debt financial investments until redemption.

7. Inventories

Information on availability and movement of inventories and the provision for write-off in the reporting period is presented in Table 5.5.1 of the Explanations to the Balance Sheet. There are no pledged inventories.

8. Accounts receivable

Information on availability and movement of accounts receivable and the provision for doubtful debts in the reporting period is presented in Table 5.6.1 and 5.6.2 of the Explanations to the Balance Sheet. Turnovers include accounts receivable, formed and redeemed in one reporting period.

9. Cash assets and equivalents thereof

As of December 31 cash assets included:

	2017	2016	2015
Cash in rubles on hand and at bank accounts	382,873	589,630	200,269
Other (monetary documents)	1	1	2
Total cash assets and equivalents thereof	382,873	589,631	200,271

As of December 31, 2017, the Company has opportunity to attract the following additional cash assets: open to the Company, but unused limits under concluded credit agreements and overdraft agreements as of the reporting date, for a total amount of 59,800,000 thousand rubles, including:

- cash assets in the amount of 1,500,000 thousand rubles, which can be received by the Company on terms of overdraft;
- cash assets in the amount of 58,300,000 thousand rubles of credits that are not fully received as of the reporting date under the concluded credit agreements.

As of December 31, 2017, the Company did not have any unreachable amounts of cash.

10. Other assets

As of December 31 other assets included:

	2017		2016		2015	
	Non-current	Current	Non-current	Current	Non-current	Current
Expenses for acquisition of non-exclusive rights and	236,548	49,449	354,281	78,529	274,614	23,869

licenses						
Other (software products)	-	-	33,639	-	61,627	-
Total	236,548	49,449	387,920	78,529	336,241	23,869

11. Authorized, additional and reserve capital

Information on movement of authorized, additional and reserve capital in the reporting period is presented in Table 3.1 of the Explanations to the Balance Sheet.

The authorized capital consists of 48,707,091,574 (forty-eight billion seven hundred and seven million ninety-one thousand five hundred and seventy-four) ordinary shares with a face value of 0.50 rubles. The amount of the authorized capital is 24,353,545,787 (Twenty-four billion three hundred fifty-three million five hundred forty-five thousand seven hundred and eighty-seven) rubles.

As of December 31, 2017, all issued shares were fully paid for and in circulation. The repayment of own shares or other changes in the capital structure did not happen in 2017.

In 2017, dividends for 2016 on ordinary shares were declared in the amount of 1,519,905 thousand rubles or 0.031205 rubles per one ordinary share.

The Company has formed a reserve capital intended to cover losses, which, although not specifically identified, may occur in the economic circulation. The reserve capital was formed at the expense of the Company's net profit.

12. Loans and credits

In 2017, the Company attracted 138,417,273 thousand rubles, including:

- under credit lines and overdraft credits - 116 788 472 thousand rubles;
- under bonded loans - 21 628 801 thousand rubles.

During 2017, liabilities on loans and credits were repaid in the amount of 136,131,557 thousand rubles.

As at December, 31 borrowed funds included:

	2017		2016		2015	
	Long-term borrowed funds	Short-term borrowed funds	Long-term borrowed funds	Short-term borrowed funds	Long-term borrowed funds	Short-term borrowed funds
Bank credits	40,000,000	1,702,585	48,314,284	11,118,527	53,367,880	2,502,866
Bonded loans, including	43,000,000	-	18,000,000	5,150,687	12,000,000	5,164,164
BO-03	-	-	-	-	-	5,164,164
BO-04	5,000,000	-	-	5,150,687	5,000,000	-
BO-07	-	-	-	-	7,000,000	-
BO-08	8,000,000	-	8,000,000	-	-	-
BO-05	5,000,000	-	5,000,000	-	-	-
BO-06	5,000,000	-	5,000,000	-	-	-
BO-09	10,000,000	-	-	-	-	-
BO-10	10,000,000	-	-	-	-	-
Current portion of long-term liabilities	-	957 903	0	457,694	0	379,121
Total borrowed funds	83,000,000	2,660,488	66,314,284	16,726,908	65,367,880	8,046,151

The balance-sheet value of all credits and loans granted is expressed in Russian rubles. The Company did not provide collateral for the credits and loans received.

In 2017, the Company did not pass and negotiate bills.

The schedule of payments on principal amount of a debt as of December 31, 2017 is as follows:

	Amount, thousand rubles
2018	1,700,000
2019	43,000,000
2020	30,000,000
After 2020	10,000,000

In 2017, the Company did not earn income from temporary use of loans (credits) received as long-term and short-term financial investments.

13. Estimated liabilities

Information on availability and movement of in the reporting period is presented in Table 5.7.1 of the Explanations to the Balance Sheet. All provisions have a short-term nature.

Legal claims

The Company participates in judicial examination, arisen during financial and economic activities.

As of December 31, 2017, the Company has created an estimated liability in the amount of 27,480 thousand rubles for covering losses that the Company may incur in connection with legal claims, including from the large blocks of judicial disputes.

Estimated liability was created for judicial disputes, decisions on which were made not in favor of PJSC MOESK by the first instance court, are considered by the court of appeal or were confirmed by judicial acts of the court of appeal and have entered into legal force, including disputes with JSC Oboronenergo in the amount of 3,058 thousand rubles. It is expected that judicial acts on these claims can be brought to execution.

