

TTS (TRANSPORT TRADE SERVICES) S.A.

**CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014**

**PREPARED IN ACCORDANCE WITH
THE INTERNATIONAL FINANCIAL REPORTING STANDARDS
AS ADOPTED BY EU**

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To the Board of Directors,
SC TTS (Transport Trade Services) S.A.
Bucharest, Romania

INDEPENDENT AUDITOR'S REPORT

Report on the consolidated financial statements

1. We have audited the accompanying consolidated financial statements of SC TTS (Transport Trade Services) SA („the Group”), which comprise the consolidated statement of financial position as at December 31, 2014, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

2. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as adopted by European Union, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2014, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by European Union.

Emphasis of matter

7. We draw your attention to note 1 to the consolidated financial statements for TTS (Transport Trade Services) S.A. for the year ended December 31, 2014 for which we have issued an audit report without any modification dated April 3rd, 2015. The current report refers to TTS consolidated financial statements at the same date which were approved on July 31, 2017. These financial statements contain only supplementary explanatory notes compared to the ones initially approved. The current audit report refers to TTS consolidated financial statements as at December 31, 2014 which were approved on July 31, 2017. These financials contain supplementary notes compared to the ones initially approved related to segment reporting as presented in note 1 to the financial statements.

Limitation on Use

8. This report is made solely to the Group's shareholders, as a body. Our audit work has been undertaken so that we might state to the Group's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Group and the Group's shareholders as a body, for our audit work, for this report, or for the opinion we have formed.

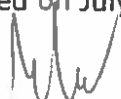
Deloitte Audit SRL

Deloitte Audit S.R.L.
Bucharest, Romania
July 31, 2017

TTS (Transport Trade Services) S.A.
CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2014
(all amounts are expressed in RON, unless specified otherwise)

	<u>Note</u>	<u>Year ended December 31, 2014</u>	<u>Year ended December 31, 2013</u>
Continuing operations			
Revenue	4	410,781,653	478,894,979
Cost of sales	5	<u>(258,160,906)</u>	<u>(321,476,241)</u>
Gross profit		<u>152,620,747</u>	<u>157,418,738</u>
Investment expenses	6	(717,327)	(1,065,031)
Other gains and (losses)	7	12,465,934	12,928,040
Administrative expenses	8	(143,578,705)	(134,724,732)
Net finance cost	9	<u>(3,592,791)</u>	<u>(2,660,070)</u>
Profit before tax		<u>17,197,858</u>	<u>31,896,945</u>
Income tax expense	10	<u>(3,514,037)</u>	<u>(7,960,828)</u>
Profit for the year from continuing operations		<u>13,683,821</u>	<u>23,936,117</u>
Deferred tax pertaining to comprehensive income	10	<u>-</u>	<u>(5,098,617)</u>
Total comprehensive income for the year		<u>13,683,821</u>	<u>18,837,500</u>
Profit of the year attributable to:			
Owners of the Company		12,326,053	22,821,422
Non-controlling interest		1,357,768	1,114,695
Total comprehensive income for the year attributable to:			
Owners of the Company		12,326,053	18,365,588
Non-controlling interest		1,357,768	471,913

These consolidated financial statements have been approved by the Board of Directors and authorized to be issued on July 31, 2017.



Mihai Mircea
President of the Board of Directors



Stefan Petru
CFO

TTS (Transport Trade Services) S.A.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2014
(all amounts are expressed in RON, unless specified otherwise)

ASSETS	Note	Year ended December 31, 2014	Year ended December 31, 2013
Non-current assets			
Property, plant and equipment	12	528,904,005	482,719,165
Goodwill	13	713,142	713,142
Intangible assets	14	3,268,601	2,317,909
Investments in associates	15	18,196,253	18,610,987
Other long term assets	16	1,866,283	7,025,700
Total non-current assets		552,948,284	511,386,903
Current assets			
Inventories	17	20,012,567	20,370,729
Trade and other receivables	18	81,070,259	114,713,011
Loans granted to associates		-	4,531,789
Other current assets	19	31,014,996	26,492,650
Cash and cash equivalents	29	42,297,440	54,277,883
Current assets held for sale	20	3,300,472	3,313,125
Total current assets		177,695,734	223,699,187
Total assets		730,644,018	735,086,090
EQUITY AND LIABILITIES			
Equity and reserves			
Share capital	21	35,072,442	35,072,442
Share premiums	21	46,417,946	46,417,946
Reserves	22	155,902,335	155,902,334
Retained earnings		235,690,450	230,857,424
Equity attributable to equity holders of the parent		473,083,173	468,250,145
Non-controlling interest	23	106,444,735	105,364,262
Non-current liabilities			
Interest-bearing loans and overdraft	24	48,040,522	41,861,156
Deferred tax liabilities	10	3,480,722	5,756,023
Other long term liabilities		1,239,384	916,765
Total non-current liabilities		52,760,628	48,533,944

This is a free translation from the original Romanian binding version
Notes attached are an integrant part of these consolidated financial statements.

TTS (Transport Trade Services) S.A.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2014
(all amounts are expressed in RON, unless specified otherwise)

Current liabilities	Note	Year ended December 31, 2014	Year ended December 31, 2013
Trade and other payables	25	39,380,062	57,697,189
Current portion of the leasing		-	245,567
Interest bearing loans and borrowings	24	42,610,670	36,812,890
Provisions for risks and charges	26	2,393,845	2,631,605
Other current liabilities	27	13,970,904	15,550,489
Total current liabilities		98,355,482	112,937,740
Total liabilities		151,116,110	161,471,683
Total equity and liabilities		730,644,018	735,086,090

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Mihailescu Alexandru Mircea
President of the Board of Directors



Stefanut Petru
CFO

TTS (Transport Trade Services) S.A.
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2014
(all amounts are expressed in RON, unless otherwise specified)

	Share capital	Share premiums	Legal reserves	Other reserves	Retained earnings	Attributable to owners of the parent	Non controlling interests	Total
Balance as at January 1, 2014	<u>35,072,442</u>	<u>46,417,946</u>	<u>6,666,570</u>	<u>149,235,764</u>	<u>230,857,424</u>	<u>468,250,145</u>	<u>105,364,262</u>	<u>573,614,406</u>
Profit for the year	-	-	-	-	12,326,053	12,326,053	1,357,768	13,683,821
Revaluation reserves	-	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	(7,493,028)	(7,493,028)	(277,295)	(7,770,321)
Increase of non-controlling interest	-	-	-	-	-	-	-	-
Deferred taxes pertaining to the revaluation reserve	-	-	-	-	-	-	-	-
Balance as at December 31, 2014	<u>35,072,442</u>	<u>46,417,946</u>	<u>6,666,571</u>	<u>149,235,765</u>	<u>235,690,450</u>	<u>473,083,173</u>	<u>106,444,735</u>	<u>579,527,907</u>

As of April 14, 2014, the shareholders of the Company approved the allocation of RON 7,493,028 from the FY 2013 profit to dividends distribution.

These consolidated financial statements have been approved by the Board of Directors and authorized to be issued on July 31, 2017.


Mihai Mircea
President of the Board of Directors


Stefan Petru
CFO

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TTS (Transport Trade Services) S.A.
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2014
(all amounts are expressed in RON, unless otherwise specified)

	Share capital	Share premiums	Legal reserves	Other reserves	Retained earnings	Attributable to owners of the parent	Non controlling interests	Total
Balance as at January 1, 2013	35,072,442	46,417,946	6,666,570	153,691,599	212,690,160	454,538,716	96,837,873	551,376,589
Profit for the year	-	-	-	-	22,821,422	22,821,422	1,114,695	23,936,117
Revaluation reserves	-	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	(4,654,158)	(4,654,158)	-	(4,654,158)
Increase of non-controlling interest	-	-	-	-	-	-	8,054,476	8,054,476
Deferred taxes pertaining to the revaluation reserve	-	-	-	(4,455,835)	-	(4,455,835)	(642,782)	(5,098,617)
Balance as at December 31, 2013	35,072,442	46,417,946	6,666,570	149,235,764	230,857,424	468,250,145	105,364,262	573,614,406

As of May 16, 2013, the shareholders of the Company approved the allocation of RON 4,654,158 from the FY 2012 profit to dividends distribution.

These consolidated financial statements have been approved by the Board of Directors and authorized to be issued on July 31, 2017.



Mihai Mircea
President of the Board of Directors



Stefan Petru
CFO

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TTS (Transport Trade Services) S.A.
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2014
(all amounts are expressed in RON, unless otherwise specified)


	Note	Year ended December 31, 2014 RON	Year ended December 31, 2013 RON
Cash flows from operating activities			
Profit before taxation		17,197,858	31,896,945
Adjustments for non-cash items:			
Depreciation, amortization and impairment		49,288,707	45,747,749
Net interest expenses		3,003,166	1,803,749
Gain from disposals of fixed assets		(3,275,918)	(709,755)
Net increase in provision for current assets		2,606,997	1,781,567
Net increase / (Decrease) in provision for risks and charges		(237,760)	244,785
Net increase / (Decrease) from assets held for sale		12,653	-
Net increase in investments		974,227	(944,695)
Income from fixed assets received free of charge		(8,094,749)	-
Net increase in provision for for fixed assets		4,610,688	5,272,569
Deferred tax income / (expense)		-	90,799
IFRS transition of non-monetary items		-	-
Exchange rates differences		2,961,590	2,071,034
Operating profit before working capital changes		69,047,459	87,254,747
Changes in operating assets and liabilities			
Increase in trade and other receivables		29,522,829	(39,267,843)
Decrease / (Increase) in inventories		4,045,586	18,396,245
Increase / (Decrease) in trade and other payables		(9,001,599)	(6,899,688)
Cash generated from operations		93,614,275	59,483,463
Interests paid		(3,606,157)	(3,721,424)
Income tax paid		(2,907,765)	(4,872,736)
Net cash flow generated from operations		87,100,353	50,889,303
Investing activities			
Purchases of tangible and intangible assets		(110,132,327)	(92,812,397)
Payments for investments		(559,493)	(3,147,000)
Income from sale of fixed assets		7,706,029	11,434,179
Loans reimbursed / (granted) from/ to associates		(2,229,450)	1,178,972
Interest received		602,990	1,630,465
Cash flow used in investing activities		(104,612,251)	(81,715,780)

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TTS (Transport Trade Services) S.A.
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2014
(all amounts are expressed in RON, unless otherwise specified)

	<u>Note</u>	<u>Year ended December 31, 2014</u>	<u>Year ended December 31, 2013</u>
		<u>RON</u>	<u>RON</u>
Financing activities			
Proceeds from share capital increase		-	-
Non-controlling interest contribution		-	8,054,476
Dividends paid		(7,770,321)	(4,654,158)
Loan (paid) / received		9,015,554	13,701,691
Increase / (Decrease) in leasing		(245,567)	(415,557)
Proceeds from reimbursements of loans from associates		4,531,789	-
Cash flow generated by financing activities		<u>5,531,455</u>	<u>16,686,452</u>
Net (decrease) / increase in cash and cash equivalents		<u>(11,980,443)</u>	<u>(14,140,027)</u>
Cash and cash equivalents at the beginning of the year		<u>54,277,883</u>	<u>68,417,909</u>
Cash and cash equivalents at the end of the year		<u>42,297,440</u>	<u>54,277,883</u>

These consolidated financial statements have been approved by the Board of Directors and authorized to be issued on July 31, 2017.



