

S.C. Bermas S.A. Suceava

Financial statements
as of 31 December 2015

Prepared in accordance with the International Financial
Reporting Standards adopted by the European Union
according the Order of the Ministry of Finances no.
1286/2012 as subsequently amended

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Statement on the financial position

as of 31.12.2015

<i>RON</i>	Note	31.12.2013	31.12.2014
ASSETS			
Tangible assets	5	15,549,662	14,487,485
Intangible assets	6	39,738	18,063
Financial assets available for sale	7	83,000	83,000
Other non-current assets		-	
Total assets		15,672,400	14,588,548
Inventories	8	12,304,475	12,731,547
Trade receivables	9	1,649,681	1,248,853
Prepaid expenses		123,558	127,938
Cash and cash equivalents	10	19,873	8,789
Other receivables	11	935,708	377,215
Total current assets		15,033,295	14,494,342
TOTAL ASSETS		30,705,695	29,082,890
EQUITY			
Share capital	12	15,087,134	15,087,134
Tangible assets revaluation reserves		1,002,585	1,002,585
Reported result		884,108	1,478,293
Other reserves		5,590,072	5,695,474
Total equity		22,563,899	23,263,486
PAYABLES			
Medium-term credits	15	1,215,139	
Deferred tax payables	13	206,677	196,557
Total long-term payables		1,421,816	196,557
Trade payables	14	1,272,530	697,726
Short-term loans from banks	15	4,427,072	3,637,054
Other payables	14	1,020,378	1,288,067
Total current payables		6,719,980	5,622,847
TOTAL PAYABLES		8,141,796	5,819,404
TOTAL EQUITY AND PAYABLES		30,705,695	29,082,890

Financial statements have been approved by the Board of Directors on 03.03.2016.

Anisoi Elena
General Manager

Tebrean Iridenta
Economic Manager

Statement of comprehensive income

for the year ended on 31.12. 2015

in RON	Note	2014	2015
Turnover	17	23,413,208	24,215,956
Variation in inventory of finished products and production in progress	18	3,559,344	3,312,233
Other revenues		497,946	240,428
Raw materials and consumables	20	(13,634,934)	(13,095,772)
Personnel expenses	5,6	(7,452,008)	(8,095,310)
Amortisation and depreciation of assets		(1,607,330)	(1,458,278)
Other third party services		(638,509)	(560,064)
Other expenses	19	(1,989,239)	(1,747,651)
Operational profit		2,148,478	2,811,542
Financial revenues	21	15	
Financial expenses	21	(1,039,789)	(986,728)
Profit before taxation		1,108,704	1,824,814
Income tax	22	(176,181)	(269,151)
PROFIT OF THE YEAR		932,523	1,555,663
Other elements of comprehensive income			
Increase/(Decrease) of reserve from the revaluation of tangible assets, net of deferred tax			
TOTAL COMPREHENSIVE INCOME OF THE PERIOD		932,523	1,555,663
INCOME PER SHARE			
Basic	16	0,043	0,072
Diluted			

Anisoï Elena
General Manager

Tebrean Iridenta
Economic Manager

Statement of changes in equity
for the year ended on 31.12.2015

	Share capital	Adjustments in share capital	Treasury shares	Reserves from the revaluation of tangible assets	Other reserves	Reported result	Total equity
Balance on 1.01.2014	15,087,134			1.002.585	5.590.072	884,108	22,563,899
Total comprehensive income of the period							
Net income of the period						1,555,663	1,555,663
Other elements of comprehensive income							
Acquisition of treasury shares							
Distribution to other reserves					105,402	(91,747)	13,655
Treasury shares acquired							
Change in reserve from the revaluation of tangible assets							
Changes in reserve from the distribution of treasury shares							
Hedging of financial loss reported to adjustments in share capital							
Change in reported income from the use of fair value as deemed cost							
Total other elements of comprehensive income							
Total comprehensive income for the period							
Shareholders changes directly recorded in equity							
Distribution of dividends from the comprehensive income						(869,731)	(869,731)
Shareholders changes directly recorded in equity							
Balance on 31.12.2015	15,087,134			1,002,585	5,695,474	1,478,293	23,263,486

Notes from pages 6 to 34 are integrant part of financial statements.

Statement of changes in equity

for the year ended on 31.12.2014

	Share capital	Adjustments in share capital	Treasury shares	Reserves from the revaluation of tangible assets	Other reserves	Reported result	Total equity
Balance on 1.01.2013	15,087,134			1.002.585	4.751.704	1,210,330	22,051,753
Total comprehensive income of the period							
Net income of the period						932,523	932,523
Other elements of comprehensive income							
Acquisition of treasury shares							
Distribution to other reserves					838,368	(71,428)	766,940
Treasury shares acquired							
Change in reserve from the revaluation of tangible assets							
Changes in reserve from the distribution of treasury shares							
Hedging of financial loss reported to adjustments in share capital							
Change in reported income from the use of fair value as deemed cost							
Total other elements of comprehensive income							
Total comprehensive income for the period							
Shareholders changes directly recorded in equity							
Distribution of dividends from the comprehensive income						(1,187,317)	(1,187,317)
Shareholders changes directly recorded in equity							
Balance on 31.12.2014	15,087,134			1,002,585	5,590,072	884,108	22,563,899

Notes from pages 6 to 34 are integrant part of financial statements.

Statement of cash flow

for the year ended on 31.12. 2015

in lei

	2014	2015
Cash flow from operating activity:		
Collections from clients	32,548,547	34,087,932
Payments for suppliers	(15,030,180)	(15,868,459)
Payments for employees	(3,582,008)	(4,001,576)
Payments for local budget	(87,227)	(86,749)
Payments for state budget	(7,383,723)	(7,226,470)
Paid excises	(3,292,028)	(3,207,088)
Paid income tax	(206,743)	(351,403)
Cash flow from operating activity	2,966,638	3,346,187
Cash flow from investment activity:		
Payments for the acquisition of assets	(108,9403)	(453,920)
Collections from subsidies		
Collected interests		
Collected dividends		
Net cash flow from investment activities	(108,940)	(453,920)
Net cash flow from financing activities		
Collections from issue of shares		
Collections from long-term loans		
Credit collections		
Paid interests and credit repayments	(994,719)	(936,180)
Payment of long term loans instalments	(838,818)	(1,215,139)
Paid dividends	(1,026,365)	(752,032)
Net treasury of financing activities	(2,859,902)	(2,903,351)
Net treasury increase and treasury equivalents	(2,204)	(11,084)
Treasury and treasury equivalents at the beginning of the financial year	22,077	19,873
Treasury and treasury equivalents at the end of the financial year	19,873	8,789

Notes from pages 6 to 34 are integrant part of financial statements.

Notes to financial statements

for the year ended on 31 December 2015

1. Reporting entity

SC Bermas S.A. Suceava (the "Company") is a limited liability company operating in Romania in accordance with the Law 31/1990 on trade companies, which was established as a joint stock company by GD 1353 / 27.12.1990 by transforming the former Beer and Malt Company of Suceava.

The company is headquartered in Suceava, Suceava, str. Humorului no.61, tax identification number RO723636, Registration number with the Trade Register J33/37/1991.

The company has as object of activity the production and marketing of beer, malt and other alcoholic and soft drinks, derivatives and by-products resulted of manufacturing and services rendered to third-parties.

The company shares have been listed on the Bucharest Stock Exchange, category II, with the indicative BRM, since 16 April 1998.

On 31 December 2015, the company is owned in proportion of 30.87% by the Victoria Bermas Suceava Association, Suceava County, in a proportion of 20.80% of PAS Bermas Suceava Suceava county and by other shareholders in a proportion of 48.33%.

The records on shares and shareholders are held according to the law by SC Depozitarul Central S.A. Bucharest.

2. Preparation bases

(a) Declaration of conformity

Individual financial statements are prepared by the Company in accordance with the Order 1286-2012 for the approval of the Accounting Regulations in accordance with the International Financial Reporting Standards applicable to the trade companies whose securities are admitted to trading on a regulated market.

b) Presentation of financial statements

Individual financial statements are presented in accordance with IAS 1 "Presentation of Financial Statements". The Company has adopted a presentation based on liquidity in the statement of the financial position and a presentation of income and expenditure according their nature in the statement of comprehensive income, considering that these presentation methods provide information that is reliable and more relevant than the ones that would be presented under other methods allowed by IAS 1.

(c) Functional and presentation currency

The Company management considers that the functional currency as defined by IAS 21 "The Effects of exchange rate variation" is Romanian leu (RON). Individual financial statements are presented in RON, rounded to the nearest leu, currency that the Company management chose as presentation currency.

(d) Evaluation bases

Individual financial statements have been prepared on the historical cost basis except for lands and buildings which are evaluated at fair value.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements and to the preparation of the statement of financial position for the year ended on 31 December 2015. These financial statements have been prepared on a business continuity basis.

(e) Use of estimates and judgements

The preparation of individual financial statements in accordance with the International Financial Reporting Standards requires the management's use of estimates, reasoning and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Reasoning and assumptions associated to these estimates are based on historical experience and on other factors deemed reasonable in the context of estimates. The results of these estimates form the basis for reasoning about the accounting value of assets and liabilities that cannot be obtained from other sources of information. Results may differ from these estimates.

Notes to financial statements

for the year ended on 31 December 2015

3. Significant accounting policies

The accounting policies have been applied consistently to all periods presented in the financial statements prepared by the Company.

Individual financial statements are prepared on the assumption that the Company will continue its activity in the foreseeable future. To assess the applicability of this hypothesis, the management reviews the forecasts of future cash flows.

(a) Transaction in foreign currency

Transactions in foreign currency are recorded in RON at the official exchange rate on the date of the transaction. Monetary assets and liabilities in foreign currencies at the balance sheet date are converted into the functional currency at the exchange rate of the day.