Estimated liabilities for future vacation payments to employees

Estimated liability was created for future expenses on payment by the Company of employee vacations unused as of December 31, 2017. It is expected that the balance of the provision as of December 31, 2017 will be used in the first half of 2017. Management believes that the actual expense on vacation payment will not exceed the amount of the provision reflected in the reporting as of December 31, 2017.

Estimated liabilities for payment of remuneration on the basis of performance for year, monthly and quarterly remuneration

Estimated liability was created for future expenses on payment of employee remuneration on the basis of performance for year, monthly remuneration for December 2017 and quarterly remuneration on the basis of performance for 4 quarter 2017. Explanation of other estimated liabilities is as follows:

	Balance as of the beginning of the year	Recognized	Repaid	Balance as of the end of the year
TOTAL, including	1,505,699	1,168,913	(-1,290,746)	1,383,866
Year-end bonus	1,093,731	812,419	(-943,272)	962,878
Monthly premium for December	280,684	243,337	(-241,706)	282,315
Quarterly premium for 4 quarter	131,284	113,157	(-105,768)	138,673

Taxation

Russian tax, currency and customs legislation is subject to varying interpretations and frequent changes. Interpretation by the Company's management of this legislation in relation to the operations and activities of the Company's enterprises may be challenged by the relevant regional or federal authorities. Recent events in

the Russian Federation indicate that the tax authorities can take a more assertive position in interpreting legislation and verifying tax settlements. As a consequence, tax authorities may file claims for those transactions and accounting methods for which they did not make claims before. As a result, significant additional taxes, penalties and fines may be assessed. Determination of the amount of claims for possible but not presented claims, as well as assessing the likelihood of an unfavorable outcome, is not possible. Tax inspections may cover three calendar years of activity immediately preceding the year of verification. Under certain conditions, earlier years may be subjected to verification.

As of December 31, 2017 field tax inspection for 2013-2015 is completed in the Company, the decision on which is not rendered. In this regard the Company has contingent liability.

14. Accounts payable

Information on availability and movement of accounts payable in the reporting period is presented in Table 5.6.5 of the Explanations to the Balance Sheet. Turnovers include accounts payable, formed and redeemed in one reporting period.

Indebtedness to state extra-budgetary funds

Indebtedness on insurance premiums as of December 31 had the following structure:

	2017	2016	2015
Insurance premiums - total	183,747	212,481	210,427
including:			
- Social insurance fund	-	-	-
- Pension fund	129,610	158,797	154,185
- Compulsory medical insurance fund	54,137	53,684	56,242
- Compulsory social insurance fund (compulsory insurance against accidents at work and occupational diseases)	-	-	-
Others	-	-	-
Total indebtedness to state extra-budgetary funds	183,747	212,481	210,427

Indebtedness on taxes and duties

Indebtedness on taxes and duties as of December 31 includes:

	2017	2016	2015
Income tax	-	-	-
Value-added tax	1,408,563	1,136,176	948,260
Property tax	612,790	550,458	439,634
Transport tax	11,429	11,729	10,548
Land tax	3,734	3,751	1,993
Others	-	-	6
Total indebtedness on taxes and duties	2,036,516	1,702,114	1,400,441

As of December 31, 2017, 2016 and 2015, the Company did not have overdue obligations on taxes and duties.

15. Other liabilities

Other liabilities as of December 31 included the following items:

Type of liabilities	2017		2016		2015	
	Long-term	Short-term	Long-term	Short-term	Long-term	Short-term
Accounts payable on	6,733,765	-	6,577,125	-	9,283,941	-

technological connection						
VAT for advances made	-	152,002	-	171,262	-	174,484
Total	6,733,765	152,002	6,577,125	171,262	9,283,941	174,484

16. Disclosure of information on incomes and expenses

Information on incomes from sale of goods, works and services (net of VAT and similar mandatory payments) and on expenses from ordinary activities, as well as management expenses, is set out in the Statement of Financial Results for 2017 and in Table 2.1 of the Explanations to the Balance Sheet.

17. Other incomes and expenses

Information on other incomes and expenses is set out in Table 5.11 of the Explanations to the Balance Sheet.

18. Securities issued and received

As of December 31, 2017 the Company did not issue securities to third parties on their own liabilities or liabilities of other organizations.

As of December 31, 2017 the Company has received securities by counterparties on their performance of obligations against Company for bank guarantees in total amount of 2,202,849 thousand rubles. Bank guarantees were predominantly received in respect of counterparties carrying out works on capital construction.