Mihailescu Alexandru Mircea
President of the Board of Directors



Stefanut Petru
CFO

TTS (Transport Trade Services) S.A.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014
(all amounts are expressed in RON, unless otherwise specified)

1. GENERAL INFORMATION

S.C. T.T.S.(Transport Trade Services) S.A. (hereinafter referred to as 'the Company'), is a company incorporated in Romania, in 1997 having its registered office at no 34, Vaselor Street, Bucharest. The core business of the Company is represented by activities related to transports. S.C. T.T.S.(Transport Trade Services) S.A. operates as sender of goods in domestic and international transport, on interior river ways, offering integrated/modular transport services.

The consolidated financial statements of the Company as at and for the year ended December 31, 2014 were initially approved on April 3rd, 2015. This version includes supplementary explanatory notes related to business segment reporting according to IFRS 8 (see note 11), necessary information for the listing process at BVB.

The consolidated financial statements of the Company as at and for the year ended 31 December 2014 comprise the Company and its subsidiaries (together referred to as "Group" and individually as "Group entities").

As at December 31, 2014 the Company owned directly or through other subsidiaries investments in the following entities:

CNFR NAVROM SA is a stockholding entity established in 1991 where TTS SA holds 87,39% of the share capital, the rest being owned by several individuals. The entity's headquarters is at No 34, Portului Street, Galati County. The core business of the entity is transportation of goods on rivers (code CAEN 5040).

CANOPUS STAR SRL is a limited liability entity, established in 2001, where TTS SA owns 51% of the share capital. The entity's headquarter is in Incinta Port Digul de Nord Km1+ 100 Street, Cladirea Administrativa Et.1, Constanta County. The core business is represented by the river handling of goods (code CAEN 5224).

TRANS EUROPA PORT SA is a stockholding entity, established in 1996, where TTS SA owns 51.005% from the total share capital. The entity's headquarters is on Regiment 11 Siret Street, Galati County. The core business is represented by the river handling of goods (code CAEN 5224) which merged with Europort Logistics (another subsidiary) during 2014.

TTS OPERATOR SRL is a limited liability entity, established in 1994, where TTS SA owns 90% from the total share capital. The entity's headquarter is in Incinta Port Digul de Nord Km1+ 100 Street, Cladirea Administrativa Et.1, Constanta County. The core business is represented by the river handling of goods (code CAEN 5224).

AGRIMOL TRADE SRL is a limited liability entity, established in 2010, where TTS SA owns 100%. The entity's headquarters is at no 34, Vaselor Street, Bucharest. The core business is trading of agricultural raw materials, live animals, textile raw materials and semi-finished goods (cod CAEN 4611).

SIM TUR SRL is a limited liabilities entity, established in 2006, where TTS SA owns 91,79%. The headquarters of the entity is in Town Berca, no. 320, Buzau Couty. The core business is represented by hotels and similar services (code CAEN 5510).

CERNAVODA SHIPYARD SRL is a limited liability entity, established in 2013, where TTS SA owns directly 99% and trough TTS Operator SR.L. 1 %. The entity's headquarters is at no 1, Canalului Street, Cernavoda. The core business is related to repair and maintenance of ships and boats (cod CAEN 3315).

Bunker Trade Logistics SRL is a limited liability entity, established in 2013, where TTS SA owns directly 51%, through CNFR Navrom 44% and thourgh TTS Operator SRL 5%. The entity's headquarters is in Constanta, incinta Port. The core business is related river various services (cod CAEN 5222).

TTS (Transport Trade Services) S.A.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014
(all amounts are expressed in RON, unless otherwise specified)

1. GENERAL INFORMATION (continued)

CARGOROM TRANS BVBA is a limited liability entity, established in 1997, where TTS SA owns 51%. The entity's headquarter is Antwerpen, Str. Ferdinand verbiest no. 59/6., Belgium. The core business is represented by services similar to the transportation of goods.

TTS (Transport Trade Services) GMBH is a liability entity established in 2014, where TTS owns 75% of share capital. The entity headquarters is at 15b Lerchengasse, Langerzersdorf, Austria. The core business is represented by activities related to transport.

NAVROM BAC SRL is a limited liability entity, established in 1999, where TTS SA owns through CNFR Navrom SA 97,37% from the share capital. The entity's headquarters is at no. 1, Faleza Dunarii Street, Galati County. The core business is related to the transportation of passengers on rivers (code CAEN 5030).

NAVROM - CENTRU DE AFACERI SA is a stockholding entity, established in 1999, where TTS SA owns through CNFR Navrom 90.25% from the share capital. The entity's headquarters is at no. 23, Portului Street, Galati County. The entity's core business is related to the rental and sub-rental of goods owned or rented (code CAEN 6820).

NAVROM SHIPYARD SRL is a limited liability entity established in 1999, where TTS SA owns through CNFR Navrom 99,74% from the share capital. The core business is related to the maintenance and repair of the ships and boats (code CAEN 3315).

HOTEL MERCUR is an entity established in 2011, where TTS SA owns through CNFR Navrom 100%. The entity's headquarters is at no. 23, Portului Street, Galati county.

ROM PESC IMPEX SRL is a limited liability entity, established in 2003, where TTS SA owns through Navrom-Centru de Afaceri S.,R.L.100%. The entity's headquarters is at No. 23, Portului Street, Galati County. The core business is growing fishes (code CAEN 0322).

NAVROM DELTA SA is a stockholding entity, established in 1999, where TTS SA owns through CNFR Navrom SA 98,84%. The entity's headquarter is at no 26, Portului Street, Tulcea County. The core business is represented by the transportation of passengers on river (code CAEN 5030).

CARGO TRANS VAGON SA is a stockholding entity, established in 2004, where TTS SA owns directly 26 %, through TTS Operator 4% from the share capital. The entity's headquarters is at no. 34, Vaselor Street, Bucharest. The core business is represented by the railway transportation of goods (code CAEN 4920).

DANU TRANSPORT GMBH is a limited liability entity, established in 2006, where TTS SA owns directly 15% and through CNFR Navrom SA 25%. The entity's headquarters is in Vienna, 83-85 GUMPENDORFERSTRASSE. The core business is represented by the transportation of goods on rivers.

TRANSTERMINAL-S SRL is a limited liability entity, established in 2006, where TTS SA owns 25.5%. The entity's headquarter is at no. 14/3, Gradina Botanica Street, Chisinau. The core business is represented by the railway transportation of goods.

NAVROM PORT SERVICE SA is a stockholding entity, established in 1999, where TTS SA owns through CNFR Navrom SA 49,98%. The entity's headquarter is at no 39, Portului Street, Galati County. The core business is represented by the goods transportation on rivers (code CAEN 5040).

TTS (Transport Trade Services) S.A.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014
(all amounts are expressed in RON, unless otherwise specified)

1. GENERAL INFORMATION (continued)

MANAGEMENT NFR SA is a stockholding entity, established in 2003, where TTS SA owns 20%. The entity's core business is at no 34, Vaselor Street, Bucharest. The core business is represented by the business and management consultancy services (code CAEN 7022).

PANTA RHEI SLOVAKIA sro is a limited liability entity, established in 2007, where TTS SA owns 10%. The entity's headquarters is at no. 26, Cernysevskeho Street, Bratislava. The core business is represented by the complementary activities related to transportation of goods.

PR SHIPPING SRL is a limited entity established in 2008, where TTS SA owns 10% from the share capital. The entity's headquarters is in Incinta Port Constanta, Digul de Nord, Constanta County. The core business is represented by the complementary activities related to transportation of goods.

CARGO TRANS VAGON BULGARIA JSA is an entity established in 2006, where TTS SA owns 10% from the total share capital. The entity's headquarters is in Bulgaria, and the core business is related to the railway transportation of goods.

GIF LEASING IFN is a limited liability entity, established in 2004, where TTS SA owns 7.701% from the share capital. The entity's headquarters is at no. 24, Negustori Street, Bucharest. The core business is related to leasing (code CAEN 6491).

SUPERQUATRO GRUP SRL is a limited liability entity established in 2011, where TTS SA owns through CNFR Navrom SA 9.087% from the share capital. The entity's headquarters is at 20, Portului street, Galați County. The core business is represented by activities related to water transportation.