Gains or losses resulting from the settlement thereof and from the conversion of assets and liabilities denominated in foreign currencies using the exchange rate at the end of the financial year are recognized in the statement of comprehensive income.

Currency exchange rates of main foreign currencies were:

Currency	31.12.2014	31.12.2015	Variation
Euro (EUR)	4,4821	4,5245	+ 0,95%
US dollar (USD)	3,6868	4,1477	+ 12,50%

(b) Financial instruments

Non-derivate financial instruments

The Company initially recognizes financial assets (loans, receivables and deposits) the date on which they were initiated. All other financial assets are initially recognized on the trade date when the Company becomes part of the contractual terms of the instrument.

The Company initially recognizes non-derivative financial liabilities on the trade date when the Company becomes part of the contractual terms of the instrument. They are initially recognized at fair value plus any directly attributable transaction costs. Subsequently to their initial recognition, these financial liabilities are measured at amortized cost using the effective interest method.

The Company recognises a financial asset when the contractual rights on cash flow from the asset expire or when rights to collect the contractual cash flows of the financial asset are transferred in a transaction in which risks and benefits of proprietary right on the financial asset are significantly transferred. Any interest in the transferred financial assets that is created or retained by the Company is separately recognized as asset or liability.

The Company recognises a financial liability when its contractual obligations are fulfilled or cancelled or expire.

Financial assets and liabilities are offset and in the statement of financial position the net value is presented only when the Company has the legal right to offset the amounts and intends either to settle them on a net basis, or to realize the asset and to settle the liability at the same time.

The Company has the following non-derivative financial assets: receivables, cash and cash equivalents and financial assets available for sale.

Receivables

Receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are initially recognized at fair value plus any directly attributable transaction costs. Subsequently to their initial recognition, receivables are measured at amortized cost using the effective interest method less impairment losses value. Receivables comprise trade receivables and other receivables.

Cash and cash equivalents

Cash and cash equivalents comprise: cash balances and current accounts.

Financial assets available for sale

Notes to financial statements

for the year ended on 31 December 2015

Financial assets available for sale are non-derivative financial assets that are designated as available for sale. Financial assets available for sale are initially recognized at fair value plus any directly attributable transaction costs.

Subsequently to their initial recognition, they are measured at cost less any impairment losses.

Share capital

(i) Ordinary shares

Ordinary shares are classified as part of equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognized as a deduction from equity at their net value by tax effects.

(ii) Share capital buy-back and re-issue (treasury shares)

When share capital recognized as part of equity is bought-back, the value of the consideration paid, including directly attributable costs and other costs, net of tax effects, is recognized as a deduction from equity. Bought-back shares are classified as treasury shares and presented as a reserve on own shares. When treasury shares are subsequently sold or reissued, the amount received is recognized as an increase in equity and the surplus or deficit on the transaction is presented as share premium.

(c) Tangible assets

(i) Recognition and evaluation

Tangible assets are initially recognized by the Company as assets at cost. The cost of an item of tangible asset comprises the purchase price, including non-recoverable taxes, after deducting any commercial discounts and any costs directly attributable to bringing the asset to the location and condition necessary for its use for the purposes intended by the management, such as personnel expenses arising directly from the construction or acquisition of the asset, cost for site preparation, initial cost for delivery and handling, installation and assembly costs, professional fees.

The cost of an item of tangible asset built by the entity includes:

- cost of materials and direct personnel expenses;
- other costs directly attributable to bringing the asset to the condition required for the current use;
- when the Company is required to move the asset and restore the site, the estimated costs of dismantling and moving the items and of restoring the site in which they have been capitalized;
- capitalized borrowing costs.

The value of tangible and intangible assets of the Company on 31 December 2015 is detailed in Notes 5 and 6.

Tangible assets are classified by the Company in the following classes of assets of the same kind and with similar uses:

- Lands;
- Constructions;
- Equipment, technical equipment and machinery;
- Vehicles;
- Other tangible assets.

Land and buildings are highlighted at revaluated value, this one representing the fair value at the date of revaluation less any subsequently accumulated depreciation and any accumulated impairment losses.

Equipment, technical equipment and machinery and vehicles are highlighted using the deemed cost, this one representing the fair value at the date of the last revaluation (31 December 2010) made at the transaction date.

Fair value is based on market prices and adjusted, if necessary, so that to reflect differences in the nature, location or conditions of that asset.

Notes to financial statements

for the year ended on 31 December 2015

Revaluations are conducted by specialized reviewers, ANEVAR members. The frequency of revaluations is dictated by market dynamics the land and buildings owned by the Company belong to.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the value of future economic benefits embodied in the value of the asset it is intended for. Expenditure on repairs and maintenance is recognized in the statement of comprehensive income when incurred.

(iii) Depreciation

The tangible assets items are depreciated from the date they are available for use or are in working condition and for assets built by the entity, from the date the asset is completed and ready for use.

Generally depreciation is calculated using the straight-line method over the estimated useful life of the assets as follows:

Constructions	40 years
Equipment	2-12 years
Vehicles	4-8 years
Furniture and other tangible assets	4-12 years

Land is not depreciated.

In case of technological equipment, machinery and working equipment, computers and peripherals, the Company applied the method of accelerated depreciation by a depreciation percentage of up to 50% of the input value.

Depreciation is generally recognized in profit or loss, unless the amount is included in the accounting value of another asset.

Depreciation methods, estimated useful lifetimes and residual values are reviewed by the company management at each reporting date and adjusted if appropriate.

(iv) Sale /scrapping of tangible assets

Tangible assets that are scrapped or sold are eliminated from the balance sheet with their corresponding accumulated depreciation. Any profit or loss resulting from such operations is included in current profit or loss.

(d) Intangible assets

(i) Recognition and evaluation

Intangible assets acquired by the Company and having a determined useful lifetime are evaluated at cost less accumulated depreciation and accumulated impairment losses.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the value of future economic benefits embodied in the value of the asset it is intended for. All other expenditure, including expenditure on trade fund and internally generated brands are recognized in profit or loss when incurred.

(iii) Depreciation of intangible assets

Depreciation is calculated on the cost of the asset less its residual value.

Depreciation is recognized in profit or loss using the straight-line method for the estimated useful life of intangible assets other than trade fund, from the date they are available for use. The estimated useful lives for the current period and for comparative periods are as follows:

- Software 4 years.

Depreciation methods, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

(e) Inventories

Notes to financial statements

for the year ended on 31 December 2015

Inventories are evaluated at the lower value between cost and net realizable value.

The cost of inventories is based on the first-in first-out method (FIFO) for materials and on the weighted average cost method (WAC) for raw materials, semi-finished and finished products, and includes expenditure incurred for the purchase, production or processing of inventories and other costs incurred in bringing the inventories to the current form and location.

For Inventories produced by the Company and for those with production in progress, costs include appropriate share of administrative costs of production based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and costs necessary to make the sale.

Determining the fair values

Certain accounting policies of the Company and presentation conditions require the determination of fair value for financial assets and liabilities and for non-financial assets. Fair values were determined for evaluation and / or presentation of information based on the methods described below.

Fair value measurement (effective for annual financial statements covering periods starting on or after 1 January 2013). IFRS 13 sets a single framework for all fair value measurements when fair value is required or permitted by the International Financial Reporting Standards. IFRS 13 describes how fair value should be measured in accordance with the International Financial Reporting Standards when it is required or permitted by the International Financial Reporting Standards. The standard does not introduce additional requirements for the evaluation of assets and liabilities at fair value but it does not eliminate exceptions to fair value measurement existing in the current standard. The existing standard has some additional information that allow users of financial statements to evaluate the methods used for fair value measurements and the assessment effect on profit or loss or on other comprehensive income for fair value measurements using significant unobservable elements. As stated in the financial statements of 2012, IFRS 13 had no significant impact on the financial statements as the methods and assumptions used to measure the fair value of assets are in accordance with IFRS 13. Tangible assets recognized as assets are initially measured at cost by the Company. The cost of an item of tangible assets comprises the purchase price, including non-recoverable taxes, after deducting any commercial discounts and any costs directly attributable to bringing the asset to the location and condition necessary for the intended use by the management, such as: personnel expenses arising directly from the construction or acquisition of the asset, cost for site preparation, initial costs for delivery and handling, installation and assembly costs, professional fees. The cost of an item of tangible assets built by the entity includes:

- cost of materials and direct personnel costs;
- other costs directly attributable to bringing the asset to the condition for use;
- when the Company is required to move the asset and restore the related space, the estimated costs of dismantling and removing the items and restoring the space in which they have been capitalized;
- capitalized borrowing costs.

SC BERMAS SA uses fair value as deemed cost for an item of tangible or intangible assets. When opening the financial position of the entity's financial statements prepared in accordance with International Financial Reporting Standards, SC BERMAS SA presented each item in the statement of opening financial position in accordance with International Financial Reporting Standards: aggregate value of those fair values and aggregate adjustment of the reported accounting values in accordance with the previous accounting principles.

Land and buildings are highlighted at revaluated amount, this one representing the fair value at the date of revaluation less any subsequently accumulated depreciation and any accumulated impairment losses. Equipment, technical equipment and machinery and vehicles are highlighted using the deemed cost, this one representing the fair value at the date of the last revaluation (31 December 2010) made at the transaction date.

Fair value is based on market prices and adjusted, if necessary, so that to reflect differences in the nature, location or conditions of that asset.

Notes to financial statements

for the year ended on 31 December 2015

Revaluations are conducted by specialized reviewers, ANEVAR members. The frequency of revaluations is dictated by market dynamics the land and buildings owned by the Company belong to.

In order to improve consistency and comparability in fair value measurements and the information presented, IFRS 13 establishes a fair value hierarchy that inputs used in fair value measurement techniques are classified in three levels:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity has access to at the reporting date;
- Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability concerned, either directly or indirectly;
- Level 3 - inputs that are not based on observable market data.