19. Profit tax calculations

		2017	2016
1	Income (loss) before tax according to accounting	4,368,894	7,218,468
2	Contingent expenses for income tax	795,888	1,312,634
3	Permanent tax liabilities/assets:		
3.1	Depreciation of fixed assets	849,747	886,076
3.2	Payments to employees, sporting and cultural events	142,946	151,282
3.3	Provision for depreciation of security papers	31,644	28,418
3.4	Provision for judicial cases	524,840	218,870
3.5	Historical loss	287,978	177,133
3.6	Insurance expenses for non-state pension funds	32,160	2,106
3.7	Recovery of the provision for impairment of tangible assets	(-83,207)	(575)
3.9	Recovery of the estimated provision for judicial cases	(-50,778)	(1,896)
3.10	Other expenses	(-418,728)	662,126
	Total permanent tax liabilities/assets:	1,316,602	2,123,540
4	Increase/(decrease) of deferred tax assets:		
4.1	Provision for doubtful debts	707,400	474,738
4.2	Provision for remuneration of labor	(3,214)	32,469
4.3	Expenses for concluding land lease agreements	(7,236)	(16,438)
4.4	Other expenses	25	15
	Total increase/(decrease) of deferred tax assets	696,975	490,784
5	(Increase)/decrease of deferred tax liabilities:		
5.1	Fixed assets depreciation, bonus depreciation, capitalization %	(1,275,896)	(1,495,616)
5.2	R&D	(28,098)	(19,763)
5.3	Other expenses	590	(2,865)
	Total increase/(decrease) of deferred tax liabilities	(1,303,404)	(1,518,244)
6	Income tax expenses	1,506,061	2,408,714

Deferred tax assets and liabilities are shown in the balance sheet in detailed form. Information on movement is reflected in Table 5.7.2 of the Explanations to the Balance Sheet.

20. Income per share

Basic income (loss) per 1 share is:

No.	Name	2017	2016
1.	Income for the reporting period	2,670,693	6,079,465
2.	Weighted average number of ordinary shares in circulation during the reporting period, thousand pieces	48,707,092	48,707,092
3.	Basic income per share, rubles	0,0548	0,1248

The Company does not have potential dilutive shares; accordingly, diluted income per share equals basic income per share. Information on income per one share is presented in Table 2.2 of the Explanations to the Balance Sheet.

21. Related parties

In the process of carrying out its financial and economic activities, the Company conducts transactions with companies that are related parties.

Related party transactions primarily comprise the following transactions:

- purchase and sale of goods, works, services;
- purchase and sale of fixed assets and other assets;
- lease of property and provision of property for rent.

For the purposes of this financial reporting in accordance with PBU 11/2008 "Information on related parties", the following related parties were identified:

- members of the Company's Board of Directors (Clause 1 of the text explanations);
- members of the Company's Executive Board (Clause 1 of the text explanations);
- the sole executive body of the Company;
- PJSC Rosseti (owns 50.90% of the Company's ordinary shares);
- JSC Energocenter (100% of the shares belong to the Company);
- JSC Moskabelsetmontazh (100% of shares belong to the Company);
- JSC Plant for Repair of Electrical Equipment (100% of shares belong to the Company);
- JSC Moskabelenergoremont (100% of shares belong to the Company);
- persons belonging to the group of persons of PJSC Rosseti (other related parties).

The full list of affiliated persons of the Company is available in the Internet at the following address: http://www.moesk.ru/invest_news/raskritie/aff_lica/

During the reporting period, the Company carried out economic operations:

- with subsidiary companies, related to production activities (purchase of goods, works, services);
- with the controlling organization PJSC Rosseti, related to provision of services to the Company on organization of functioning and on development of the power grid complex and on implementation of technical supervision at power grid facilities;
- with other related parties on matters related to the Company's business.

The cost indicators, conditions, terms and form of payment for unfinished operations as of December 31:

	2017	2016	2015	Form of payment
Accounts receivable and advances made				
PJSC Rosseti	480	4,673		non-cash
JSC Plant for Repair of Electrical Equipment	105,913	96,587	91,190	non-cash

JSC Moskabelsetmontazh	25	1,182	11,136	non-cash
JSC Energocenter	612,855	588,419	657,392	non-cash
JSC Moskabelenergoremont	64,670	65,955	70,083	non-cash
PJSC Federal Grid Company of Unified Energy System (PJSC FGC UES)	47,458	47,578	46,557	non-cash
Accounts payable				
PJSC Rosseti	142,278	65,505	52,457	non-cash
JSC Plant for Repair of Electrical Equipment	57,486	81,071	133,162	non-cash
JSC Moskabelsetmontazh	106,013	436,924	381,326	non-cash
JSC Energocenter	57,578	48,871	78,595	non-cash
JSC Moskabelenergoremont	293,411	348,925	195,900	non-cash
PJSC Federal Grid Company of Unified Energy System	4,946,469	3,314,390	1,043,592	non-cash
PJSC STC FGC UES	3,270	28,580	144,701	non-cash
Branch of JSC Engineering and Construction Management Center of Unified Energy System (ECMC UES) - ECMC Center			197	non-cash
Advances received				
- JSC Energocenter				non-cash
- JSC Moskabelsetmontazh		14,517	109,100	non-cash
PJSC Federal Test Center (FTC) (Rosseti)		426		non-cash
LLC "IT Energy Service"	6,030			

Types and amount of transactions with related parties, including significant cash flows between the Company and its related parties:

	2017	2016
Sale of products, works, services		
- subsidiary business entities	70,998	5,551
- other related parties	5,237	7,223
Purchase of products, works, services		
- subsidiary business entities	1,508,001	2,040,917
- other related parties (including PJSC FGC UES)	19,713,595	16,924,063
Lease of property of related parties		
- subsidiary business entities	522,757	517,403
Provision of property for rent to related parties		
- subsidiary business entities	1,596	7,230

Remuneration of members of the Board of Directors and members of Committees of the Company

In 2017, the total amount of remuneration accrued to members of the Board of Directors of the Company and members of the Committees of the Company amounted to:

- for participation in the meetings of the Board of Directors of the Company - 8,165 thousand rubles with Tax on Individual Person's Income (2016: 8,028 thousand rubles with TIPI);
- for increasing of market capitalization - 0 thousand rubles with TIPI. (2016: 0 thousand rubles with TIPI).