TTS (Transport Trade Services) S.A.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014
(all amounts are expressed in RON, unless otherwise specified)

1. GENERAL INFORMATION (continued)

Name of investment	Core business	Place of establishment and operations	31 December, 2014		31 December, 2013		Status
			%	Lei	%	Lei	
CNFR Navrom S.A.	Transportation of goods on rivers	Galati, Romania	87,390%	38,998,920	87,390%	38,998,920	Subsidiary
Canopus Star S.R.L.	Handling of goods	Constanta, Romania	51,000%	45,079,480	51,000%	45,079,480	Subsidiary
Trans Europa Port S.A.	Handling of goods	Galati, Romania	51,005%	5,207,309	51,005%	5,207,309	Subsidiary
TTS Operator S.R.L	Handling of goods	Constanta, Romania	90,000%	1,706,207	90,000%	1,637,807	Subsidiary
Cargorom Trans BVBA	Complementary transportation services of goods	Antwerpen, Belgium	51,000%	911,677	51,000%	911,677	Subsidiary
Navrom Bac S.R.L.	Passengers transportation on rivers	Galati, Romania	97,370%	1,118,660	97,370%	1,118,660	Subsidiary
Navrom - Centru de Afaceri S.A.	Rental and sub-rental of goods owned or rented	Galati, Romania	90,250%	1,945,709	90,250%	1,945,709	Subsidiary
Navrom Shipyard S.R.L.	Repair and maintenance of ships and boats	Galati, Romania	99,740%	2,500,000	99,740%	2,500,000	Subsidiary
Hotel Mercur	Hotels and similar activities	Galati, Romania	100,000%	17,855,000	100,000%	17,855,000	Subsidiary
Rom Pesc Impex S.R.L.	Growing of fish	Galati, Romania	100,000%	1,240,200	100,000%	1,240,200	Subsidiary

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1. GENERAL INFORMATION (continued)

Name of investment	Core business	Place of establishment and operations	31 December, 2014		31 December, 2013		Status
			%	Lei	%	Lei	
Sim Tur S.R.L.	Hotels and similar services	Buzau, Romania	91,79%	3,852,790	91,79%	3,852,790	Subsidiary
TTS (Transport Trade Services) Gmbh	Complementary activities related to transport	Austria	75,000%	116,477	00,000%	-	Subsidiary
Agrimol Trade SRL	Trading various products	Bucuresti, Romania	100,000%	706,000	100,000%	96,000	Subsidiary
Cernavoda Shipyard SRL	Repair and maintenance of ships and boats	Cernavoda, Romania	99,00%	4,455,000	99,000%	4,455,000	Subsidiary
Cernavoda Shipyard SRL	Repair and maintenance of ships and boats	Cernavoda, Romania	1,000%	45,000	1,000%	45,000	Subsidiary
Bunker Trade Logistics	Complementary transportation services	Constanta, Romania	51,000%	102,000	51,000%	102,000	Subsidiary
Bunker Trade Logistics	Complementary transportation services	Constanta, Romania	44,000%	88,000	44,000%	88,000	Subsidiary
Bunker Trade Logistics	Complementary transportation services	Constanta, Romania	5%	10,000	5%	10,000	Subsidiary
Navrom Delta S.A.	Passengers transportation on the rivers	Tulcea, Romania	98,840%	4,834,140	98,840%	4,834,140	Asset held for sale

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1. GENERAL INFORMATION (continued)

Name of investment	Core business	Place of establishment and operations	31 December, 2014		31 December, 2013		Status
			%	Lei	%	Lei	
Cargo Trans Vagon S.A.	Railway transportation of goods	Bucuresti, Romania	26 %	6.916.000	26%	6.916.000	Associate
Cargo Trans Vagon S.A.	Railway transportation of goods	Bucuresti, Romania	4%	1.040.000	4%	1.040.000	Associate
Transterminal-S S.R.L.	Railway transportation of goods	Chisinau, Rep. Moldova	25,500%	147,339	25,500%	147,339	Associate
Danu Transport GMBH	Transportation of goods on rivers	Vienna, Austria	15,000%	843,720	15,000%	843,720	Associate
Danu Transport GMBH	Transportation of goods on rivers	Vienna, Austria	25,000%	1,866,595	25,000%	1,866,595	Associate
Navrom Port Service S.A.	Transportation of goods on rivers	Galati, Romania	49,980%	878,700	49,980%	878,700	Associate
Management NFR S.A.	Business and consultancy services	Bucuresti, Romania	20,000%	18,000	20,000%	18,000	Associate
Panta Rhei Slovakia sro	Complementary transportation services	Bratislava, Slovakia	10,000%	5,195	10,000%	5,195	Investment
PR Shipping S.R.L.	Complementary transportation services	Constanta, Romania	10,000%	700	10,000%	700	Investment

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1. GENERAL INFORMATION (continued)

Name of investment	Core business	Place of establishment and operations	31 December, 2014		31 December, 2013		Status
			%	Lei	%	Lei	
Cargo Trans Vagon Bulgaria JSA	Railway transportation of goods	Bulgaria	10,000%	54,230	10,000%	54,230	Investment
Superquatro Grup SRL	Transportation of goods on the railway	Bucuresti, Romania	9,087 %	100,000	9,087%	100,000	Investment
GIF Leasing IFN	Financial lease	Bucuresti, Romania	7,701%	129,000	7,701%	129,000	Investment
For Serv Drum	Constuction	Arges, Romania	30%	559,493	-	-	Investment

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1. GENERAL INFORMATION (continued)

CONSOLIDATION PERIMETER

TTS SA prepares consolidated financial statements for the year ended December 31, 2014. Consolidated financial statements include the financial statements of companies SC TTS SA („the Company”) and its subsidiaries CNFR Navrom S.A., Canopus Star S.R.L., Trans Europa Port S.A., TTS Operator S.R.L., Navrom Bac S.R.L. Navrom - Centru de Afaceri S.A., Navrom Shipyard S.R.L., Rom Pesc Impex S.R.L., Agrimol Trade S.R.L., Cernavoda Shipyard S.R.L., Bunker Trade Logistic S.R.L., Sim Tur S.R.L., TTS (Transport Trade Services) GMBH, known as “the Group”.

Navrom Delta S.A. has been excluded from consolidation as it considered a held for sale investment as per the current plans of the Group. For further details related to this aspect please see note 20.

Subsidiaries are consolidated from the date that the Company prepared for the first time the opening consolidated balance sheet -January 1, 2011 in accordance with the requirements of International Financial Reporting Statements as adopted by EU.

2. APPLICATION OF THE NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

Standards and interpretations in effect for the current period

The following amendments to the existent standards issued by the International Accounting Standards Board and adopted by the EU are in effect for the current period:

- **IFRS 10 “Consolidated Financial Statements”**, adopted by the EU on 11 December 2012 (effective for annual periods beginning on or after 1 January 2014),
- **IFRS 11 “Joint Arrangements”**, adopted by the EU on 11 December 2012 (effective for annual periods beginning on or after 1 January 2014),
- **IFRS 12 “Disclosures of Interests in Other Entities”**, adopted by the EU on 11 December 2012 (effective for annual periods beginning on or after 1 January 2014),
- **IAS 27 (revised in 2011) “Separate Financial Statements”**, adopted by the EU on 11 December 2012 (effective for annual periods beginning on or after 1 January 2014),
- **IAS 28 (revised in 2011) “Investments in Associates and Joint Ventures”**, adopted by the EU on 11 December 2012 (effective for annual periods beginning on or after 1 January 2014),
- **Amendments to IFRS 10 “Consolidated Financial Statements”, IFRS 11 “Joint Arrangements” and IFRS 12 “Disclosures of Interests in Other Entities” – Transition Guidance**, adopted by the EU on 4 April 2013 (effective for annual periods beginning on or after 1 January 2014),
- **Amendments to IFRS 10 “Consolidated Financial Statements”, IFRS 12 “Disclosures of Interests in Other Entities” and IAS 27 (revised in 2011) “Separate Financial Statements” – Investment Entities**, adopted by the EU on 20 November 2013 (effective for annual periods beginning on or after 1 January 2014),

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2. APPLICATION OF THE NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (continued)

Standards and interpretations in effect for the current period (continued)

- **Amendments to IAS 32 "Financial instruments: presentation"** - Offsetting Financial Assets and Financial Liabilities, adopted by the EU on 13 December 2012 (effective for annual periods beginning on or after 1 January 2014),
- **Amendments to IAS 36 "Impairment of assets"** - Recoverable Amount Disclosures for Non-Financial Assets, adopted by the EU on 19 December 2013 (effective for annual periods beginning on or after 1 January 2014),
- **Amendments to IAS 39 "Financial Instruments: Recognition and Measurement"** - Novation of Derivatives and Continuation of Hedge Accounting, adopted by the EU on 19 December 2013 (effective for annual periods beginning on or after 1 January 2014).

The adoption of these amendments to the existing standards has not led to any changes in the Entity's accounting policies.

Standards and Interpretations issued by IASB and adopted by the EU but not yet effective:

At the date of authorisation of these financial statements the following standards, amendments to the existing standards and interpretations issued by IASB and adopted by the EU were in issue but not yet effective:

- **Amendments to various standards "Improvements to IFRSs (cycle 2010-2012)"** resulting from the annual improvement project of IFRS (IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 24 and IAS 38) primarily with a view to removing inconsistencies and clarifying wording - adopted by the EU on 17 December 2014 (amendments are to be applied for annual periods beginning on or after 1 February 2015),
- **Amendments to various standards "Improvements to IFRSs (cycle 2011-2013)"** resulting from the annual improvement project of IFRS (IFRS 1, IFRS 3, IFRS 13 and IAS 40) primarily with a view to removing inconsistencies and clarifying wording - adopted by the EU on 18 December 2014 (amendments are to be applied for annual periods beginning on or after 1 January 2015),
- **Amendments to IAS 19 "Employee Benefits"** - Defined Benefit Plans: Employee Contributions - adopted by the EU on 17 December 2014 (effective for annual periods beginning on or after 1 February 2015),
- **IFRIC 21 "Levies"** adopted by the EU on 13 June 2014 (effective for annual periods beginning on or after 17 June 2014).