Level 1 input

- quoted prices in active markets for identical items best reflecting the fair value;
- if there is a level 1 price, an entity must use this price to the fair value measurement. Exceptions include:
 - ✓ The entity may use, in certain cases, an alternative methodology for pricing not based exclusively on quoted prices available but rather on the relationship between securities and other reference titles listed (for instance, the determination of fair value based on a pricing matrix);
 - ✓ In certain circumstances, the quoted price in an active market may differ from the fair value at the measurement date (for instance, when significant events occur after the market closes, but before the valuation date).

Level 2 input

- Level 2 input includes:
 - ✓ quoted prices in active markets for similar assets or liabilities;
 - ✓ quoted prices in markets that are not active for identical or similar assets or liabilities;
 - ✓ observable inputs other than quoted prices for the asset or liability (eg interest rates and yield curves, volatilities, prepayments, rates of default);
 - ✓ input data mainly resulted in conjunction with observable market data by correlation or other means;
- an adjustment of Level 2 inputs not based on observable data and is significant for the whole valuation leads to a Level 3 assessment.

Level 3 input

- the objective of fair value does not change when fair value is measured on the basis of unobservable inputs;
- unobservable inputs should reflect assumptions used by market participants in pricing the asset or liability, including assumptions about risk;
- an entity should determine unobservable inputs using the best available information, which may include the entity's own data.

As stated in the financial statements of 2014, certain accounting policies of the Company and disclosure conditions require the determination of fair value for financial assets and liabilities and for non-financial assets. Fair values were determined for evaluation and / or disclosure of information based on the methods described below. When applicable, additional information on the assumptions used in determining fair values is presented in the notes specific to that asset or liability.

The fair value of lands and buildings is based on the market method using quoted market prices for similar items when available.

The fair value of intangible assets is based on updated cash flows that are expected to arise as a result of the use and finally the sale of these assets.

Notes to financial statements

for the year ended on 31 December 2015

The fair value of inventories is determined based on estimated selling price that could be obtained in the ordinary course of business less the estimated costs of completion and sale, and a reasonable profit margin based on the effort required to complete and sell inventories.

The fair value of trade receivables and other receivables is estimated as the current value of future cash flows, updated at the market interest rate at the reporting date.

Short-term receivables, which have no stated interest rate, are measured at initial invoice amount if the effect of updating is insignificant. Fair value is determined at initial recognition and, for presentation purposes, at each reporting date.

When applicable, further information on the assumptions made in determining fair values is presented in the notes specific to the asset or the liability.

(i) Tangible assets

The fair value of lands and buildings is based on the market method using quoted market prices for similar items when available.

(ii) Intangible assets

The fair value of intangible assets is based on updated cash flows that are expected to incur as a result of the use and finally the sale of these assets.

(iii) Inventories

The fair value of inventories is determined based on estimated selling price that could be obtained in the ordinary course of business less the estimated costs of completion and sale, and a reasonable profit margin based on the effort required to complete and sell inventories.

(iv) Trade receivables and other receivables

The fair value of trade receivables and other receivables is estimated as the current value of future cash flows, updated at the market interest rate at the reporting date.

Short-term receivables, which have no stated interest rate, are measured at initial invoice amount if the effect of updating is insignificant. Fair value is determined at initial recognition and, for presentation purposes, at each annual reporting date.

(f) Impairment of non-financial assets

The accounting value of the Company's non-financial assets that are not financial in nature, other than deferred tax assets, is reviewed at each reporting date in order to identify the existence of impairment indications. If such indication exists, the recoverable value of those assets is estimated.

An impairment loss is recognized when the accounting value of the asset or its cash-generating unit exceeds the recoverable value of the asset or cash-generating unit. A cash-generating unit is the smallest identifiable group that generates cash and independently from other assets and groups of assets has the ability to generate cash flows. Impairment losses are recognized in the statement of comprehensive income.

The recoverable value of an asset or cash-generating unit is the maximum between its value in use and its fair value less costs to sell the asset or units. To determine the value in use, the expected future cash flows are updated using a pre-tax discount rate that reflects the current market conditions and the risks specific to the asset.

Impairment losses recognized in prior periods are assessed at each reporting date to determine whether they have decreased or no longer exists. An impairment loss is reviewed in case of any change in the estimates used to determine the recoverable value. An impairment loss is reviewed only if the asset's accounting value does not exceed the accounting value that would have been determined, net of depreciation and amortization, if no impairment loss had been recognized.

(g) Dividends to be distributed

Dividends are treated as a distribution of profit in the period in which they were declared and approved by the General Meeting of Shareholders. Dividends declared before the reporting date are recorded as liabilities at the reporting date.

Notes to financial statements

for the year ended on 31 December 2015

Dividends distributed to shareholders, proposed or declared after the reporting period and other similar distributions from the profit determined under IFRS and included in the annual financial statements should not be recognized as liability at the end of the reporting period.

(h) Revaluation reserves

Revaluations are performed with sufficient regularity so that the accounting value does not be materially different from that which would be determined using fair value at the balance sheet date. In this regard, the Company conducted revaluation of lands and buildings by independent auditors on 31 December 2012.

The difference between the value resulting from revaluation and the net accounting value of tangible assets is shown in the revaluation reserve as a distinct sub-item in "Equity".

If the revaluation result is an increase over the net accounting value, then it is treated as follows: as an increase in revaluation reserve presented in equity, if there was a decrease previously recognized as an expense for that asset or as income to compensate the previously recognized decrease in the asset.

If the revaluation result is a decrease over the net accounting value, it is treated as an expense when the entire amount of depreciation when in the revaluation reserve there is no record on an amount related to that asset (revaluation surplus) or as a decrease in revaluation reserve with the minimum between that value and the amount of decrease and the eventual uncovered difference is recorded as an expense.

The revaluation surplus included in the revaluation reserve is transferred to the comprehensive income when the surplus represents a realised gain. The gain is considered realized while the amortisation of the asset for which the revaluation reserve was established, respectively at its deregistration if it was not fully amortized. No part of the revaluation reserve may be distributed, directly or indirectly, unless the revaluated asset was valued, in which case the revaluation surplus is actually a realized gain.

Since 1 May 2009, as a result of changes in tax legislation, revaluation reserves recorded after 1 January 2004 are taxable on fixed asset amortization. Accordingly, the Company recorded a deferred tax liability related to revaluation which is reflected in the value of the asset.

(i) Legal reserves

Legal reserves are constituted at a proportion of 5% of gross statutory profit at the end of the financial year until the total legal reserves reach 20% of the nominal (statutory) share capital paid-up in accordance with the law. These reserves are tax deductible and are not distributable than at the liquidation of the Company.

(j) Related parties

Parties are considered related if one party has the ability to control, directly or indirectly, or significantly influence the other party either through ownership or under contractual rights, family relationship or otherwise, as defined in IAS 24 "Related Party Disclosures".

(k) Employee Benefits

(i) Short-term benefits

Short-term employee benefits include salaries, bonuses and social security contributions. Obligations with short-term benefits to employees are not updated and are recognized in the statement of comprehensive income as the related service is provided.

(ii) Defined contribution plans

The Company makes payments on behalf of their employees at the Romanian State pension scheme, health fund and unemployment fund in the normal course of business.

All members and employees of the Company are also legally obliged to contribute (through social contributions) to the Romanian State pension scheme (a defined State contribution scheme). All related contributions are recognized in profit or loss for the period when incurred. The Company has no further obligations.

The Company is not engaged in any independent pension scheme and consequently, has no other obligations in this regard. The Company is not engaged in any other postretirement benefit system. The Company has no obligation to provide further services to current or former employees.

(l) Revenues

Notes to financial statements

for the year ended on 31 December 2015

(i) Sale of goods

Revenue from sale of goods during the current activities are measured at the fair value of the consideration received or receivable, less returns, trade discounts and volume rebates. Revenue is recognized when consistent evidence exists, usually in the form of an executed sales contract and the risks and benefits arising from ownership are significantly transferred to the buyer, the recovery of the consideration is probable, the costs and possible returns of goods can be estimated in a credible manner, the entity not involved in the management of sold goods, and the amount of revenue can be reliably measured. If it is likely that certain discounts or rebates to be granted and their value can be reliably measured, then they are recognized as a reduction of revenue as the sales are recognized.

(ii) Rendering of services

Revenue from rendering of services is recorded in the accounts as they are rendered. Rendering of services includes execution of works and any other operations that cannot be treated as supplies of goods.

The stage of work completion is determined based on the work progress reports accompanying invoices, acceptance reports or other documents attesting the completion and acceptance of rendered services.

(m) Financial revenues and expenses

Financial revenues comprise interest income on invested funds and other financial revenues. Interest income is recognized in profit or loss on an accrual basis using the effective interest method.

Financial expenses comprise interest expense related to loans and other financial expenses. Starting on 01.01.2014 the financial discounts are recorded as financial expenses.

All borrowing costs that are not directly attributable to the acquisition, construction or production of assets with long production cycle are recognized in profit or loss using the effective interest method.

Gains and losses on exchange differences related to financial assets and liabilities are reported on a net basis or as financial income or financial expense depending on the currency fluctuations: net gain or net loss.

(n) Income tax

Income tax for the financial year comprises current tax and deferred tax.

Income tax is recognized in the statement of comprehensive income or in other comprehensive income if the tax is related to capital items.

(i) Current tax

Current tax is the payable tax on the profit realized in the current period, determined using tax rates applicable at the reporting date, and any adjustment for previous periods.

(ii) Deferred tax

Deferred tax is determined by the Company using the balance sheet method for temporary differences arising between the tax basis for the assets and liabilities and their accounting value used for reporting individual financial statements.

Deferred tax is calculated using tax rates expected to apply to the resumption of temporary differences in accordance with the applicable laws at the reporting date.