From June 24, 2015, the amount and procedure for payment of remunerations and compensations to

members of the Board of Directors is established by the Regulation on payment of remunerations and compensations to members of the Board of Directors approved by the annual General Meeting of Shareholders of the Company on June 24, 2015 (Minutes No. 17 of June 29, 2015).

In 2017, total amount of remuneration accrued to the members of the Committees of the Company, for participation in Committees under Board of Directors of the Company (including experts' remuneration of the Committees) comprises 2,107 thousand of rubles with TIPI (2016: 1,578 thousand of rubles with TIPI).

From February 26, 2016, the amount and procedure for the payment of remunerations and compensations to members of the Committees of the Board of Directors is established by the Regulation on payment of remunerations and compensations to members of the Committees of the Board of Directors approved by the Board of Directors of the Company on February 26, 2016 (Minutes No. 276 of February 26, 2016).

Remuneration of members of the Revision Commission of the Company

In 2017, the total amount of remuneration accrued to the members of the Company's Revision Commission for conducting inspections of the Company's financial and economic activities amounted to 748 thousand rubles (2016: 647 thousand rubles).

From June 24, 2015, the amount and procedure for payment of remunerations and compensations to members of the Revision Commission is established by the Regulation on payment of remunerations and compensations to members of the Revision Commission approved by the annual General Meeting of Shareholders of the Company on June 24, 2015 (Minutes No. 17 of June 29, 2015).

Remuneration of key executive staff

Accruals to key executive staff of the Company for 2017 amounted to 375,666 thousand rubles (2016: 535,918 thousand rubles).

22. Business environment of the Company

In Russia, economic reforms are continuing, as well as development of legal, tax and administrative infrastructure that would meet the requirements of market economy. Stability of Russian economy will largely depend on the progress of these reforms, as well as on effectiveness of measures taken by the Government in the sphere of economy, financial and monetary policy.

At the end of 2017, inflation comprises 2.5%. According to projections of social and economic development of Russian Federation for 2018 and planning period 2019-2020 inflation is expected to be 4%.

The policy of limiting the growth rates of infrastructure companies' tariffs, implemented by the Government of the Russian Federation, requires the Company to implement measures to increase its efficiency and reduce costs, as well as implement a balanced investment policy that is realized by the Company on a permanent basis.

23. Information on risks of economic activity

Potentially significant risks of economic activity to which the Company is exposed

In the course of economic activity, the Company is subject to the influence of sectoral, legal and other internal and external factors (essential conditions, events, circumstances, actions). In this regard, there are various risks that can significantly affect the financial position and financial performance of the Company.

The Company is subject to sectoral, country and regional, financial, legal, reputational risks, as well as risks specific exclusively for the Company.

Risk management mechanism

The Company's leadership controls the management of the above-listed risks in order to minimize possible adverse consequences for the financial position and financial performance of the Company.

The Board of Directors of the Company approved a new version of the Risk Management Policy (Minutes of the Board of Directors No. 287 of April 30, 2016).

The Risk Management Policy defines:

- risk management objectives;
- principles of functioning of the risk management system;
- general approaches to identifying, assessing and managing risks;
- main functions and responsibilities of participants of the risk management system;
- procedure for assessing the effectiveness of the risk management system.

1. Sectoral risks

1.1. Risks of tariff regulation

The main services provided by the Company — transmission of electricity through distribution networks and technological connection of consumers to electric grids — are state regulated activities. Thus, the Company can bear regulatory risks related to constraining by the authorities of the planned rates of increase of electricity transmission tariffs, adjustment of the required gross proceeds due to deviation of actual regulatory parameters from those approved, possible changes of the legislation in the field of tariff regulation.

In order to minimize the risks of tariff regulation, the Company implements the following measures:

- Interaction with the regulatory authorities of Moscow and Moscow Region concerning providing of substantiating materials that confirm the level of economically justified expenditures;
- Preparation of proposals on modification of draft regulatory documents of the authorities regarding the revision of tariffs for electricity transmission;
- Planning of financial and economic activities of the Company with account for decisions on tariffs and balances;
- Interaction with regulatory authorities and the Ministry of Energy of Russia for coordination of the Company's long-term investment program.

1.2. Risk of reduced demand for services

Reduction in volume of electricity consumption by end-users of services, as well as a decrease in demand for technological connections, occurs due to existence of economic cycles. This risk can adversely affect the company's revenue. Taking into account, on the one hand, the measures taken by the state to stabilize the economic situation and, on the other hand, the actual slowdown in the growth rates of energy consumption in Moscow and Moscow Region, this risk is assessed as moderate. Moreover, the Company implements the following activities in order to maintain demand for technological connection services:

- simplification of the procedure of technological connection;
- reduction of terms of execution of technological connection contracts;
- implementation of a program on removing power limitations from loaded power centers;
- provision of information to consumers on official website on existence of free power reserve in PJSC MOESK supply centers.