Standards and interpretations issued by IASB, but not yet adopted:

At present, IFRS as adopted by the EU do not significantly differ from regulations adopted by the International Accounting Standards Board (IASB) except from the following standards, amendments to the existing standards and interpretations, which were not endorsed for use in EU as at date of financial statements (the effective dates stated below is for IFRS in full):

- **IFRS 9 "Financial Instruments"** (effective for annual periods beginning on or after 1 January 2018),

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2. APPLICATION OF THE NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (continued)

Standards and interpretations issued by IASB, but not yet adopted (continued)

- **IFRS 14 "Regulatory Deferral Accounts"** (effective for annual periods beginning on or after 1 January 2016),
- **IFRS 15 "Revenue from Contracts with Customers"** (effective for annual periods beginning on or after 1 January 2017),
- **Amendments to IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures"** - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (effective for annual periods beginning on or after 1 January 2016),
- **Amendments to IFRS 10 "Consolidated Financial Statements", IFRS 12 "Disclosure of Interests in Other Entities" and IAS 28 "Investments in Associates and Joint Ventures"** - Investment Entities: Applying the Consolidation Exception (effective for annual periods beginning on or after 1 January 2016),
- **Amendments to IFRS 11 "Joint Arrangements"** - Accounting for Acquisitions of Interests in Joint Operations (effective for annual periods beginning on or after 1 January 2016),
- **Amendments to IAS 1 "Presentation of Financial Statements"** - Disclosure Initiative (effective for annual periods beginning on or after 1 January 2016),
- **Amendments to IAS 16 "Property, Plant and Equipment" and IAS 38 "Intangible Assets"** - Clarification of Acceptable Methods of Depreciation and Amortisation (effective for annual periods beginning on or after 1 January 2016),
- **Amendments to IAS 16 "Property, Plant and Equipment" and IAS 41 "Agriculture"** - Agriculture: Bearer Plants (effective for annual periods beginning on or after 1 January 2016),
- **Amendments to IAS 27 "Separate Financial Statements"** - Equity Method in Separate Financial Statements (effective for annual periods beginning on or after 1 January 2016),
- **Amendments to various standards "Improvements to IFRSs (cycle 2012-2014)"** resulting from the annual improvement project of IFRS (IFRS 5, IFRS 7, IAS 19 and IAS 34) primarily with a view to removing inconsistencies and clarifying wording (amendments are to be applied for annual periods beginning on or after 1 January 2016).

The Entity anticipates that the adoption of these standards, amendments to the existing standards and interpretations will have no material impact on the financial statements of the Entity in the period of initial application.

At the same time, hedge accounting regarding the portfolio of financial assets and liabilities, whose principles have not been adopted by the EU, is still unregulated.

According to the entity's estimates, application of hedge accounting for the portfolio of financial assets or liabilities pursuant to IAS 39: "Financial Instruments: Recognition and Measurement", would not significantly impact the financial statements, if applied as at the balance sheet date.

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3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Statement of compliance

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by EU.

3.2 Basis of preparation

The consolidated financial statements have been prepared at historic cost, except for certain financial instruments that are stated at restated value or fair value as described in the accounting policies. The historic cost is generally based on the fair value of the provision supplied in exchange of the assets.

The financial statements have been prepared on a going concern basis, according to the historic cost convention adjusted for the effects of hyperinflation by December 31, 2003 for the share capital, reserves and investments. The financial statements are prepared on the basis of the statutory accounting records in accordance with the Romanian accounting principles, adjusted for compliance to IFRS, as adopted by EU.

The main accounting policies are presented below.

Functional and presentation currency

These financial statements are presented in lei, which is the functional currency of the Company. The financial statements are presented in lei, rounded, without decimals. The transactions realised in a foreign currency are stated in RON (lei) by applying the exchange rate at the transaction date. The monetary assets and debts stated in a foreign currency, at the year end, are stated in RON (lei) using the exchange rate at the respective date. Gains and losses from the exchange rate differences, realised or not realised, are stated in the profit and loss account for the respective year.

The exchange rates as at December 31, 2014 and as at December 31, 2013 are:

	<u>December 31,</u> <u>2014</u>	<u>December 31,</u> <u>2013</u>
EUR	4.4821	4,4847
USD	3,6868	3,2551

Non-monetary assets and liabilities measured in terms of fair value in a foreign currency are translated in functional currency at closing rate of the date when the the fair value has been determined.

Non-monetary items that are measured in terms of historical cost in a foreign currency shall be translated using the exchange rate at the date of the transaction.

3.3 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern financial and operating policies of an entity so as to obtain benefits from its activities. Please see also Note 1.

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.3 Basis of consolidation (continued)

Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interest even if this results in the non-controlling interest having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

3.3.1 Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in existing subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognized in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of the retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and non-controlling interests. When assets of the subsidiary are carried at revalued amounts or fair values and the related cumulative gain or loss has been recognized in other comprehensive and accumulated in equity are accounted for as if the Group had directly disposed of the relevant assets.

The fair value of any investment retained in the former subsidiary when the control is lost is regarded as the fair value on initial recognition for subsequent accounting under IAS 39 or, when applicable, the cost on initial recognition of an investment in an associate or a jointly controlled entity.

3.4 Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash generating units (or groups of cash generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognized directly in the profit or loss. An impairment loss recognized for goodwill is not reversed in subsequent periods.

The Group's policy for goodwill arising on the acquisition of an associate is described in note 3.5 below.

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.5 Investments in associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with IFRS 5. Under the equity method, an investment in an associate is initially recognized in the consolidated statement of financial position at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate.

Upon disposal of an associate that results in the Group losing significant influence over that associate, any retained investment is measured at fair value at that date and the fair value is regarded as its fair value on initial recognition as a financial asset in accordance with IAS 39. The difference between the previous carrying amount of the associate attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate.

3.6 Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the non-current asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

3.7 Revenue recognition

Income is measured at the fair value of the consideration received or receivable. Revenue is reduced by estimated customer returns, commercial rebates and other similar allowances.

3.7.1. Sale of goods

Revenue from sales of goods is recognized when the goods are delivered and titles have passed, at which time all the following conditions are met:

- The Group has transferred to the buyer all the significant risks and rewards of ownership over the goods;
- The Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.7 Revenue recognition (continued)

3.7.1. Sale of goods (continued)

- The amount of revenue can be measured in a reliable manner;
- It is probable that the economic benefits will flow directly to the Group, and
- the costs incurred or to be incurred in respect to the transaction can be measured in a reliable manner.

3.7.2 Income from rendering transport services

A. Transport income shall be registered as the transport is confirmed by the beneficiary based on the following documents:

- freight documents (bill of lading) in case of AMG;
- documents attesting to the unloading of the commodities (tally upon unloading / Out Turn Report - OTR / draft unloading survey).

Special recognition criteria:

Income from *services in progress* shall be recognised depending on:

- the ships' location at the end of each month in the electronic ship monitoring system in Navrom's Dispatch Office;
- the virtual route of the convoy (quantity x virtual distance) corroborated with the virtual trade of the order;

B. Income from other services (repairs, etc.) shall be recorded as they are rendered, correlated with the stage of execution of the works.

The stage of execution of the work shall be determined based on the statements of works accompanying the invoices, the minutes or other documents attesting to the stage of execution and acceptance of the services rendered.

Special recognition criteria:

The production cost of goods and services in progress shall be presented at the end of the period (monthly) in account 711 - Variation in inventory.

At the beginning of the following period, production in progress is restated at the costs registered cumulatively from the beginning of the period.

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.7 Revenue recognition (continued)

3.7.3 Dividend and interest income

Dividend income from investments is recognized when the shareholders' right to receive payment has been established.

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a timely basis by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the asset's net carrying amount on initial recognition.

3.8 Construction contracts

Revenue and costs for construction contracts in Navrom Shipyard are recognized by reference to the stage of completion of the contract activity at the end of the reporting period, measured based on proportion of costs incurred for work performed to date relative to the estimated total contract costs.

3.9 Foreign currencies

Transactions in foreign currencies are translated to the respective functional currency of individual Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date.

The foreign currency gain or loss on monetary items is the difference between amortized cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortized cost in foreign currency translated at the exchange rate at the end of the period. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognized in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

3.10 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of assets, which are assets that necessarily take a substantial period of time in order to be used or for sale are added to the cost of those assets, until such time as the respective assets are ready to be used for their purpose or for sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized in the income statement in the period in which they are incurred.

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.11 Retirement benefit costs

The Group, in the normal course of business, makes payments to the Romanian State on behalf of its employees. All employees of the Group are members of the Romanian State pension plan. The Group does not operate any other pension scheme or postretirement benefit plan and, consequently, has no obligation in respect of pensions. In addition, the Group is not obliged to provide further benefits to its employees.

3.12 Taxation

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

3.12.1 Current tax

The tax currently payable is based on the taxable profit of the year. Taxable profit differs from the 'profit before tax' as reported in the consolidated statement of profit and loss, as it excludes the elements of income and expenses that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have enacted or substantively enacted by the end of the reporting period.

3.12.2 Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the Romanian laws that have been enacted or substantively enacted by the reporting date (2014 and 2013: 16%).

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.12 Taxation (continued)

Current tax and deferred tax

Current and deferred tax are recognized in profit and loss, except when they relate to items that are recognized in other comprehensive income, or directly in equity in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

The income tax for the period ending December 31, 2014 was 16% (December 31, 2013: 16%), in accordance with the Romanian legislation.

3.13 Property, plant and equipment

Land and buildings held to be used in the production or supply of goods or services or for administrative purposes are stated in the consolidated statement of financial statements at their cost less accumulated depreciation and accumulated impairment losses.

The depreciation of the buildings is recorded in the statement of comprehensive income through the profit and loss of the year.

Properties in the course of construction for production, supply or administrative purposes are carried out at cost, less any recognized impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalized in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. The depreciation of these assets, on the same basis as other tangible assets, commences when the assets are ready to be used. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Fixtures and equipment including ships are stated at cost less accumulated depreciation and accumulated impairment losses.

As at December 31, 2012, for the scope of preparing consolidated financial statements, the Group has applied one of the exemptions included in IFRS 1 which relieves first time adopters from the requirements to recreate cost information for the property, plant and equipment – *"IFRS1- D8 allows event- driven fair value to be taken as the deemed cost as the date of that measurement"* In more detail the point refers allows a first time adopter to use and event driven fair value as deemed cost at the measurement date, for measurements events that occurred after the date of transition to IFRS and to specify accounting in such circumstances.

For the Group the measurement date was after the date of transition to IFRs, respective December 31, 2012, when a fair value exercise was considered for all fixed assets which has became the deemed cost.