Deferred tax receivables and liabilities are offset only if there is a legally enforceable right to offset current tax liabilities and receivables and if they are related to the tax collected by the same tax authority on the same entity subject to taxation or for different tax authorities seeking to settle receivables and current tax liabilities using a net basis or related assets and liabilities will be simultaneously realized.

Deferred tax receivables are recognized by the Company only to the extent that it is probable the realisation of future profits that could be used to cover the tax loss. Deferred tax receivables are reviewed at the end of each financial year and are reduced to the extent that the related tax benefit is unlikely to be realized. Additional taxes that arise from the distribution of dividends are recognized at the same date as the obligation to pay dividends.

(iii) Tax exposures

Notes to financial statements

for the year ended on 31 December 2015

For the determination of current and deferred tax, the Company takes into account the impact of uncertain tax positions and the possibility of additional taxes and interest. This assessment is based on estimates and assumptions and involves a series of reasoning about future events. New information may become available, thereby making the Company amend its reasoning in terms of estimation accuracy of existing tax liabilities; such changes in tax liabilities affect the tax expense in the period in which such determination is performed.

(o) Earnings per share

The Company presents basic earnings per share and diluted earnings per ordinary shares. Basic earnings per share are determined by dividing the profit or loss attributable to ordinary shareholders of the Company to the weighted average number of ordinary shares for the period under review. Diluted earnings per share are determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares with dilution effects generated by potential ordinary shares.

(p) Contingent Assets and Liabilities

Contingent liabilities are not recognized in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is removed.

A contingent asset is not recognized in the financial statements, it is disclosed when an inflow of economic benefits is probable.

(q) Subsequent events

The financial statements reflect events after the end of the year, events that provide additional information about the Company's position at the reporting date or those that indicate a possible violation of the activity continuity principle (events that determine adjustments). Events after the end of the year that do not represent events determining adjustments are disclosed in the notes when considered significant.

(r) Comparative figures

The Statement of financial position for the year ended on 31 December 2015 show comparability with the statement of financial position for the period ended on 31 December 2014. Statement of comprehensive income on 31 December 2015 shows comparability with the statement of comprehensive income for the year ended on 31 December 2014.

(s) Reporting on segments

A segment is a distinct component of the company providing certain products or services (operating segment) or providing products or services within a particular geographical environment (geographical segment), which is subject to risks and benefits different from those of other segments.

§) New standards and interpretations

There are new standards, amendments to standards and interpretations that are not applicable yet for the financial year ended 31 December 2015 or which have not been adopted by the European Union ("EU"), and that have not been applied in the preparation of these financial statements.

In the following sections are presented: the list of new standards, amendments and interpretations of standards adopted by the International Accounting Standards Board (IASB) and the European Union entered into force on 31 December 2015 and the list of new standards, amendments and interpretations of standards adopted by the International Accounting Standards Committee but still not adopted by the European Union for the financial year ended on 31 December 2015.

(i) *Standards and interpretations adopted by the International Accounting Standards Committee and by the European Union applicable in the current period*

(a) *IFRS 10 Individual Financial Statements, IFRS 11 Joint Ventures, IFRS 12 Information presented on interests in other entities (2011)*

IFRS 10 introduces a single control model for determining whether an entity invested in should be consolidated.

Under IFRS 11, the structure of joint ventures, although an important point, is not the main factor in determining the type of joint venture and therefore subsequent accounting mode.

Notes to financial statements

for the year ended on 31 December 2015

The Company's interest in a joint venture that is a commitment in which parties have rights upon assets and corresponding obligations, will be accounted based on the Company's interest in those assets and liabilities.

The Company's interest in a joint venture that is a commitment, in which parties have rights to the net assets, will be accounted for by the equity method.

IFRS 12 brings together in one standard all the requirements of disclosure information about an entity's interests in subsidiaries, joint ventures, associates and non-individual structured entities. The Company is currently evaluating the disclosure requirements in relation to interests in subsidiaries, joint ventures and associates and non-individual structured entities, compared to the information already disclosed. IFRS 12 requires disclosure of information on the nature, risks and financial impact of these interests.

These standards became effective for annual periods beginning on 1 January 2014, early application permitted, provided their simultaneous application, together with IAS 27 (2011) and IAS 28 (2011).

(b) Amendments to IFRS 10, IFRS 12 and IAS 27 - Investment Entities

Amendments to IFRS 10, IFRS 12 and IAS 27 provide exceptions to the consolidation requirements in accordance with IFRS 10 and require entities qualified as investment entities to evaluate their investments in controlled entities and associates and in joint ventures at fair value through the individual statement of profit or loss and other comprehensive income, rather than to strengthen them. The consolidation exception is mandatory, the only exception being when an investment entity has a subsidiary that provides services related to investment activities of the investment entity, case in which it needs to consolidate that subsidiary. In accordance with these essential elements, the investment entity:

- obtains funds from one or more investors, in order to provide those investors investment management services;
- commits to its investors that its business purpose is to invest funds only for gains from capital appreciation, investment income or both; and
- quantifies and evaluates the performance of the majority of its investments on a fair value basis.

The amendments also require additional disclosure requirements for the investment entities.

These amendments became effective for annual periods beginning on 1 January 2014.

(c) IAS 27 (2011) Individual financial statements

IAS 27 (2011) continues the existing accounting and disclosure requirements in IAS 27 (2008) for individual financial statements with some minor clarifications. Also, the existing provisions into IAS 28 (2008) and IAS 31 for individual financial statements have been incorporated in IAS 27 (2011). Standard no longer addresses the principle of control or requirements relating to the preparation of consolidated financial statements, which have been incorporated into IFRS 10 - *Individual financial statements*.

These amendments became effective for annual periods beginning on 1 January 2014, early application permitted, provided simultaneous application of IFRS 10, IFRS 11, IFRS 12 and IAS 28 (2011).

(d) IAS 28 (2011) Investments in associates and joint ventures

IAS 28 (2011) suffered a limited number of changes. Accordingly, an entity shall apply IFRS 5 *Non-current assets held for sale and discontinued operations* for an investment or part of an investment in an associated entity or a joint venture that meets the criteria to be classified as held for sale. Any part kept out of an investment in an associated entity or joint venture that has not been classified as held for sale shall be accounted for using the equity method until the transfer of the party classified as held for sale. After the transfer, an entity shall account for any retained interest in an associate or joint venture using the equity method.

Previously, IAS 28 (2008) and IAS 31 provided that the cessation of significant influence or joint control required the revaluation of any interest in that investment, even if significant influence was followed by control. IAS 28 (2011) requires that in such scenarios the remaining interest in investments not be revaluated.

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for the year ended on 31 December 2015

These amendments became effective for annual periods beginning on 1 January 2014, early application permitted, provided the simultaneous applications with IFRS 10, IFRS 11, IFRS 12 and IAS 27 (2011)

e) *Amendments to IAS 32 Financial Instruments: Presentation* - Offsetting financial assets and financial liabilities (effective for annual financial statements covering periods beginning on or after that 1 January 2013) were published by the International Accounting Standards Committee on 16 December 2011. The amendments provide clarification on the application of rules of offsetting and focuses on four main issues (a) the meaning of "currently has a legally enforceable right to offset"; (b) the existence of intention for net offsetting or simultaneous realization; (c) compensation of collateral amounts; (d) unit of account in applying the offsetting requirements.

f) *Amendments to IAS 36 Impairment of Assets - recoverable value for non-financial assets* limit the obligation to present the asset's recoverable value if that value is based on fair value less costs related to transfers, for impaired assets.

g) Amendments to IAS 39 entitled *Novation of derivatives and continuation of hedge accounting* provides help in cases where a derivative that has been designated as hedging instrument is novated from one counterparty to a central counterparty as a consequence of laws, regulations or administrative rules. Such a support means that regardless of novation, hedge accounting can continue, which should not be allowed in the absence of an amendment.

h) *IFRIC 21 Fees* provides guidance on the moment when an obligation to pay a fee accounted in accordance with IAS 37 must be recognized. The interpretation defines a charge and states that the event giving rise to liability is the activity that triggers the charge, as identified by law. It also provides guidance on how different charging arrangements should be accounted for, in particular, it clarifies the way in which an event generator obliges and gives rise to a tax liability, is the activity specified in the relevant legislation, which determines the payment of a tax.

i) *Amendments to IAS 19 "Employee Benefits)* - defined benefit plans: employee contributions) effective for annual periods beginning on or after 1st of July, 2014

j) *Annual Improvements to IFRS - 2010-2012 cycle* with changes which became effective on or after 01.07.2014, the European Commission adopted on 17.12.2014 the Regulation (EU) No. 2015/2008 amending the Regulation (EC) No 1126/2008 for the adoption of certain international accounting standards in accordance with the Regulation (EC) nr1606 / 2002 of the European Parliament and of the Council as regards international financial reporting standards 2, 3, 8 and the International Accounting Standards 16, 24 and 38. This regulation is applicable at the latest from the start of the first financial year starting on or after 1 February 2015.

- IFRS 2 Share-based payment: changes the definition of vesting condition and market condition and adds definitions for the condition and performance of services provided (which were previously included in the definition of vesting conditions)
- IFRS 3 Business Combinations: clarifies that contingent counter-performance on a purchase of companies which is not classified as equity is subsequently measured at fair value through profit or loss regardless of whether covered or not within the scope of IFRS 9 Financial Instruments
- IFRS 8 Operating Segments: it requires that an entity discloses the judgments issued by members of senior management when they implement aggregation criteria for business segments and clarifies that an entity must present only reconciliations of total assets of reportable segments with the entity's assets if the assets are reported regularly
- IAS 16 Property: the improvement clarifies that when revaluating an item of property, the gross accounting value is then adjusted to correspond to the fair value revaluation

Notes to financial statements

for the year ended on 31 December 2015

- IAS 24 Related Party Disclosures: the improvement clarifies that an entity providing key management personnel for the reporting entity is a related party of the reporting entity
- IAS 38 Intangible Assets: the improvement clarifies that when revaluating an intangible asset, the gross accounting value is adjusted so that its value corresponds to fair value revaluation

k) Annual Improvements to IFRS - 2011 - 2013 Cycle which is a collection of amendments to IFRS. The changes became effective for annual periods beginning on or after July 1, 2014.