Moreover, Comprehensive Development Program of electrical grids with the capacity of 110 (35) kV and more on the territories of Moscow and Moscow Region for 2017-2022 and up to 2027 for the purpose of prospective development of the territory and optimization of electricity supply network facilities operating rate.

1.3. Operational risks

This category of risks is related to aging of equipment and the deterioration of the Company's fixed assets, violation of operating conditions and critical changes in the parameters of operation of electric grid equipment, which can lead to emergencies, and ultimately, in addition to direct damage from the failure of power grid facilities, to a decrease in the reliability of power supply. Failure to ensure the reliability parameters established by the regulator may lead to a decrease in the amount of the required gross proceeds in the next regulatory period.

To reduce the level of these risks, the Company implements the following activities:

- Property insurance;
- Modernization and new construction of power grid facilities;
- Operation of the meteorological monitoring system, generation of weather forecasts and warning of dangerous weather phenomena;
- Remote control engineering of substations 110-220kV;
- Implementation of the target program for the replacement of bare wires in overhead lines 0.4-10 kV on wire type SIP;
- Expansion and timely clearance of forest corridor for power transmission lines;
- Repair works taking into account the results of the assessment of the current technical condition of the main production assets;
- Production control of the state of operation of electric grid equipment, buildings and structures of the Company's branches.

Moreover, field service and care and maintenance teams are taken off into a mobile team mode in branches which are situated in Moscow Region, as well as in New Moscow and Moscow cable network branches; optimization of mobile team is realized in Moscow high-voltage network branch.

1.4. Price risks

This category of risks is related to a possible change of prices for raw materials, services, equipment and other material and technical resources used by the Company in its activities and their impact on the Company's operations and fulfillment of obligations under securities. In particular, the most significant factors of this risk include the possible growth of the decontrolled purchase price of losses, as well as the growth of expenses for provision of services to the local grid operator. Taking into account formed movement in price on loss procurement during 2017, the specified risk is assessed as significant.

The Company's actions to reduce these risks include:

- Implementation of program on energy saving and improvement of energy efficiency of PJSC MOESK, including organizational and technical activities for reducing and preventing losses;
- Interaction with the regulatory authorities concerning inclusion in the Company's required gross proceeds in the process of tariff regulation of the economically justified price for purchase of losses, with attachment of documents on the actual price in the previous reporting periods;
- Interaction with regulatory authorities concerning formation of balance indicators (productive supply and capacity) for PJSC MOESK and the local grid operator of the 2nd level in the process of adoption of tariff and balance decisions;
- Consolidation of the local grid operator to reduce expenses and improve the quality and reliability of power supply;
- Creation of a competitive environment in the field of procurement of works and services;
- Optimization of expenses for repair and operational needs and capital construction.

2. Financial risks

The Company is exposed to market risk, credit risk and liquidity risk.

2.1. Market risk

Market risk is the risk that the Company may have adverse consequences if certain market parameters would change. Market parameters include the following types of risk: interest rate risk, the risk of changes in foreign exchange rates, the risk of changes in commodity prices and price indices, and other price risks, for example, the risk of changes in the prices of equity instruments.

Interest rate risk. As part of the financial activities, the Company attracts borrowed funds. Herewith, there is the possibility of an increase of interest rates for individual credits due to the presence in the contracts of the bank's rights to increase the rate unilaterally, as well as the possibility of an increase of interest rates for planned credits.

Given a certain stabilization of the financial market, there is a growth of free liquidity and, as a consequence, a decrease of interest rates for borrowed resources. In this regard, interest risks are assessed by the Company as moderate.

In order to reduce interest risks, the Company resorts to the following measures:

- Optimization of the credit portfolio in terms of urgency and cost;
- Implementation of business planning with account for possible changes of interest rates;
- Use of various instruments of attraction, both on the open market through placement of own bonds, and within the framework of long-term agreements with credit institutions with an open borrowing limit and a fixed cap on the maximum interest rate on the credit;
- Selection of financial organizations for provision of services through open competitive procedures, which allows attracting borrowed funds under conditions which are most favorable for PJSC MOESK.

Currency risk. The main customers implementing energy consumption are the residents of Russian Federation; settlements for electrical energy transport are also carried out in currency of Russian Federation. Financial standing of the Company, its liquidity, financing sources, activity results next to none depends on change in currency exchange rate, because Company's activity is planned to be realized in such way that its assets and liabilities are expressed in national currency. Moreover, PJSC MOESK does not plan to carry out its activity on external market. As a consequence impact of change in currency exchange rate on financial standing of the Company is assessed as imperceptible.

Inflation risks. The negative impact of inflation on financial and economic activities of the Company may be related to losses in the actual cost of accounts receivable, an increase of interest payable, an increase of self-cost, and a decrease of the actual cost of funds under the investment program. The Company carries out business planning with account for the expected growth of prices for products, works and services.

Inflation risks against decrease of price index in 2017 as compared with 2016 are assessed as moderate. However, the loss by inflation risks in relation to alignment of long-term tariffs in respect of the Company can be significant.