Depreciation is recognized so as to write off the cost or valuation of assets less their residual values over their useful lives, using the straign line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.13 Property, plant and equipment (continued)

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

The average useful life of each category of property, plant and equipment is presented as follows:

	<u>Years</u>
Buildings and special constructions	8 - 60
Technical installations and equipment	3 - 30
Vehicles	4 - 6

3.14 Intangible assets

Intangible assets purchased separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated depreciation amortization and accumulated impairment losses. Amortization is calculated on a straight line basis throughout the useful life. The estimated useful life and the amortization method are revised at the end of each reporting period, effecting changes in the future accounting estimates.

The following useful lives are used in the calculation of amortization:

	<u>Years</u>
Concessions & patents	1 - 5

3.15 Impairment of tangible and intangible assets other than goodwill

Intangible assets with an indefinite useful life and the intangible assets that are not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

At the end of each reporting period, the Group reviews the carrying amount of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of an individual asset of the cash generating unit into which the asset belongs. Where there can be identified a consistent allocation basis, the Group's assets are also allocated to individual cash generating units or to the smallest group of cash generating units for which a consistent allocation basis can be identified.

Intangible assets with an indefinite useful life and the intangible assets that are not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.15 Impairment of tangible and intangible assets other than goodwill (continued)

The recoverable amount is the higher of the fair value less the costs of sale and the value-in-use. In assessing the value-in-use, the estimated future cash flows are discounted at the current value using a discount rate before taxes, which reflects the current market estimates of the time-value of money and the risks specific to the asset, for which the future cash flows have not been adjusted.

When an impairment loss is subsequently reversed, the carrying amount of the asset (cash generating unit) is increased to the revised estimate of its recoverable value, but so that the increased carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognized for the respective asset (cash generating unit) in the prior years. A reversal of the impairment loss is immediately recognized in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

3.16 Inventories

Inventories are stated at the lower of cost and net realizable value. Costs, including a part corresponding to the fixed and variable expenses are allocated to the inventories held through the method that is most adequate to the respective class of inventories, the weighted average basis. Net realizable value represents the sale price estimated for inventories less all the costs estimated for completion and the costs pertaining to the sale.

3.17 Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation and when a reliable estimate can be made of the respective obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, considering the risks and uncertainties surrounding the obligation. When a provision is measured using the estimated cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

3.18 Warranties

Provisions for the expected cost of warranty obligations under local sale of goods legislation are recognized at the date of sale of the relevant products, at the director's best estimate required to settle Group's obligation.

3.19 Financial instruments

i Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Non-derivative financial instruments are recognized initially at fair value plus, for instruments not at fair value through profit and loss, any directly attributable transaction costs, except as described below. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.19 Financial instruments (continued)

i Non-derivative financial instruments (continued)

A financial instrument is recognized if the Group becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are derecognized if the Group's contractual rights to the cash flows from the financial assets and liabilities expire or if the Group transfers the financial asset to another party without retaining control or substantially all risks and rewards of the assets. Regular way purchases and sales of financial assets and liabilities are accounted for at trade date, i.e., the date that the Group commits itself to purchase or sell the asset. Financial liabilities are derecognized if the Group's obligations specified in the contract expire or are discharged or cancelled.

Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less.

Subsequent measurement of equity investments for which no quoted price exists on an active market is at cost. If the recoverable amount falls below the carrying amount, an impairment loss is recognized.

Other non-derivative financial instruments are measured at amortised cost using the effective interest method, less any impairment losses.

Financial assets at fair value through profit and loss

A financial asset is classified at fair value through profit or loss if it is classified as held for trading or is designated as such upon initial recognition. Financial assets are designated at fair value through profit or loss if the Group manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Group's documented risk management or investment strategy. Attributable transaction costs are recognised in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value, and changes therein are recognised in profit or loss.

ii Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Impairment of financial assets

Financial assets, other than those at fair value through profit and loss account are assessed for indicators of impairment at the end of each reporting period.

Financial assets are considered to be impaired when there is objective evidence that one or several events occurred after the initial recognition have had an impact on the future cash flow pertaining to the investment.

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.19 Financial instruments (continued)

Impairment of financial assets (continued)

Certain categories of financial assets, such as trade receivables, assets are assessed for impairment on a collective basis even if they are assessed not to be impaired individually. Objective evidence of impairment for a portfolio of receivables could include the past experience of the Group in respect of the collection of payments, an increase of the payments delayed beyond the credit term, as well as visible changes in the national and local economic conditions that are correlated with the payment incidents regarding the receivables.

The carrying amount of the financial asset is reduced by the impairment loss, directly for all the financial assets, except for the trade receivables, a case where the carrying amount is reduced by using a provision account. If a receivable is considered not recoverable, it is written off and deducted from the provision. Subsequent recoveries of the amounts previously written off are credited to the provision account. The changes in the carrying amount of the provision account are recognized in the profit or loss.

iii Derivative financial instruments

The Group enters into derivative financial instruments to manage its exposure to foreign exchange rate risks.

Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

Derecognition of the assets and liabilities

The Group derecognizes the financial asset only when the contractual rights to the cash flows expire, or transfer the financial asset and, substantially, all the risks and rewards pertaining to the asset to another entity.

The Group derecognizes the financial liabilities if and only if all its obligations have been paid, cancelled or have expired.

Use of estimates

The preparation of the financial statements requires making estimates and assumptions by the management, which affect the reported amounts of the contingent assets and liabilities as at the balance sheet date, as well as the reported amounts of the income and expenses during the reporting period. Actual results may differ from those estimates. The estimates and assumptions on which the financial statements are based are revised on an ongoing basis. The reviews of the accounting estimates are recognized in the period when the estimate is revised, if such review affects only the respective period, or in the future periods, if the review affects both the current and the future periods.

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4. REVENUE

The following is an analysis of the Group's revenue for the year from continuing operations:

	Year ended December 31, 2014	Year ended December 31, 2013
	<i>RON</i>	<i>RON</i>
Revenue from sales of merchandises	53,626,498	11,822,574
Revenue from sales of raw materials	368,086	38,880
Revenues from sales of finished products	-	22,079,946
Revenue from rendering of services	343,536,367	432,787,748
Revenue from other activities	<u>13,250,702</u>	<u>12,165,831</u>
Total	<u>410,781,653</u>	<u>478,894,979</u>

5. COST OF SALE

	Year ended December 31, 2014	Year ended December 31, 2013
	<i>RON</i>	<i>RON</i>
Subcontractors	116.486.744	186,491,612
Consumables	92,285,794	102,933,562
Cost of merchandises and finished goods sold	49,383,931	32,042,402
Packaging consumed	<u>4,437</u>	<u>8,665</u>
Total	<u>258.160.906</u>	<u>321,476,241</u>

6. INVESTMENT EXPENSES

	Year ended December 31, 2014	Year ended December 31, 2013
	<i>RON</i>	<i>RON</i>
Income from financial investments	85,556	130,660
Expenses from financial investments	(1,091,655)	(728,816)
Income from financial assets	179,442	132,135
Other financial income	194,792	23,844
Other financial expenses	<u>(85,462)</u>	<u>(622,855)</u>
Income / (Expense) from financial investments	<u>(717,327)</u>	<u>(1,065,031)</u>

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7. OTHER GAINS AND LOSSES

	Year ended December 31, 2014	Year ended December 31, 2013
Other income	18,522,680	21,574,632
Net expenses from foreign exchange differences	366,908	(337,323)
Net expenses from adjustments for current assets	(2,369,237)	(1,868,305)
Net income / (expense) from services in progress	1,240,890	7,402,857
Income from non-current assets in progress	3,886,574	870,945
Write off doubtful receivables	(991,939)	(545,017)
Other administrative expenses	(3,714,675)	(4,105,330)
Expenses related to fixed assets disposals	(4,475,267)	(10,064,419)
Total	12,465,934	12,928,040

In 2013, the Company sold 8 pushers for a 11,275,300 RON included in other income line. The fixed assets sold have a net book value at the date of disposals of 9,236,194 RON included in expenses related to fixed assets disposed line.

In 2013, in Other Income, there is also included a revenue from insurance with a value of 5,605,875 RON approved and subsequently received from the insurance company in 2014 related to the accident of Mercur 207.

In 2014, in Other income is included an amount of 6.106.665 RON related to replacement of shiploader from Canopus for free in line with warrantee from supplier and 7.5 mil RON from sales of some barges.

8. ADMINISTRATIVE EXPENSES

	Year ended December 31, 2014	Year ended December 31, 2013
Utilities	3,723,844	3,783,819
Repairs costs	7,829,237	9,063,825
Rent expenses	7,372,075	7,626,527
Insurance premiums	4,732,845	4,347,666
Studies and research	13,950	18,503
Remuneration of the personnel	59,171,494	53,206,641
Fees and commissions	431,173	378,989
Transport of goods and personnel	763,833	610,732
Protocol, advertising and publicity cost	1,391,929	1,516,098
Travels, assignments and transfers	486,325	438,653
Post and telecommunications	1,404,770	1,378,997
Taxes and similar payments	2,331,657	1,333,933
Amortization, depreciation and impairment	53,925,573	51,020,318
Total	143,578,705	134,724,732

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9. NET FINANCE COST

An analysis of the Group's revenue from investments for the year is presented below:

	<u>Year ended December 31, 2014</u> RON	<u>Year ended December 31, 2013</u> RON
Financial income	625,384	1,644,565
Bank fees and commissions	(612,019)	(870,421)
Interests on borrowings	<u>(3,606,156)</u>	<u>(3,434,214)</u>
Total	<u>(3,592,791)</u>	<u>(2,660,070)</u>

The financial incomes relate to the interest gained by the Group for overdrafts and short term deposits.

The interests on borrowings relate mainly to the loans received from IFC by TTS SA and CNFR Navrom SA, but also to the overdrafts received from RBS Bank by the same entities.

10. INCOME TAX

	<u>Year ended December 31, 2014</u> RON	<u>Year ended December 31, 2013</u> RON
Current tax expense (note 10.2)	<u>5,789,338</u>	<u>7,870,029</u>
Expenses / (Income) with deferred tax recognized in the current year (note 10.1)	<u>(2,275,301)</u>	<u>90,799</u>
Total	<u>3,514,037</u>	<u>7,960,828</u>

The tax rate applied for the reconciliation above for the years 2014 and 2013 is 16% in Romania.