- IFRS 3 Business Combinations: this improvement clarifies that IFRS 3 excludes from its scope the formation of a joint venture in the financial statements for the joint venture itself
- IFRS 13 Fair value measurement: this improvement clarifies that the scope of exceptions to the portfolio as defined in paragraph 52 of IFRS 13 includes all contracts for Assets under the scope of IAS 39 Financial Instruments: Recognition and Measurement or IFRS 9 Financial Instruments whether or not they meet the definition of financial assets as defined in IAS 32 Financial Instruments: Disclosure
- IAS 40 Investment Property: this improvement clarifies that, in order to determine whether a transaction satisfies both the definition of a business combination as defined by IFRS 3 Business Combinations and of investment property, it requires that application of the two standards to be made independently.

(ii) Standards and interpretations adopted by the International Accounting standards Committee but not adopted by the European Union yet

Currently, the International Accounting Standards adopted by the European Union do not differ significantly from the standards adopted by the International Accounting Standards Committee, except for the following standards, amendments to existing standards and interpretations that have not been approved for use at the date of approval of the financial statements:

- *IFRS 9 Financial Instruments* (effective for annual periods beginning on 1 January 2015 or after this date). This standard supersedes the provisions of IAS 39 *Financial Instruments: Recognition and Measurement* which relates to the classification and measurement of financial instruments. The standard removes the categories set out in IAS 39: held to maturity, available for sale and credits and receivables. The standard provides two classification categories of financial assets at initial recognition: (a) financial assets measured at amortized cost; or (b) financial assets measured at fair value. A financial asset is measured at amortized cost if the following two conditions are met: the asset is held within a business model for the collection of cash flows; and contractual characteristics provide specific data for collections representing solely payments of principal and interest on the principal outstanding. Gains and losses from financial assets at fair value are recognized in profit or loss, except for those representing investments in equity instruments that are not held for trading; IFRS 9 allows, on initial recognition, irrevocable option to present fair value changes in other comprehensive income.

No amount recognized in other comprehensive income shall be reclassified to profit or loss at a further date.

The Company does not expect the amendment in IFRS 9 to have a significant impact on the financial statements.

- *Amendments to IFRS 9 Financial Instruments* (effective for annual periods beginning on 1 January 2015 or after). Amendments to IFRS 9 in 2010 replace the provisions of IAS 39 *Financial Instruments: Recognition and measurement*, which refers to the classification and measurement of financial liabilities and de-recognition of financial assets and financial liabilities. The standard preserves almost all the existing requirements of IAS 39 on classifying and measuring financial liabilities and de-recognition of financial assets and financial liabilities. The standard requires that the value of change in fair value attributable to changes in credit risk of the financial liability designated upon initial recognition as measured at fair value through profit or loss to be presented in other elements of comprehensive income and the remaining part of the total gain or loss to be included in profit or loss. However, if this requirement creates or increases an accounting mismatch affecting the profit or loss, the entire change in fair value is presented in other elements of comprehensive income. The amounts presented in other comprehensive income not are subsequently reclassified in profit or loss but may be transferred within equity. Derivatives that are related to and must be

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for the year ended on 31 December 2015

settled by delivery of an unquoted equity instrument whose fair value cannot be reliably measured shall be measured at fair value in accordance with IFRS 9.

• *IFRS 14 Regulatory deferral accounts* – the standard becomes effective for annual periods beginning on or after 1 January 2016. IFRS 14 allows entities that adopt IFRS for the first time to continue to recognize amounts related to regulatory taxes as required by generally accepted accounting practices previously applied. However, in order to improve the comparability of entities applying IFRS and that do not recognize these amounts, the standard requires that the effect of tax regulation to be presented separately from other items. An entity that already prepares financial statements in accordance with IFRS is not eligible for standard application.

• *IFRS 15 Revenue from contracts with customers* will apply for financial years beginning after 1 January 2017. Early application is permitted for entities applying IFRS and IFRS and it will replace IFRS 11 Construction Contracts, IAS 18 Revenue and interpretations IFRIC 13, IFRIC 15, IFRIC18 and IAS 31. The aim of issuance of this standard is to formulate a common model for recognition of revenue from contracts with customers regardless of the industry the entity acts in, which will create the conditions to ensure comparability. The basic principle of this standard is that revenue recognition should describe the transfer of goods and services to customers and their evaluation should reflect the consideration to which the entity expects to be entitled in exchange for goods and services. The requirements of IFRS 15 apply to contracts with customers that meet certain conditions. A contract is defined by the standard as an agreement between two or more parties that creates enforceable rights and obligations. An entity accounts for a contract with a customer if the following conditions are met:

- a) The parties have approved the contract and agree to meet their obligations
- b) The entity can identify each party's rights with respect to the transferred goods and services
- c) The entity can identify the payment terms for the transferred goods and services
- d) The contract has commercial substance
- e) It is likely that the entity collects the consideration it is entitled for in exchange for goods and services transferred to the customer.

The consideration received by the entity from a customer can be recognized as income only if one of the following events occurs:

- a) The entity has no outstanding obligations to transfer goods or services to the customer and all or most of the consideration promised by the customer was received and is not refundable
- b) The contract was executed and the consideration received from the customer is not refundable.

Any consideration received from a customer is recognized as a liability until the moment of meeting the conditions. If at the beginning of the contract this one meets the conditions to be accounted for as a contract under IFRS 15, the entity will not review its classification unless there is evidence of a significant change in the original facts and circumstances. The amendment of the contract is treated as a separate contract or as an adjustment to the initial contract.

Improvements to IFRS

Annual Improvements to IFRS 2014 (issued on 25 September 2014 and applicable for periods subsequent to January 1, 2016). Changes impact 4 standards. IFRS 5 has been amended to clarify the change on how to sell (reclassified from "held for sale" to "assets held for distribution" or vice versa) does not represent a modification of a plan to distribute or sell, and it should not be recognized as such.

The amendment to IFRS 7 adds further clarification to assist management in determining whether a management contract for a financial asset that was transferred implies a continuous involvement, in terms of presentation required by IFRS 7. The amendment clarifies also that, Compensation disclosures under IFRS 7 are not required specifically for all interim periods, unless they are required by IAS 34.

Amendment to IAS 19 clarifies that, for Post-employment benefit obligations, decisions on the discount rate, the existence on the market of corporate bonds or government bonds used as the basis must be based on the currency in which the obligations are expressed and not local currency of the country they occur in. IAS 34

Notes to financial statements

for the year ended on 31 December 2015

calls for cross-reference interim financial statements and "information presented elsewhere than in the interim financial report".

Amendments to IAS 1 "Presentation of Financial Statements (issued in December 2014 and applicable for periods after January 1, 2016). The standard was amended to clarify the concept of materiality and explains that an entity should make a specific presentation in case the information resulting therefrom are not significant, even if IFRS contains a list of specific requirements or minimum requirements for presentation. The standard also provides new guidelines on presenting subtotals in financial statements: to be composed of elements recognized and measured in accordance with IFRS; to be presented and labelled in a clear and understandable way; to be consistent from one period to another and not to be displayed as more important than subtotals and totals required by IFRS.

4. Reporting on segments

In terms of business segments, the company has not identified distinct components in terms of associated risks and benefits.

Reporting on segments is done in a manner consistent with the internal reporting to the main operational decision maker. The main operational decision maker responsible for allocating resources and assessing the performance of the operating segments has been identified is the Board of Directors that makes strategic decisions.

Sales on products	Financial year 2015
Sold production, of which:	24.215.956
- sales of beer	23.895.171
- sales of semi-fabricated products	800
- sales of residual products	294.184
- services	25.801
Total	24.215.956

SC BERMAS SA does not separately report the information on activity segments as the income from the main activity sector „beer production and sales” represents over 98% of the total income.

The net turnover on 31.12.2015 is amounted to 24.215.956 lei and it represents in a proportion of 98,68% the beer, the difference of 1,32% being represented by the by-products and services.

5. Tangible assets

	Lands	Buildings	Technical equipment and machinery	Other equipment, machinery and furniture	Fixed assets in progress	Total
<i>in lei</i>						
<i>Cost</i>						
Balance on 31 December 2014	1,774,100	7,232,440	15,823,281	143,379		24,973,200
Input			333,448	42,104	240	375,792
Transfers by commissioning			240			240
Revaluation decrease						-
Outputs			74,193	5,484	240	79,917
Balance on 31 December 2015	1,774,100	7,232,440	16,082,776	179,999	0	25,269,315
<i>Accumulated amortisation</i>						
Balance on 31 December 2014		(4,798,290)	(4,571,459)	(53,789)		(9,423,538)
Expense		(285,286)	(1,133,034)	(19,038)		(1,437,358)
Revaluation decreases						-

Notes to financial statements
for the year ended on 31 December 2015

Output amortisation		(73,582)	(5,484)	-	(79,066)
Balance on 31 December 2015		(5,083,576)	(5,630,911)	(67,343)	- (10,781,830)
<i>Net accounting value</i>					
Balance on 31 December 2014	1,774,100	2,434,150	11,251,822	89,590	15,549,662
Balance on 31 December 2015	1,774,100	2,148,864	10,451,865	112,656	0 14,487,485

Some of the tangible assets of the Company are mortgaged or pledged to secure borrowings from banks.