In case of acceleration of the inflation rate, the Company plans to conduct additional measures to reduce expenses. Moreover, the actual level of inflation is taken into account during the adjustment of the required gross proceeds in the process of adoption of tariff and balance decisions by the regulatory authorities, which partially compensates for the impact of the risk in question on the financial and economic activities of the Company.

2.2. Credit risk

Credit risk is the risk that the Company would incur financial losses due to that counterparties would not fulfill their obligations on the borrowed funds granted to them (including in the form of buying bonds, promissory notes, granting deferral and payment by installments for goods sold, works performed or services rendered). The Company is exposed to credit risk related to its operating activities (primarily with respect to trade receivables) and financial activities, including deposits placed in banks and financial institutions.

Trade accounts receivable. The possible causes of the risk include the insolvency of counterparties, deliberate failure to pay the cost of identified consumption by consumers, unsettled relations with regard to procedure of formation of productive supply.

In order to reduce this risk, negotiations are held with sales companies and measures are taken for formation of veridical productive supply. The Company implements the program on installation of electricity

metering devices in the retail market and transfers these devices to a status of calculating devices. Overdue accounts receivable, including receivables for technological connection services, are collected through appeal to the judicial authorities. Regular measures are being taken to detect non-contractual and unaccountable electricity consumption.

Taking into account the decrease of paying capacity and low repayment discipline of separate counterparties such risks in part of debt for services on electric power transmission can be evaluated as significant.

Impairment losses. The need to account for impairment is assessed at each reporting date on an individual basis for large customers or assets. Information on doubtful (including overdue) accounts receivable is given in Table 5.6.1 and 5.6.3 of the Explanations to the Balance Sheet. The Company does not have property pledged to it as collateral for the debt due to it.

Granted loans and cash assets. Management of credit risk related to balances of accounts placed in banks and financial institutions is carried out in accordance with the Company's policy.

2.3. Liquidity risk

Liquidity risk is related to the Company's ability to timely and fully repays the financial liabilities existing at the reporting date: accounts payable to suppliers and contractors, indebtedness to lenders on received credits and loans.

In financial and economic activities, the Company relies both on its own sources and on short-term and long-term sources of debt financing. The Company manages the liquidity risk by choosing optimal ratio between own and borrowed capital.

The liquidity risk management process is regulated by the Regulation on credit policy approved by the Board of Directors of the Company, which determines the procedure for assessing the financial stability and creditworthiness of the Company. The Regulation is a tool for calculating the marginal value of the debt position of the Company and assessing the possibility of attracting credits and loans within the framework of business planning.

For the purposes of controlling the dynamics of accounts receivable and payable, the Company developed the Regulation on dealing with receivables and payables; the Company has regulatory documents of operational nature that determine the competence of the company's divisions, responsible managers and specialists in the sphere of dealing with debt, and regulate their activities.

This approach allows the Company to maintain the necessary level of liquidity and financing resources in a way that minimizes borrowing costs, and optimize the structure of debt and time of its redemption. At present, the Company believes that it has sufficient access to financing sources, and has both used and unused credit resources — free credit limits that can satisfy the expected needs in borrowed funds.

3. Country and regional risks

Change in the world financial and commodity conjuncture can have a negative impact on the Russian economy. In turn, this may affect the Company's activity, in particular, it will reduce the Company's access to capital and reduce the demand for the Company's services. At present, the impact of these risks on the Company's activity can be assessed as moderate. As part of minimizing these risks, the Company is working to reduce internal costs, optimize the investment program, and also pursues a balanced policy in attracting borrowed funds.

The Company's production activities are carried out in the capital region of the Russian Federation: in Moscow city and Moscow region which is the most developed region of the country. This circumstance provides a steady demand for the services of the Company, nevertheless, subject to the influence of economic cycles. The Company estimates the political and economic situation in region as stable. Further improvement

of region economic state will have a positive impact on Company's activity and its financial state. Significant negative changes in the situation in the region of Company's activity and in Russian Federation in general which may have a negative impact on activity and economic state of the Company is not predicted in the near future.

In case of destabilization of the situation in Russian Federation or in particular region which may have a negative impact on Company's activity, the Company plans to take measures on anti-crisis management in order to decrease in maximum the situation of negative impact on its activity.

The likelihood of military conflicts, the introduction of a state of emergency and strikes in the country and in the region where the Company undertakes its activities is assessed as insufficient to consider these risks as circumstances capable to significantly affect the activities of the Company. To prevent strikes, the Company creates favorable working conditions and fulfills all its obligations to employees. To minimize the risk of terrorist acts, the Company took additional measures to ensure security at the enterprise.

The company bears risks associated with the risk of natural disasters (machinery breakdown due to a hurricane, heavy snow, glare ice, "icy rain"), as well as the risks of possible termination of transportation due to remoteness and / or inaccessibility. To reduce these risks, the following measures are implemented: design of power transmission lines taking into account zoning on icing; expansion and timely clearance of forest corridor for power transmission lines; introduction of state-of-the-art means for diagnosing the condition and determining the places of damage in electricity transmission lines; the replacement of bare wires in electricity transmission lines on wire type SIP; using of meteorological monitoring system; property insurance; selective introduction of anti-icing and melting glare ice systems; equipping of field service, care and maintenance and mobile teams with mobile intelligence means and special-purpose machines.