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10. INCOME TAX (continued)

10.1 Details regarding deferred tax

	Year ended December 31, 2014 <i>RON</i>	Year ended December 31, 2013 <i>RON</i>
Balance as at January 1 deferred tax liabilities	5,756,023	566,606
Expense / (revenue) in the period		
- generated by the revaluation reserves	(1,123,077)	(92,319)
- borrowings and others	(1,152,224)	183,118
Total impact – Profit and Loss account	(2,275,301)	90,799
Total impact – Other comprehensive income	-	5,098,617
Balance as at December 31 deferred tax liabilities	3,480,722	5,756,023

10.2 Details regarding income tax

	Year ended December 31, 2014 <i>RON</i>	Year ended December 31, 2013 <i>RON</i>
Profit before tax	17,197,858	31,896,945
Income tax calculated at 16% (2012: 16%)	3,227,945	5,103,511
Effects of the non-taxable expenses	(1,118,193)	14,104,489
Effects of income that are exempt from taxation	1,133,825	(3,118,045)
Effects of other elements similar to income	7,086,407	8,204,111
Net effects of non-taxable expenses, respective income elements that are exempt from taxation in relation with subsidiaries	-	-
Current tax in respect with the current year before fiscal losses	5,995,235	8,174,000
Fiscal credit	214,900	303,971
Current tax in respect with the current year	5,789,338	7,870,029

11. SEGMENT INFORMATION

The Group's core business is transportation of goods on the Danube and other complementary services related to the transportation of goods such as manipulation of goods, loading and unloading, storage.

Information reported to the chief operating decision maker for the purposes of resource allocation and assesment of segment performance focuses on the type of activities- intermediation, river transport, operations services and other services (repairs of the transportation fleet, hotel business, distribution of different goods (timber, oil, lubricants).

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11. SEGMENT INFORMATION (continued)

Segment revenue and results

The following is an analysis of the Group's revenue and results from continuing operations by reportable segment:

2014	Total	Forwarding	River transport	Port operations	Others
Revenue (external customers)	646,182,701	284,603,861	237,620,491	49,973,909	73,984,440
Intersegment revenue, from which:	(235,401,047)	(205,285,406)	(14,230,624)	(6,200,904)	(9,684,113)
from Forwarding segment	(11,543,865)	-	(2,792,869)	(4,434,537)	(4,316,459)
from River transport segment	(185,946,311)	(178,819,716)	-	(1,766,367)	(5,360,229)
from Port operations segment	(27,084,009)	(26,454,414)	(622,170)	-	(7,425)
from Others segment	(10,826,862)	(11,277)	(10,815,585)	-	-
Revenue	410,781,654	79,318,455	223,389,867	43,773,005	64,300,327
Merchandise sold	(49,388,367)	(7,566,620)	(641,183)	382,070	(41,562,634)
Raw materials and consumables	(92,285,795)	(253,925)	(79,472,718)	(5,807,720)	(6,751,432)
Depreciation and amortization	(53,925,573)	(5,806,534)	(34,295,619)	(7,435,813)	(6,387,607)
Subcontractors expenses	(116,486,743)	(30,452,813)	(73,043,864)	(8,093,903)	(4,896,164)
Payroll expenses	(59,171,494)	(6,641,786)	(30,300,152)	(13,539,189)	(8,690,367)
Electricity, heating and water	(3,723,844)	(138,144)	(741,396)	(1,732,119)	(1,112,185)
Maintenance and repair expenses	(7,829,236)	(102,374)	(5,736,882)	(1,906,829)	(83,151)
Other administrative expenses	(18,928,557)	(2,469,465)	(9,880,509)	(5,233,622)	(1,344,961)
Other gain and losses	12,465,934	1,202,158	2,624,622	5,542,221	3,096,932
Operating result	21,507,978	27,088,953	(8,097,833)	5,948,101	(3,431,243)
Investment expenses	(717,327)				
Net of finance cost/income	(3,592,791)				
Profit before tax	17,197,860				
Income tax expenses	(3,514,037)				
Profit for the year from continuing operations	13,683,823				

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11. SEGMENT INFORMATION (continued)

Segment revenue and results (continued)

2014	Total
Other comprehensive income for the year	-
Deferred tax pertaining to comprehensive income	-
Total comprehensive income for the year	13,683,823

Profit of the year attributable to:

Attributable to:

Equity holders of the parent	12,326,053
Non controlling interest	1,357,768

Attributable to:

Owners of the Company	12,326,053
Non-controlling interests	1,357,768

The accounting policies of the reportable segments are the same as the Group's accounting policies described in note 3.

The following is a breakdown of segment turnover by segment type:

2014	Total	Forwarding	River transport	Port operations	Others
Total	410.781.654	79.318.455	223.389.867	43.773.005	64.300.327
Agri	125.698.979	42.478.999	54.963.433	28.256.547	-
Chemicals	44.359.637	4.234.365	31.982.218	8.143.054	-
Minerals	135.737.445	17.500.088	115.640.353	2.597.004	-
Other merchadises	12.928.056		12.928.056		
Other services	92.057.537	15.105.003	7.875.807	4.776.400	64.300.327

Other services for the Other segment include mainly sales of goods, shipyards incomes, hydro-construction, rental and sub-rentals, bunker and aquaculture services.

Segment assets and liabilities

Segment assets 2014

	December 31, 2014
Forwarding	134,048,945
River transport	343,892,635
Port operations	166,043,123
Others	65,162,590
Total segment assets	709,147,293

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11. SEGMENT INFORMATION (continued)

Segment assets and liabilities (continued)

Unallocated assets

Investment in the investee	18,196,252
Assets classified as held for sale	3,300,472

Total assets **730,644,017**

Segment liabilities

**December 31,
2014**

Forwarding	8,190,337
River transport	34,996,058
Port operations	6,533,263
Others	6,025,153

Total segment liabilities **55,744,811**

**December 31,
2014**

Unallocated liabilities

Borrowings LT	48,040,522
Deferred tax liabilities	3,480,722
Other non current liabilities	1,239,384
Leasing	-
Borrowings ST	42,610,670

Total liabilities **151,116,109**

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to reportable segments other than interests in associates, assets classified as held for sale and deferred tax assets
- all liabilities are allocated to reportable segments other than borrowings, other financial liabilities, leasing liabilities and deferred taxes

Other segment information

Depreciation and amortization

2014

Forwarding	5,806,534
River transport	34,295,619
Port operations	7,435,813
Others	6,387,607

53,925,573

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11. SEGMENT INFORMATION (continued)

Other segment information (continued)

Additions to non-current assets net of put in functions from WIP	2014
Forwarding	1,281,510
River transport	45,605,301
Port operations	48,541,270
Others	22,866,890
	<u>118,294,972</u>

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12. PROPERTY, PLANT AND EQUIPMENT

COST	Land	Buildings	Plant and equipment	Fixtures and furniture	Tangible assets in progress and advances for fixed assets	Total
	RON	RON	RON	RON	RON	RON
Balance as at January 1, 2014	15,342,585	97,297,392	358,206,950	2,683,697	74,932,850	548,463,474
Increases	89,264	49,209,424	64,264,910	307,574	122,100,993	235,972,164
Disposals	(700)	(145,106)	(22,448,882)	(34,593)	(119,598,019)	(142,227,299)
Balance as at December 31, 2014	15,431,149	146,361,710	400,022,977	2,956,678	77,435,824	642,208,338
ACCUMULATED DEPRECIATIONS						
Balance as at January 1, 2014	15,965	5,030,357	60,174,189	523,798	-	65,744,310
Depreciation expense	15,964	3,837,940	44,514,999	411,820	-	48,780,723
Disposals	-	(23,472)	(5,797,193)	(10,723)	-	(5,831,387)
Provision	-	4,610,688	-	-	-	4,610,688
Balance as at December 31, 2014	31,929	13,455,514	98,891,996	924,894	-	113,304,333
NET BOOK VALUE						
As at December 31, 2013	15,326,620	92,267,035	298,032,761	2,159,899	74,932,850	482,719,165
As at December 31, 2014	15,399,219	132,906,196	301,130,981	2,031,784	77,435,824	528,904,005

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12. PROPERTY, PLANT AND EQUIPMENT (continued)

COST	Land	Buildings	Plant and equipment	Fixtures and furniture	Tangible assets in progress and advances for fixed assets	Total
	RON	RON	RON	RON	RON	RON
Balance as at January 1, 2013	15,080,066	85,653,398	324,614,187	2,378,628	23,899,743	451,626,022
Increases	262,518	11,689,857	43,937,897	336,801	102,221,110	158,448,183
Disposals	-	(45,863)	(10,345,134)	(31,731)	(51,188,003)	(61,610,731)
Balance as at December 31, 2013	15,342,585	97,297,392	358,206,950	2,683,697	74,932,850	548,463,474
ACCUMULATED DEPRECIATIONS						
Balance as at January 1, 2013	-	1,597,677	13,566,663	102,682	-	15,266,924
Depreciation expense	15,965	3,432,801	41,465,441	427,271	-	45,341,477
Disposals	-	(121)	(130,485)	(6,055)	-	(136,661)
Provision	-	-	5,272,569	-	-	5,272,569
Balance as at December 31, 2013	15,965	5,030,357	60,174,189	523,798	-	65,744,310
NET BOOK VALUE						
As at December 31, 2012	15,080,066	84,055,721	311,047,524	2,275,946	23,899,743	436,358,998
As at December 31, 2013	15,326,620	92,267,035	298,032,761	2,159,899	74,932,850	482,719,165

1. Tangible assets pledged

As at December 31, 2014, the net book value of the tangible assets pledged in favor of banks in respect of the bank borrowings contracted by the Group amounts to RON 91.224.609.

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13. GOODWILL

COST	Year ended December 31 , 2014	Year ended December 31 , 2013
Balance at beginning of year	<u>713,142</u>	<u>713,142</u>
Combinations occurring during the year	-	-
Balance at end of year	<u>713,142</u>	<u>713,142</u>

The goodwill was recognized for 2 of the subsidiaries consolidated: Canopus Star SRL in amount of RON 364,260 and Trans Europa Port in amount of RON 348,882.