BERMAS SA uses fair value as deemed cost for an item of tangible or intangible assets. When opening the financial position, the first entity's financial statements prepared in accordance with International Financial Reporting Standards, SC BERMAS SA presented for each element in the situation of opening the financial position in accordance with International Financial Reporting Standard: the aggregate amount of

	Lands	Buildings	Technical equipment and machinery
<i>Cost</i>			
Balance on 31 December 2011	1,529,400	6,841,865	13,170,763
Revaluation	244,700	74,279	
Input			265,574
Output			
Balance on 31 December 2012	1,774,100	6,916,144	13,436,337
<i>Cumulated depreciation</i>			
Balance on 31 December 2011		(3,957,905)	(1,198,844)
Expense		(273,045)	(1,217,485)
Increase from revaluation		(42,798)	
Balance on 31 December 2012		(4,273,748)	(2,416,329)
<i>Net accounting value</i>			
Balance on 31 December 2011	1,529,400	2,883,960	11,971,919
Balance on 31 December 2012	1,774,100	2,642,396	11,020,008

those fair values and aggregate adjustment to the accounting amounts reported under previous accounting principles. We present below the input data used in the evaluations:

	Lands	Buildings	Technical equipment and machinery
<i>Cost</i>			
Balance on 1 January 2011	751,661	6,644,923	28,590,425
Revaluation for 2010	777,739	196,942	(16,436,299)
Revaluation for 2010			511,474
Input			506,845
Outputs			(1,682)
Balance on 31 December 2011	1,529,400	6,841,865	13,170,763
<i>Accumulated amortisation</i>			
Balance on 1 January 2011		(3,593,456)	(16,436,298)

Notes to financial statements

for the year ended on 31 December 2015

Revaluation for 2010		(102,009)	16,436,298
Depreciation for the period		(262,440)	(1,199,054)
Output depreciation			210
Balance on 31 December 2011		(3,957,905)	(1,198,844)

Net accounting value

Balance on 1 January 2011	751,661	3,051,467	12,154,127
Balance on 31 December 2011	1,529,400	2,883,960	11,971,919

In accordance with IAS 36, both intangible and tangible assets are periodically reviewed to identify whether there are indications of impairment at the balance sheet date.

If the net accounting value of an asset exceeds its recoverable amount, an impairment loss is recognized in order to reduce the net accounting value of the asset at the recoverable value. If the reasons for the recognition of an impairment loss disappear in the next period, the net accounting value of the asset is increased up to the net accounting value that would have been determined no impairment loss would be not recognized.

SC BERMAS SA has not recorded impairment losses, depreciation and amortization expenses presented in the statement of comprehensive income with amortization in the first half of 2015 recognized in profit or loss account being allocated systematically over the useful life of the assets. Depreciation methods, useful life durations and estimated residual values are reviewed by the entity's management at each reporting date and adjusted if appropriate. Regarding the fair value hierarchy, input data for the valuation techniques used to determine fair value measurements are Level 2 for both 2014 and 2015.

The accounting value of asset classes, if the assets were submitted on the basis of cost is as follows:

	Lands	Buildings	Technical equipment and machinery	Other equipment, machinery and furniture	Fixed assets in progress	Total
<i>in lei</i>						
<i>Cost</i>						
Balance on 31 December 2014	1,774,100	7,232,440	31,343,725	241,416		40,591,681
Input			333,448	42,104	240	375,792
Transfers by commissioning			240			240
Decrease from revaluation						-
Output			80,522	5,484	240	86,246
Balance on 30 December 2015	1,774,100	7,232,440	31,596,891	278,036	0	40,881,467
<i>Cumulated depreciation</i>						
Balance on 31 December 2014		(4,798,290)	(20,375,314)	(153,596)		(25,327,200)
Expense		(285,286)	(1,070,102)	(26,639)		(1,382,027)
Decrease from revaluation						-
Output depreciation			(80,522)	(5,484)	-	(86,006)
Balance on 30 December 2015	-	(5,083,576)	(21,364,894)	(174,751)	-	(26,623,221)
<i>Net accounting value</i>						
Balance on 31 December 2014	1,774,100	2,434,150	10,968,411	87,820	0	15,264,481
Balance on 31 December 2015	1,774,100	2,148,864	10,231,997	103,285	0	14,258,246

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for the year ended on 31 December 2015

6. Intangible assets

<i>Cost</i>	Other intangible assets	Total
Balance on 31 December 2014	123,347	123,347
Inputs	-	-
Transfers	-	-
Balance on 31 December 2015	123,347	123,347
<i>Accumulated amortisation</i>		
Balance on 31 December 2014	(83,609)	(83,609)
Expense	(21,675)	(21,675)
Transfers	-	-
Balance on 31 December 2015	(105,284)	(105,284)
<i>Net accounting value</i>		
Balance on 31 December 2014	39,738	39,738
Balance on 31 December 2015	18,063	18,063

7. Financial assets available for sale

	31 December 2014	31 Dec 2015
To "Victoria" Social-cultural foundation of Suceava	83,000	83,000
Total	83,000	83,000

SC BERMAS SA holds financial assets available for sale, resulting from the establishment of a 19.88% share to the patrimony of the "Victoria" Social-Cultural Foundation which was established in 2002 and registered in the Register of non-profit Associations and Foundations, these financial assets being evaluated at historical cost. These financial assets were reclassified in 2015 as financial assets measured at cost due to the fact that, since the duration of the Foundation is indefinite and purpose "partnerships with public authorities, NGOs and other institutions in order to carry out social, scientific and humanitarian activities of local and regional concern" is still relevant and perspective, the board of directors has not expressed its intention of closing the foundation, the foundation being recognized as of public utility. The financial statements submitted show that, currently, it is in operation state, it is not in liquidation, being at the initial capital value.

8. Inventories

	31 December 2014	31 December 2015
Production in progress	6,823,851	6,532,411
Raw materials and consumables	5,319,033	5,967,702
Finished products and goods	161,591	231,434
Total	12,304,475	12,731,547

Assets such as inventories are valued at their accounting value, less adjustments for impairment. Impairment adjustments recognized as expense at the end of the reporting year represent the value of inventory without movement at the level of 2014. If the accounting value of inventories is higher than the book value, the value of inventories is decreased up to the net achievable value, by setting up adjustments for impairment. The value of adjustments for inventories without movement on 31.12.2015 is amounted to 85.340,60 lei.

Notes to financial statements
for the year ended on 31 December 2015

9. Trade receivables

	<u>31 December 2014</u>	<u>31 December 2015</u>
Clients	979,817	581,846
Suppliers – debtors for the purchase of inventory goods	932,353	901,893
Advance payments for tangible assets	-	
Adjustments for the depreciation of receivables	(262,489)	(234,886)
TOTAL	<u>1,649,681</u>	<u>1,248,853</u>

10. Cash and cash equivalents

	<u>31 December 2014</u>	<u>31 December 2015</u>
Cash in the cash register	7,015	4,455
Current bank accounts	94	984
Cash advances	-	-
Other values	12,764	3,350
Total	<u>19,873</u>	<u>8,789</u>

11. Other receivables

	<u>31 December 2014</u>	<u>31 December 2015</u>
Diverse debtors	1,230,194	973,093
Other receivables related to personnel	72	232
Adjustments for depreciation different debtors	(424,939)	(757,157)
Total	<u>805,327</u>	<u>216,168</u>

The evaluation for impairment of receivables is conducted individually and is based on the management's best estimate of the present value of cash flows expected to be received. Quarterly and at the end of the financial year 2015 following the analysis of uncertain clients and various borrowers we are in dispute with, we have considered necessary to operate adjustments amounted to 340.223,07 lei.

12. Share capital

Company's shareholder structure

<u>Balance on 31 December 2015</u>	<u>Number of shares</u>	<u>Amount (RON)</u>	<u>(%)</u>
Other shareholders	10,416,771	7,291,739.70	48.33%
Victoria Bermas Association	6,653,009	4,657,106.30	30.87%
PAS Bermas	4,483,269	3,138,288.30	20.80%
Total	21,553,049	15,087,134	100%

Information on the objectives, policies and processes for managing the share capital according to IAS 1134 complying with the information included in IAS 1.135 qualitative information about its objectives, policies and processes for managing its share capital, including the description of share capital it manages, the way in which objectives are met, quantitative data regarding the share capital and changes from one period to another.

The share capital of the company on 31.12.2015 is amounted to 15.087.134,30 lei fully subscribed and paid up, divided in 21.553.049 registered shares of 0,70 lei each. The company's shares are ordinary, nominative, dematerialized, registered into account, their records being kept by the Depozitarul Central SA Bucharest. Shares have equal value and grant equal rights for each share.

The structure of shareholders holding over 10% of the share capital is as follows:

Notes to financial statements

for the year ended on 31 December 2015

Balance on 31 December 2015	Number of shares	Amount (RON)	(%)
Victoria Bermas Association	6,653,009	4,657,106.30	30.87%
PAS Bermas	4,483,269	3,138,288.30	20.80%
SC Vivat Construct SRL	2,845,862	1,992,103.40	13.20%

The legal reserves of the Company on 31.12.2015 are amounted to 2.540.213 lei following the creation of the legal reserve (5% of the accounting profit under the Law 571/2003 and subsequent amendments and supplements and the Law 31/1900 as subsequently amended and supplemented.