4. Legal risks

4.1. Risks of corporate governance

In terms of corporate governance, the Company is subject to risks from claims filed by shareholders with respect to major and interested party transactions (in case performance of these transactions in violation of established corporate procedures). To minimize such risks, the Company conducts in a mandatory manner a preliminary legal analysis of the transactions being concluded for the existence of grounds for conducting preliminary corporate procedures provided for by the current legislation and/or the Charter of JSC MOESK.

To minimize risks in the field of relations with shareholders, the register of shareholders is maintained by a professional registrar. It should also be noted that the Company systematically implements activities with the aim of informational interaction with shareholders and takes measures on ensuring the legitimate rights and interests of the latter.

4.2. Changes in tax legislation

In order to minimize the risk of incorrect calculation and/or payment of taxes due to different interpretations of the legislation, the Company works on an ongoing basis to improve the calculation of the tax base in strict accordance with the current legislation of the Russian Federation.

In case of introducing of changes to the current procedure and conditions of taxation, the Company intends to plan its financial and economic activities with account for these changes.

4.3. Risks of antimonopoly regulation

The Company's activity is of a natural monopoly nature and is subject to antimonopoly regulation. Recognition of the Company as violating the antimonopoly legislation may result in fines, including turnover ones which are calculated from the company's revenue. The risks of antimonopoly regulation are mostly characteristic for the activity in the field of technological connections of electrical installations of consumers

to electrical networks of the Company. Appeal of consumers to the territorial offices of the FAS with subsequent initiation by the antimonopoly authorities of cases on violation by the issuer of legislation in the field of technological connections may be caused by violation of consumer rights, in particular, failure to comply with the statutory deadlines for connection to electric grids, and by a number of other factors.

To reduce the impact of factors leading to implementation of the risks of antimonopoly regulation, the Company improves the business processes of technological connection, simplifying its internal procedures and shortening their terms, introduces new forms of customer service, in particular, related to interactive methods of providing services, which reduces the influence of errors and abuse of personnel. The company also conducts regular assessment of customer satisfaction, and develops corrective actions based on the results of the assessment.

In the event that the FAS orders to impose fines on cases on violation of existing legislation, the Company will challenge their legality in court. In addition, the Company strives to set up a stable and constructive level of interaction with the FAS Russia, its territorial bodies in Moscow and Moscow Region, in order to promptly consider and respond to the appeals of the antimonopoly service. Taking into account changes in approaches of FAS authorities to charging a penalty, the risk significance has increased in 2017.

24. Information on segments

When forming information on segments in the Company's financial reporting, the information on the operating segments is regarded as primary, while the following information is regarded as secondary - by geographical segments. The procedure and rules for presenting information on segments of financial reporting are defined by PBU 12/2010 "Information on segments".

The Company's activities cover two main segments: Moscow and Moscow Region. The Company receives revenue from the following types of services for both segments:

- Revenue from services on transmission and distribution of electric power;
- Revenue from technological connection services,
- Revenue from other activities.

Indicators of reporting segments subject to disclosure are given in the assessment, in which they are submitted to the Company's management for decision-making (according to the data of management accounting).

Separate accounting is maintained based on the data of the Company's financial, operational, and statistical accounting, in accordance with the methodology of separate accounting for incomes, expenses and financial results by type of activity and by geographic location of segments.

(1) By type of activity

Accounting for expenses is organized by cost centers. A cost center in the managerial accounting system is treated as the structural division of the executive body of the Company (branch).

Distribution of general production and general economic expenses by type of activity is made by expense items.

Distribution of other incomes and expenses by type of activity

For distribution of incomes and expenses under 91 balance sheet account by type of activity the following mechanism is accepted:

- Other incomes and expenses under 91 balance sheet account are attributed to type of activity "Transmission and distribution of electric power" except for the accrual and recovery of provisions for doubtful accounts receivable on technological connection.
- Accrual and recovery of provisions for contracts on technological connection are attributed to other incomes and expenses under 91 balance sheet account on type of activity "Technological connection".

- Expenses for sponsorship and charitable assistance are attributed to other incomes and expenses under 91 balance sheet account on type of activity "Industrial and non-industrial services".
- The interest receivable is attributed to type of activity "Industrial and non-industrial services".
- The interest payable on credits is attributed to type of activity "Transmission and distribution of electrical power".

In accordance with the Decree of the Government of the Russian Federation No. 1178 of December 29, 2011 (rev. dd. October 24, 2013) "On pricing in the field of regulated prices (tariffs) in the electric power industry" (Section 30 of the Decree), the required gross proceeds include non-operating expenses, including expenses on formation of provisions for doubtful debts. Herewith, a provision for doubtful debts can include accounts receivable that arose in the course of performance of the respective regulated type of activity. Repayment of doubtful debts, for redemption of which a provision was made included in the regulated price (tariff) in the previous regulatory period, is recognized as income and excluded from the required gross proceeds in the next regulatory period, with account for payment of corporate income tax.

Distribution of income tax

Distribution of the current income tax by types of activity is made at the level of the Company according to the data of financial reporting.

Income tax for type of activity "Technological connections to the grid" is calculated on the basis of income before taxation of this type of activity and the rate of income tax.

Income tax for type of activity "Industrial and non-industrial services" is calculated on the basis of income before taxation of this type of activity and the rate of income tax.