14. OTHER INTANGIBLE ASSETS

COST	Other intangible assets	Total
As at December 31, 2011	<u>2,583,518</u>	<u>2,583,518</u>
Additions	544,244	544,244
Disposals	(89,254)	(89,254)
Fair Value Adjustment	(24,844)	(24,844)
As at December 31, 2012	<u>3,013,664</u>	<u>3,013,664</u>
Additions	471,305	471,305
Disposals	(107,407)	(107,407)
Fair Value Adjustment	-	-
As at December 31, 2013	<u>3,377,562</u>	<u>3,377,562</u>
Additions	1,920,827	1,920,827
Disposals	(547,507)	(547,507)
As at December 31, 2014	<u>4,750,882</u>	<u>4,750,882</u>

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14. OTHER INTANGIBLE ASSETS (continued)

ACCUMULATED DEPRECIATION	Other intangible assets	Total
As at December 31, 2012	760,788	760,788
Amortization for the year	406,272	406,272
Amortization pertaining to disposals	(107,407)	(107,407)
Fair value adjustment	-	-
As at December 31, 2013	1,059,653	1,059,653
Amortization for the year	507,983	507,983
Amortization pertaining to disposals	(85,356)	(85,356)
Fair value adjustment	-	-
As at December 31, 2014	1,482,280	
Net book value as at December 31, 2013	2,317,909	2,317,909
Net book value as at December 31, 2014	3,268,601	3,268,601

Management has analyzed the impairment of the net book value of the tangible and intangible assets and decided that it is not necessary to calculate and record supplementary adjustments for their impairment, as the fair value less costs to sell exceed the carrying amounts at which they are reflected in the financial position as at December 31, 2014 and December 31, 2013.

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15. INVESTMENTS IN ASSOCIATES

Name of investment	Core business	Holding percentage 12/31/2014	Lei		Post- acquisition change in the investor's share of net assets of the investee	Carrying amount of the investment 12/31/2014	Cost of the investment 12/31/2013	Post- acquisition change in the investor's share of net assets of the investee	Carrying amount of the investment 1/1/2013
			12/31/2014	%					
Cargorom Trans BVBA	Core business	51,00%	911,677	(616,228)	295,449	911,677	(584,628)	327,049	
Cargo Trans Vagon S.A.	Complementary transportation services of goods								
	Railway transportation of goods	26.00 %	6,030,752	1,517,431	7,548,183	6,030,752	2,012,574	8,043,326	
Cargo Trans Vagon S.A. (investment held by TTS Operator SA)	Railway transportation of goods	4 %	1,040,000	185,373	1,225,373	1,085,000	220,755	1,305,755	
Transterminal-S S.R.L.	Railway transportation of goods	25,50%	147,339	3,080,901	3,228,240	147,339	2,499,472	2,646,811	
Management NFR S.A.	Business and consultancy services	20,00%	18,000	-	18,000	18,000	-	18,000	
Danu Transport GMBH	Transportation of goods on rivers	15,00%	843,720	(83,777)	759,943	843,720	394,951	1,238,671	
GIF Leasing IFN	Financial lease	7,70%	129,000	-	129,000	129,000	-	129,000	
Panta Rhei Slovakia sro	Complementary transportation services	10,00%	5,195	-	5,195	5,195	-	5,195	
PR Shipping S.R.L.	Complementary transportation services	10,00%	700	-	700	700	-	700	

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15. INVESTMENTS IN ASSOCIATES (continued)

<u>Name of investment</u>	<u>Core business</u>	<u>Holding percentage 12/31/2014</u>	<u>%</u>	<u>Cost of the investment 12/31/2014</u>	<u>Post-acquisition change in the investor's share of net assets of the investee</u>	<u>Carrying amount of the investment 12/31/2014</u>	<u>Cost of the investment 12/31/2013</u>	<u>Post-acquisition change in the investor's share of net assets of the investee</u>	<u>Carrying amount of the investment 1/1/2013</u>
				<i>Lei</i>					
Cargo Trans Vagon Bulgaria JSA	Railway transportation of goods	10,00%		54,230	-	54,230	54,230	-	54,230
Danu Transport GmbH Super Quattro	Transportation of goods on rivers	25,00%		1,866,595	(600,023)	1,266,572	1,866,595	394,951	2,064,452
Navrom Port Service S.A.	Transportation of goods on rivers	9,09%		100,000	-	100,000	100,000	-	100,000
For Serv Drum		49,972%		878,700	1,981,675	2,860,375	878,700	1,729,116	2,607,816
Other Investments				559,493	-	559,493			
				145,500		145,500	69,981		69,982
						<u>18,196,253</u>			<u>18,610,987</u>

TOTAL VALUE OF THE INVESTMENT IN THE ASSOCIATES

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16. OTHER LONG TERM ASSETS

	Year ended December 31, 2014	Year ended December 31, 2013
	RON	RON
Commercial guarantees	1,866,283	7,025,700
Total	1,866,283	7,025,700

CNFR Navrom SA has guarantees in amount of RON 6,212,232 as at December 31, 2013. More than 90% from the total value of these guarantees are related to Superquatro SRL for the contract related to the river transportation of approximately 1,000,000 +/- 10% To of ballast, sand and chippings. The value of the contract is EUR 10,000,000 without VAT and has a duration of 3 years starting July 2009 and can be extended through addendum. The outstanding balance as at December 31, 2014 with Superquatro was classified in receivable line.

As at December 31, 2014 the balance of the long term assets mainly includes a receivable to be cashed from Administratia Porturilor Maritime in the following years in amount of RON 1,4 million.

17. INVENTORIES

	Year ended December 31, 2014	Year ended December 31, 2013
	RON	RON
Consumables	13,979,613	11,416,272
Small tools	888,288	803,815
Goods	175,365	387,049
Goods with third parties	311,555	446,324
Work in progress	583,513	202,492
Services in progress	4,954,339	7,916,012
Packages	14,770	11,932
Impairment of materials	(889,278)	(808,596)
Impairment of packages	(5,598)	(4,571)
Total	20,012,567	20,370,728

The line consumables contains mainly fuel used by the ships and cranes in the transportation operations.

The work in progress line is related mainly to the construction in progress of ships from Navrom Shipyard.

The services in progress are related mainly to services rendered by Navrom Shipyard to CNFR Navrom for ships Mercur 207, Hinova and Mircesti for Navrom Delta Tulcea.

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18. TRADE AND OTHER RECEIVABLES

	Year ended December 31, 2014	Year ended December 31, 2013
	<u>RON</u>	<u>RON</u>
Trade receivables	78,800,639	119,880,376
Allowance for doubtful receivables	(7,618,993)	(6,713,694)
Advances paid to suppliers of services	9,393,762	744,712
Other receivables	494,851	801,617
	<u>81,070,259</u>	<u>114,713,011</u>

Movement in the allowance for doubtful debts:

	Year ended December 31, 2014	Year ended December 31, 2013
	<u>RON</u>	<u>RON</u>
Balance at the beginning of the year	6,713,694	4,995,599
Net Increase / (decrease) in allowance for the period	905,299	1,718,095
Balance at the end of the year	<u>7,618,993</u>	<u>6,713,694</u>

As at December 31, 2014 the Group has a total outstanding balance of receivables with Comcereal in amount of RON 27,123,038 (which includes also an advance payment for the purchase of a land in amount of RON 7,5 million). Comcereal is in deep negotiation for its acquisition of the business by TransOil with whom the Group has signed an agreement regarding the recuperability of 70% of its receivable at the acquisition date and the rest of the balance according to a schedule agreement in the following period.

In determining the recoverability of a trade receivable, the Entity considers any change in the crediting quality of the loan up to the reporting date. The concentration of the recoverability risk of the receivable is limited due to the existence of a big number of non affiliated clients. Thus, the management considers that no supplementary impairment adjustments are necessary for trade receivables to the ones already recognized in the current financial statements.

19. OTHER CURRENT ASSETS

	Year ended December 31, 2014	Year ended December 31, 2013
	<u>RON</u>	<u>RON</u>
Amounts paid in advance	1,497,335	1,202,691
Sundry debtors	19,477,508	12,768,871
Allowance for sundry debtors	(2,824,760)	(1,258,362)
Taxes receivable from state budget	5,369,876	13,358,694
Other current assets	7,495,037	454,086
Total	<u>31,014,996</u>	<u>26,492,650</u>

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19. OTHER CURRENT ASSETS (continued)

In 2013, an important amount recorded in sundry debtors are related to insurance to be received from insurance Company Gothaer amounting EUR 1,250,000 for a total loss of a ship which sank in November 2013.

The taxes to recover are related mainly to the receivable VAT from the State Budget in amount of RON 11,641,412 out of which the VAT receivable by CNFR Navrom is in amount of RON 2,767,428, by TTS SA is in amount of RON 2,856,332 and Canopus in amount of RON 5,878,453.

In 2014, an important amount recorded in sundry debtors is related to the assignment of receivables signed in 2014 regarding the taken over from Superquatro Grup SRL in favor of CN ADPM SA that totals RON 10,340,852.

In 2014, the taxes to recover are related mainly to the receivable VAT from the State Budget in amount of RON 3,816,830.

In other current assets are included the short term loan given to Trans Europa Management in amount of EUR 500,000 and the guarantees outstanding to be recovered from Superquatro in amount of RON 3,5 million (please see Note 16).

20. ASSETS CLASIFIED AS HELD FOR SALE

	Year ended December 31, 2014	Year ended December 31, 2013
Investments related to Navrom Delta business	4,834,140	4,834,140
Impairment Loss	(1,533,668)	(1,521,015)
Carring amount of the net assets related to Navrom Delta business	3,300,472	3,313,125

The Group is seeking to dispose of its transport business from Delta. The disposal is consistent with the Group's long-term policy to focus its activities on transport of goods on the Danube river and other related operations.