Other reserves

SC BERMAS SA records on 31.12.2015 in the account 1068 Other reserves the amount of 3.141.606,26+ with the following structure :

Reserves for restatement according to IFRS	554.644,00
Reserves for development	515.865,31
Other reserves G.O. 70 /1994	195.909,33
Other reserves G.D. 40/2002	635.870,11
Reserves for dividend capitalisation	1.183.023,22
Other reserves the Law 55/1995, Decree 834/1991	56.294,29
TOTAL	3.141.606,26

SC BERMAS SA records on 31.12.2015 in the account 1068 Other reserves the amount of 3.155.260,90 with the following structure :

Reserves for restatement according to IFRS	554.644,00
Reserves for development	529.519,95
Other reserves G.O. 70 /1994	195.909,33
Other reserves G.D. 40/2002	635.870,11
Reserves for dividend capitalisation	1.183.023,22
Other reserves the Law 55/1995, Decree 834/1991	56.294,29
TOTAL	3.155.260,90

13. Accounts payable for deferred profit tax

Accounts payable for the deferred tax as of 31 December 2015 are detailed below:

31 December 2015	Assets	Liabilities	Net
Tangible assets	1.422.790	-	1.422.790
Inventory	(85.341)	-	(85.341)
Trade receivables	(33.319)	-	(33.319)
Other receivables	(75.650)	-	(75.650)
Total	1.228.480		1.228.480
Net temporary differences – rate 16 %			1.228.480

Accounts payable for deferred tax 196.557 lei

14. Trade payables

Description	31 December 2014	31 Dec 2015
Trade payables	1,272,530	697,726
TOTAL	1,272,530	697,726

Other payables

Description	31 December 2014	31 Dec 2015
Diverse creditors and other payables	504,874	570,072
Payables to the local budget	345,044	529,399

Notes to financial statements

for the year ended on 31 December 2015

Payables to employees	150,799	170,025
Payables to the state budget	(110,719)	(142,283)
TOTAL	889,998	1,127,213

15. Short-term bank credits

Description	31 December 2014	31 December 2015
Short-term bank credits	4,427,072	3,637,054
TOTAL	4,427,072	3,637,054

Bank	31 December 2014	31 December 2015
Raiffeisen Bank Suceava	1,864,485	1,643,396
BRD Suceava	2,047,157	1,992,598
BCR Suceava	515,430	1,060
TOTAL	4,427,072	3,637,054

On 31 December 2015, short-term payables to banks refer to the following:

- secured overdraft with BRD Suceava amounted to 2.500.000 lei. The remaining balance on 31.12.2015 is amounted to 1.992.598 lei. The interest charged is a fluctuating interest at ROBOR annual rate 3M + 1.80%, which is calculated on the credit balance from the date of provision and until full repayment thereof;
- secured overdraft with Raiffeisen amounted to 3.500.000 lei. The remaining balance on 31.12.2015 is amounted to 1.643.396 lei. The interest charged on the daily debtor balance of the current account is a fluctuating interest at ROBOR annual rate 1M + 1.80%, calculated on the actual number of days of the reference month compared to the year of 360 days. The reference rate will be daily updated;
- secured overdraft with B.C.R. amounted to 1.000.000 lei. The remaining balance on 31.12.2015 is amounted to 1.060 lei. The interest charged is a fluctuating interest at ROBOR annual rate 3M + 1.80% p.a.

Bank overdrafts are secured by:

- mortgage on tangible assets with a net accounting value of 4.621.415 lei on 31 December 2015;
- pledge on inventories of raw material - malt;
- first-ranking pledge and mortgage on current accounts;
- mortgage on liquid assets in the accounts opened with BRD and Raiffeisen Suceava.

Pledges + mortgages on equipment with BRD on 31.12.2015

Nr. Crt	Name of the fixed asset or equipment	Value
1	LAND PARCEL COURTYARDS CONSTRUCTIONS 2.144 sqm - C.F. 31100	124.352,00
2	MAIN BUILDING REFRIGERATION CENTRE	255.200,00
3	LAND PARCEL COURTYARDS CONSTRUCTIONS 595 sqm - C.F. 31129	34.510,00
4	ADMINISTRATIVE BUILDING	179.630,00
5	LAND PARCEL COURTYARDS CONSTRUCTIONS 517 sqm - C.F. 31116	29.986,00
6	CAR SERVICE BUILDING	132.620,00
7	LAND PARCEL COURTYARDS CONSTRUCTIONS 700 sqm - C.F. 31107	40.600,00
8	AUXILIARY INDUSTRIAL BUILDING	143.160,00
12	DAF FA LF 55250 G13 TRUCK SV 50 BER	230.761,37
13	DACIA SD/8SDN4/8SDNN4/DOKKER UTILITY CAR- SV14BER	41.053,80
14	DACIA SD/8SDN4/8SDNN4/DOKKER UTILITY CAR - SV17BER	41.053,80
		1.252.926,97

Notes to financial statements

for the year ended on 31 December 2015

Pledges + mortgages on equipment with BCR - 31.12.2015

Nr. Crt	Name of the fixed asset or equipment	Value
1	LAND PARCEL COURTYARDS CONSTRUCTIONS 1.124 sqm	65,192.00
3	LAND PARCEL COURTYARDS CONSTRUCTIONS 165 sqm	9,570.00
4	LAND PARCEL COURTYARDS CONSTRUCTIONS 709 sqm	41,122.00
5	MAIN BUILDING FERMENTATION	841,880.00
6	INDUSTRIAL BUILDING FERMENTATION	1,124,930.00
		2,082,694.00

Pledges + mortgages on equipment with Raiffeisen Bank – 31.12.2015

Nr. Crt	Name of the fixed asset or equipment	Value
1	LAND SURFACE- 3.851 sqm	223.358,00
2	MAIN BUILDING GERMINATION stage I+II	151.510,00
3	MAIN BUILDING SOAKING (extension)	177.360,00
4	MAIN BUILDING DRYING	317.520,00
5	MAIN BUILDING THE MACHINE	263.090,00
6	MAIN CONNECTION BUILDING	82.100,00
7	TECHNOLOGICAL EQUIPMENT THE MALT DEPARTMENT	70.856,38
	TOTAL	1.285.794,38

The overdrafts with B.RD. are secured with the malt stocks in the malt department and in the boiling department, having an accounting value amounted to 5.873.196 lei on 31.12.2015.

Referring to the affirmation that the overdrafts are secured by a prior-ranking pledge over the current accounts, we mention that on 31.12.2015 the value of the pledge over the available balance in the current accounts is amounted to 0 lei, the banks automatically proceeding to the transfer of financial availabilities in the overdraft account.

16. Earnings per share

The calculation of basic earnings per share was based on the profit attributable to ordinary shareholders and the weighted average number of ordinary shares:

	31 December 2014	31 December 2015
Profit attributable to ordinary shareholders	932,523	1,555,663
Weighted average number of ordinary shares	21,553,049	21,553,049
Basic earnings per share	0.043	0.072

The Board of Directors of SC "BERMAS" has proposed the distribution of net profit for the financial year ended in 2015 amounted to 1.555.663 lei as follows:

Net profit 2015	1.555.663 lei
Legal reserve to be established 2015	91.747 lei
Dividends	1.293.183 lei
Other reserves	170.733 lei

The gross dividend per share that would to be granted for one share held on the registration date is 0,06 lei / share which would represent a rate of 83% of the net profit for the financial year ended in 2015.

Notes to financial statements
for the year ended on 31 December 2015

17. Turnover

	31.12.2014	31.12.2015
Sales of finished goods	23,105,080	23,895,171
Sales of semi-finished goods	2,160	800
Sales of residual products	291,592	294,184
Services rendered	14,376	25,801
Total	23,413,208	24,215,956

18. Other revenues

	2014	2015
Subsidies for operating activities		
Gifts received		
Operating revenues from the adjustments of current assets impairment	6,306	10,342
Other operating revenues	491,640	230,086
Total	497,946	240,428

19. Other expenses

	2014	2015
Entertaining, promotion and advertising	899,972	795,010
Operating expenses on the adjustments of current assets impairment	265,862	374,480
Other taxes, duties and similar expenses	151,006	155,809
Insurance premiums	116,513	126,807
Compensations, fines and penalties	77,572	76,683
Travel expenses	47,915	50,223
Postage and telecommunications	27,844	35,941
Commissions and fees	24,817	22,405
Rental and royalty expenses	2,693	1,310
Bad debts written off	-	-
Net loss from the sale of tangible assets	-	-
Other operating expenses	375,045	108,983
Total	1,989,239	1,747,651

b) Prepaid expenses

PREPAID EXPENSES ON 31.12.2015

NAME OF THE ACCOUNT	Balance debit
Insurance premiums	69.172,86
Postage and telecommunications	2.578,64
Services rendered by third parties	1.549,52
Other taxes, duties and payments	17.949,98
Other financial expenses	32.182,05
Beer loss December	124,81
	123.557,86

PREPAID EXPENSES 31.12.2015

NAME OF THE ACCOUNT	Balance debit
Insurance premiums	75.707,81
Postage and telecommunications	4.986,45

Notes to financial statements
for the year ended on 31 December 2015

Other taxes, duties and payments	13.849,82
Services rendered by third parties	1.421,18
Other financial expenses	31.706,70
Beer loss December	265,65
	<hr/>
	127.937,61

20. Personnel expenses

	2014	2015
Salaries	5,448,764	6,122,880
Social security and welfare contributions	1,612,554	1,587,375
Meal vouchers	390,690	385,055
	<hr/>	<hr/>
Total	7,452,008	8,095,310

On 31 December 2015 the average number of employees of the company was 191.

21. Financial revenues and expenses

	2014	2015
Financial revenues	15	
Net gain from exchange differences		
Interest revenues		
Other financial revenues		
	<hr/>	<hr/>
	15	

	2014	2015
Financial expenses		
Interest expenses	281,157	146,161
Net loss from exchange differences	568	797
Other financial expenses	758,065	839,770
	<hr/>	<hr/>
Total	1,039,789	986,728

22. Income tax expense

	31.12.2014	31.12.2015
Current income tax expense	196,718	279,271
	<hr/>	<hr/>
	196,718	279,271
Deferred income tax		
Deferred income tax expenses	-	-
Deferred income tax revenues	20,537	10,120
	<hr/>	<hr/>
	20,537	10,120
Total	176,181	269,151

	31.12.2014	31.12.2015
Profit before tax	1,129,241	1,834,935
Tax acc. to the statutory tax rate of 16% (2013: 16%)	180,679	293,590

Notes to financial statements

for the year ended on 31 December 2015

Effect on the income tax of:

Legal reserve	(9,034)	(14,680)
Non-deductible expenses	74,253	70,179
Non-taxable revenues		
Sponsoring within legal limits	(49,180)	(69,818)
Registration and review of temporary differences	(20,537)	(10,120)
Income tax	176,181	269,151

23. Related parties

The persons who are part of the Board of Directors and the Executive Committee represent related parties.