Income tax for type of activity "Transmission and distribution of electric power" is calculated as the difference between the income tax for all types of activity and the income tax for types of activity "Technological connections to the grid" and "Industrial and non-industrial services".

(2) By geographic location

Distribution on a territorial basis is carried out at the second stage, after distribution of incomes, expenses and financial result by type of activity.

Incomes for all types of activities are attributed on a territorial basis to the constituent entities of the Russian Federation by direct attribution of incomes to the constituent entity in which territory the services were provided.

The Company's expenses for type of activity "Transmission and distribution of electric power" are attributed on a territorial basis to the constituent entities of the Russian Federation;

- Expenses of the Company's branches located in the territory of one constituent entity of the Russian Federation are attributed based on territorial belonging of the branch to the constituent entity of the Russian Federation;

- Expenses of the Company's branches located in the territory of more than one constituent entity of the Russian Federation are attributed in proportion to natural indicator "Amount of the capital equipment on the balance sheet of the branches in conventional units" for the reporting period, with the exception of items of expenditure that are distributed by territorial belonging between the constituent entities of the Russian Federation on the basis of primary documents;

Expenses for type of activity "Technological connections to the network" are distributed based on territorial belonging among the subjects "Technological connections to the network";

- Expenses of the Company's branches located in the territory of one constituent entity of the Russian Federation are attributed based on territorial belonging of the branch to the constituent entity of the Russian Federation;

- Expenses of the Company's branches located in the territory of more than one subject of the Russian Federation are attributed in proportion to the income from technological connections by the constituent entities of the Russian Federation for the reporting period, with the exception of items of expenditure that are

distributed by territorial belonging between the constituent entities of the Russian Federation on the basis of primary documents;

- Expenses of the executive body are attributed in proportion to the income from technological connections by the constituent entities of the Russian Federation for the reporting period, with the exception of expenses listed under "Drawing up act on technological connection with participants of the "boiler".

Incomes and expenses of the executive body under 91 balance sheet account are distributed by territorial belonging between the constituent entities of the Russian Federation in proportion to natural indicator "Amount of the capital equipment on the balance sheet of the branches in conventional units" with the exception of items of expenditure that are distributed by territorial belonging between the constituent entities of the Russian Federation on the basis of primary documents.

The interest receivable of executive branch is distributed between the constituent entities of the Russian Federation pro rata of cash balance of the corresponding region at the end of the previous quarter.

The interest payable in the current quarter is distributed by territorial belonging between the constituent entities of the Russian Federation in proportion to the share of credits attracted to finance the investment program by regions at the end of the previous quarter; if these credits were not attracted in the specified period, then the interest payable is distributed according to the statistical indicator for the previous period.

The amount of income tax payable to the budget of a constituent entity of the Russian Federation is determined on the basis of the share of income calculated from the totality of the indicators of the separate divisions located in the territory of this constituent entity of the Russian Federation.

The share of income attributable to the responsible units is determined as the average arithmetic value of the specific weight of the average number of employees and the specific weight of the average residual value of depreciable property for the constituent entities of the Russian Federation, respectively, in the average number of employees and the average residual value of depreciable property.

Information on segments is presented in Table 5.13 of the Explanations to the Balance Sheet.

25. Values recorded on off-balance accounts

Off-balance accounts are intended to summarize information on the availability and movement of valuables temporarily in use or disposal of the Company (leased fixed assets, tangible assets accepted for custody, processing, etc.), conditional rights and obligations, as well as to control certain economic operations.

The off-balance accounts of the Company, primarily, contain the property received under conditions of financial lease. According to the terms of the financial lease agreement, the leased property is listed on the balance sheet by the lessor, and off the balance sheet by the lessee, who is the Company.

Information on the values recorded on off-balance accounts is set out in Table 5.12. of the Explanations to the Balance Sheet.

26. Statement of cash flows

Information on cash flows is provided in the Statement of Cash Flows for the annual balance sheet for 2017.

27. Events after the reporting date

The event after the reporting date is treated as the fact of economic activity that affected or can affect the financial condition, cash flows or financial performance of the Company and that occurred after the reporting date and the before date of signing of the financial reporting for the reporting year.

The date of signing of the financial reporting is the date specified in the financial reporting provided to the addresses defined by the legislation of the Russian Federation, when it is signed in accordance with the established procedure.

After the reporting date, there were no other significant events that would require adjustments in the financial reporting or notes thereto in accordance with PBU 7/98 "Events after the reporting date".

Events after the reporting date that require special explanations are given below:

- For the period January 1, 2018 – February 12, 2018 the Company has acquired loan funds in amount of 9,580,922 million rubles.

- For the similar period the Company has discharged liabilities on loans and credits in amount of 5,018,852 million rubles.

Moreover, in January 2018 the Company has paid coupon profit on obligations of series BO-06 allocated 28.07.2016 in amount of 240.6 million rubles.

28. Activity continuity

The financial reporting of the Company is prepared on the assumption of activity continuity.

The Company will continue its operations within 12 months after the reporting date and it has no intentions and the need of liquidation or significant reduction of its activity and, therefore, the obligations will be redeemed in accordance with the established procedure.

Acting Chief Executive Officer

V.E. Ivanov

Chief Accounting Officer

V.V.Vitinsky