2014

List of members of the Board of Directors

Anisoï Elena	President of the B.D.
Dragan Sabin Adrian	Vice-president
Vescan Maria Aurora	Member

List of the persons in the Executive Committee

Anisoï Elena	General Manager
Croitor Octavian	Technical Manager
Tebrean Iridenta	Economic Manager
Sîngeap Cristina	Commercial Manager

2015

List of the persons in the Board of Directors

Anisoï Elena	President of the B.D.
Dragan Sabin Adrian	Vice-president
Vescan Maria Aurora	Member

List of the persons in the Executive committee

Anisoï Elena	General Manager
Croitor Octavian	Technical manager
Tebrean Iridenta	Economic Manager
Sîngeap Cristina	Commercial Manager

	31 December 2014	31 December 2015
Remuneration of the members of the Board of Directors	90,000	103,600
Salaries of the executive managers	841,513	826,828

24. Commitments

The Company had no capital commitments on 31 December 2015.

25. Contingent assets and liabilities

The Company had no contingent assets or liabilities on 31 December 2015.

26. Subsequent events

There were no events subsequent the balance sheet date.

27. Financial risk management

Notes to financial statements

for the year ended on 31 December 2015

Overview

The Company is exposed to the following risks due to the use of financial instruments:

- credit risk;
- liquidity risk;
- market risk.

These notes present information about the Company's exposure to each of the above risks, the company's objectives, policies and processes for risk assessing and managing and procedures used for managing capital. In these financial statements there is also other quantitative information.

The Company's risk management policies are defined to ensure the risks identification and analysis the Company is dealing with, to set appropriate limits and controls, to monitor risks and to comply with the set limits. Risk policies and management systems are regularly reviewed to reflect changes in market conditions and the Company's activities.

a) Credit risk

Credit risk is the risk that the Company could incur a financial loss as a result of failure to meet contractual obligations by a customer or counterparty to a financial instrument, and this risk mainly results from trade receivables of the Company.

The accounting value of financial assets represents the maximum exposure to credit risk. The maximum exposure to credit risk was:

(i) Exposure to credit risk

Accounting value	31.12. 2014	31.12. 2015
Trade receivables and other current assets	2,455,008	1,465,022
Cash and bank deposits	19,873	8,789
TOTAL	2,474,881	1,473,811

The Company's exposure to credit risk is mainly influenced by the individual characteristics of each customer.

The management has established a credit policy under which each new customer is individually analysed in terms of creditworthiness before offering the Company's standard conditions for payment and delivery.

The Company establishes an adjustment for impairment that represents its estimate of losses on trade receivables. The adjustments for impairment of receivables mainly relate to specific components corresponding to the significant individual exposures incurred and identified.

(ii) Depreciation

Analysis of the number of days of delay for trade receivables and other receivables:

in lei	31.12. 2015	
	Gross value	Depreciation
Not outstanding and outstanding between 0 and 30 days	174,022	
Outstanding between 31 and 60 days	211,031	
Outstanding between 61 and 120 days	64,084	
Outstanding between 121 and 180 days	3,503	
Outstanding between 181 and 360 days	16,817	
Over 360 days	1,086,622	(992,043)
Total	1,556,079	(992,043)

b) Liquidity risk

Notes to financial statements

for the year ended on 31 December 2015

Liquidity risk is the risk that the Company could have difficulty in meeting obligations associated with financial liabilities that are settled in cash or by transferring another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, both under normal and stressed conditions, without incurring unacceptable losses or putting the Company's reputation at risk.

Overall the Company makes sure that it has sufficient cash to cover operating expenses. The following table shows the residual contractual maturities of financial liabilities at the end of the reporting period, including estimated interest payments:

31 December 2015	Accounting value	Contractual cash flows	Less than 2 months	2 - 12 months	Over 12 months
Trade payables	697,726	697,726	697,726		
Medium-term credits					
Bank short-term loans	3,637,054	3,637,054		3,637,054	
Other payables	1,288,067	1,288,067	1,288,067		
Total	5,622,847	5,622,847	1,985,793	3,637,054	

c) Market risk

Market risk is the risk that the change in market prices, such as foreign exchange rate, interest rate and price of equity instruments, affects the Company's income or the value of financial instruments held. The objective of market risk management is to manage and control market risk exposures within acceptable parameters and simultaneously to optimize return on investment.

Interest rate risk

(i) Profile of the risk exposure

At the reporting date, the profile of interest rate exposure corresponding to the interest-bearing financial instruments held by the Company was:

Instruments with variable rate	31 December 2014	31 December 2015
Medium-term credits	1,215,139	
Bank short-term loans	4,427,072	3,637,054
Total	5,642,211	3,637,054

(ii) Sensitivity analysis of fair value for instruments with fixed interest rate

The Company has not classified financial assets or liabilities with fixed interest rates at fair value through profit or loss or available for sale. Therefore, a change in interest rates at the reporting date would not affect the statement of comprehensive income.

(iii) Sensitivity analysis of cash flow for instruments with variable interest rate

An increase in interest rates by 1% at the reporting date would have resulted in a decrease in profit by 40.321 lei for the year ended on 31 December 2015 (31 December 2014: 47.839 lei). This analysis assumes that all other variables, in particular foreign exchange rates, remain constant.

A depreciation of interest rates by 100 basis points on 31 December 2015 would have led to the same effect, but to the contrary, the amounts presented above, considering that all other variables remain constant.

d) Currency risk

The Company is exposed to currency risk due to acquisitions and liabilities that are denominated in a currency other than the functional one, respectively in euro.

Company's exposure to currency risk is shown below:

Notes to financial statements

for the year ended on 31 December 2015

31 December 2015	RON	EURO	USD	Other currencies
Financial assets				
Trade receivables and other current assets	1,465,022	-	-	-
Cash and bank deposits	8,440	349	-	-
	1,473,462	349	-	-
Financial payables				
Trade payables	697,726	-	-	-
Short-term loans	3,637,054	-	-	-
Other payables	1,288,067	-	-	-
	5,622,847	-	-	-

Sensitivity analysis

An appreciation by 10 percentage points of the RON currency on 31 December 2015 compared to euro would have resulted in an increase of profit by 53.400 lei.

e) Taxation risk

Starting on 1 January 2007, following the accession of Romania to the European Union, the Company had to apply EU tax regulations and implement the changes brought by the EU law. The way in which the Company has implemented these changes remains open to tax audit for five years.

The interpretation of the text and the practical implementation procedures of the new EU tax regulations in force may vary, and there is a risk that certain transactions, for example, could be viewed differently by the tax authorities compared to their treatment by the Company.

In addition, the Romanian Government has an important number of agencies authorized to audit companies operating in Romania. These controls are similar to tax audits in other countries and can cover not only tax aspects, but also other regulatory and legal aspects of interest to these agencies. It is possible that the Company is subject to tax audits as new tax regulations are issued.

f) Business environment

The economic crisis has negatively affected the beer industry over the recent years too. After a period of sustained growth, total beer volumes sold declined during the period 2009 to 2011. 2008 recorded a maximum value of consumption on the Romanian market of around 20.6 million hl / year. In 2012 beer consumption was about 18 million hl, with an average consumption of 78 litres / year for the Romanian customer compared to 90 litres in 2008. In 2013 and 2014 consumption recorded slight decreases and the year 2015 was the year in which consumption has stabilized. It is not expected demand to grow at the pace recorded in previous years, the growth forecasted being low, of about 2-5% due to the stimulation of sales by advertising and promotional campaigns. Beer industry presents oligopolistic features with high barriers at the entry to the market and vertical differentiation, general characteristic of beer production sector being represented by excessive capacity which creates the premises of potential pressure to prices. On average the beer production capacities on the Romanian beer market is 70%.

SC BERMAS SA is the only factory in the brewing industry that has continued on the old structure managed by technical and technological structure, by the modernization of production workshops and the modernization of the performed activity trying to consolidate its market share.

The Company's management believes that the Company's liquidity could be affected in 2016 by a series of events or uncertainty factors such as:

- unfavourable market circumstances that would lead to the inability to cope with competition, the existence on the market of vertical agreements and concentrated practiced, most of the agreements containing vertical restrictions, namely certain clauses restricting competition, such as: exclusive distribution, non-competition clause, exclusive acquisition, restrictions in terms of sale price;
- increase in fuel and energy prices with major implications in production costs taking into account the manufacturing cycle of malt and beer based on conventional technology that involves 120 days (malt + beer)

Notes to financial statements

for the year ended on 31 December 2015

- unfavourable agricultural year with a poor harvest in the basic materials used in the brewing process, which would lead to higher prices for barley and hops;
- deliberate or accidental entry into insolvency of the Company's customers - beer distributors as a result of limiting their access to credit in order to support their activity which would increase commercial risks to the collection of goods.
- decrease in the purchasing power of the population affected by unemployment

The management believes that it takes all necessary measures to support the sustainability and growth of the Company's business under current conditions by:

- constantly monitoring its liquidity;
- short-term forecasting of net liquidity;
- monitoring incoming and outgoing flows of cash (daily), assessment of effects on borrowers.

g) Capital adequacy

The Company's policy is to maintain a strong capital base required to maintain the confidence of investors, creditors and market and to support further development of the entity.

The Company's equity includes the share capital, different types of reserves and retained earnings. The Company is not subject to externally imposed capital requirements.