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21. ISSUED CAPITAL

Issued capital comprises:	No. of shares	Share capital	Share Premium
Balance at 31 December, 2011	600,000	31,739,592	199,315
Issue of shares	66,657	3,332,850	46,218,631
Effect of applying IAS 29	-	-	-
Balance at 31 December, 2012	666,657	35,072,442	46,417,946
Issue of shares	-	-	-
Balance at 31 December, 2013	666,657	35,072,442	46,417,946
Issue of shares	-	-	-
Balance at 31 December, 2014	666,657	35,072,442	46,417,946

The share capital increase was done in cash. On July 18, 2012, the shareholders of the Company approved the share capital increase by issuing additional 66,657 fully paid common shares of RON 50 each nominal value to International Finance Corporation for a contribution of EUR 10,854,426 equivalent of RON 49,551,480. The transaction generated also the increase off the share premium by RON 46,218,631.

In 2014, no additional shares were issued.

As at 31 December 2014 and 31 December 2013, the Company's shareholding structure is as follows:

Shareholding structure	No. of shares	Ratio
MIHAILESCU ALEXANDRU MIRCEA	305940	46 %
STANCIU ION	84848	13 %
PETER HUNGERBUEHLER	60606	9 %
STEFAN VIOREL	60606	9 %
HARTAN CONSTANTIN	30303	5 %
STEFANUT PETRU	18182	3 %
MOLDOVEANU AUREL FLORIN	6061	1 %
PETREA SILVIU CATALIN	6061	1 %
STEFAN JANCOVSCHI DANIEL	6061	1 %
STOEAN ANTONIO GABRIEL	6061	1 %
SIMION CAMELIA	6061	1 %
ALEXANDRESCU FLORIN	3070	0 %
CISMECK AURELIA MIHAELA	3070	0 %
MIRON MIHAELA	3070	0 %
INTERNATIONAL FINANCE CORPORATION	66657	10 %
Total	666,657	100 %

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22. RESERVES

	Year ended December 31, 2014	Year ended December 31, 2013
	RON	RON
Legal reserves	6,666,570	6,666,570
Revaluation reserves	603	603
Share premiums	46,417,946	46,417,946
Other reserves	149,235,163	149,235,161
Total	202,320,282	202,320,280

The main lines from reserves are related to the reserves obtained from the first time adoption of IFRS included in the line with "Other reserves" in amount of RON 149,235,163.

The share premium was generated by the transaction with International Finance Corporation (IFC) during 2012, when the IFC acquired 10% representing 66,657 shares from the total shares of the Company. The legal reserves line contains the reserves established in accordance with Romanian regulations.

23. NON-CONTROLLING INTEREST

	Year ended December 31, 2014	Year ended December 31, 2013
	RON	RON
Balance at 1 January	105,364,262	96,837,873
Share of profit for the year	1,357,768	1,114,695
Dividends paid	(277,295)	-
Deferred tax related to revaluation reserve	-	(642,783)
Increase of the Non-controlling interest - contribution	-	8,054,476
Balance at 31 December	106,444,735	105,364,262

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24. INTEREST BEARING LOANS AND BORROWINGS

	<u>Year ended December 31, 2014</u>	<u>Year ended December 31, 2013</u>
	RON	RON
<u>Secured borrowings</u>		
Short term borrowings	16,898,824	23,588,054
Current part of long term borrowings	25,711,846	13,224,836
<u>Long term borrowings</u>		
Long term borrowings	<u>48,040,522</u>	<u>41,861,156</u>
Total short and long term borrowings	<u>90,651,192</u>	<u>78,674,046</u>

Amounts due to credit institutions

On April 10, 2008, the Company obtained a credit facility in amount of EUR 10,000,000 from International Finance Corporation for the expansion of TTS SA's operations, including at Constanta Port and Galati. The loan has to be repaid in 16 consecutive equal, semi-annual installments (15-Jan-2010 till 15-Jul-2017).

The following covenants were mentioned in the contract:

1. On a consolidated basis
 - a. Current ratio over 1.1
 - b. Financial Debt to Tangible Net Worth Ratio below 1.0
 - c. Peak Debt Service Coverage Ratio over 1.3

The Company may not enter into any agreement or arrangement to lease any property or equipment (except Financial Leases) with lease payments over 500,000 USD in any financial year.

The Company may not share profits, enter into any management contract whereby its business should be managed by another person.

The Company may not make loans / advances to / deposits exceeding 2 million EUR. The Company may not use the proceeds of any Disbursement in a country that is not a member of the World Bank.

The balance of the liability as at December 31, 2013 EUR 5,000,000 (RON 22,423,500) and as at December 31, 2014 is EUR 3,750,000 (RON 16,807,875).

As at December 31, 2014 the Company was in compliance with these covenants.

On August 31, 2005, CNFR Navrom SA signed an agreement with IFC for the purchase of engines for the upgrade of Navrom Galati and Drobeta currently-owned pushers. The total estimated cost of the project is EUR 14.000.000 which shall be 100% financed by IFC which is guaranteed by TTS SA. Interest on the loan shall accrue from day to day, be prorated on the basis of a 360-day year for the actual number of days in the relevant interest period and be payable in arrears on the Interest payments date immediately following the end of that interest period.

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24. INTEREST BEARING LOANS AND BORROWINGS (continued)

The loan must be repaid until July 15, 2015. As at December 31, 2014 the balance of the loan amounted EUR 1,571,429, the equivalent of RON 7,043,300 (December 31, 2013 EUR 3,142,857, the equivalent of RON 14,094,771). In accordance with the contract the following have to be complied by Navrom Galati SA:

- carry out the project and conduct its business with due diligence and efficiency and in accordance with sound shipping, financial and business practices;
- maintain a Prospective Debt Service Coverage Ratio of not less than 1.3
- maintain a Debt to Equity Ratio of not more than 1.0;
- maintain a Peak Debt Service Coverage Ratio of not less than 1.2; and
- use commercially reasonable efforts to obtain and maintain in place protection & indemnity insurance, with financially sound and reputable insurers, over all of the Borrower's pushers which are in operation.

As at December 31, 2014 Navrom was in compliance with these covenants.

On October 15, 2013, Canopus signed an agreement with Royal Bank of Scotland (RBS) for financing the ongoing investment of Canopus for extension of the deposit capacity of cereal terminal from Constanta harbour. Total value of the credit facility is of EUR 11,500,000, bearing an interest of EURIBOR 1M + 3% per annum a having maturity date on August 31, 2018. The facility amount used as at December 31, 2014 is of EUR 10,781,250 (RON 48,322,641) (as at December 31, 2013 is of EUR 4,382,877 (RON 19,655,889)).

In accordance with the contract the following have to be complied by Canopus as of December 31, 2014:

- Total value of loans/leases divided by EBITDA of not more than 2
- Total value of loans/leases less cash and cash equivalents divided by EBITDA of not more than 4
- Total value of loans divided by Total equity less net book value intangibles of not more than 0.7
- Total equity less net book value intangibles divided by Total assets higher than 0.5
- Debt Coverage Ratio higher than 1.1
- Total equity of minimum RON 64 million.

The Company complies with the above covenants as at December 31, 2014.

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25. TRADE AND OTHER PAYABLES

	<u>Year ended December 31, 2014</u>	<u>Year ended December 31, 2013</u>
	<i>RON</i>	<i>RON</i>
Trade payables	36,766,991	52,790,521
Payables regarding invoices to receive	1,718,274	1,533,131
Sundry creditors	894,797	3,373,537
Total	<u>39,380,062</u>	<u>57,697,189</u>

26. PROVISIONS

	<u>Year ended December 31, 2014</u>	<u>Year ended December 31, 2013</u>
	<i>RON</i>	<i>RON</i>
Provisions for risks and charges	2,393,845	2,631,605
Total	<u>2,393,845</u>	<u>2,631,605</u>

The provisions for risks and charges are related to the litigation with Competition Council based on which the entity should pay a fine calculated on the 2005 turnover of CNFR Navrom. By the date of these financial statements the litigation was not closed.

27. OTHER CURRENT LIABILITIES

	<u>Year ended December 31, 2014</u>	<u>Year ended December 31, 2013</u>
	<i>RON</i>	<i>RON</i>
Employees related payables	3,107,297	2,668,795
Social security payable	2,204,305	2,132,896
Income tax payable	1,080,799	3,587,579
Tax on salaries payable	739,422	651,862
Interest payable	335,061	521,385
Other non-commercial liabilities	1,946,811	404,825
Liabilities related to VAT	757,751	801,331
Sundry creditors	3,799,458	4,781,816
Total	<u>13,970,904</u>	<u>15,550,489</u>

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28. FINANCIAL INSTRUMENTS

a) Capital management

The Group manages its capital in order to make sure that it can continue as a going concern also ensuring a maximization of the shareholders' wealth by optimizing the balance of liabilities and equity.

The equity structure of the Group comprises of liabilities, which include the borrowings presented in note 20.

Equity includes share capital, reserves and retained earnings, as disclosed in notes 21 and 22.

The Group is not subject to any externally imposed capital requirements.

The Group monitors the equity based on gearing. Gearings is calculated as long term borrowings divided to net worth. Net worth is calculated as "Equity and reserves" as reported in the statement of financial position.

Gearing as at December 31, 2014 and December 31, 2013 was the following:

	Year ended December 31, 2014	Year ended December 31, 2013
	RON	RON
Long term borrowings	48,040,522	42,777,921
Total equity and reserves	473,083,173	468,250,145
Gearing	10%	9%

b) Foreign currency risk

The Group is exposed to fluctuations in the foreign exchange rates in the commercial and financing transactions. Foreign currency risk results from the recognized assets and liabilities, including borrowings, expressed in foreign currencies. Due to the high costs associated, the Group's policy is not to use derivatives to hedge this risk.

c) Interest rate risk management

The interest rate risk at fair value is the risk that the value of a financial instrument should fluctuate due to the variations in the market interest rates. Financial instruments are interest bearing at market rates and, as a result, it is considered that their fair values do not differ significantly from their book values.

d) Credit risk management

The Group is exposed to a credit risk due to its trade receivables and other receivables. The Group has policies in place meant to ensure that the sales are made to the clients with proper payment history. The due date of the liabilities is carefully monitored and the amounts outstanding after the expiration of the due date are promptly pursued. Trade receivables (clients) are presented net of the adjustments for the impairment of doubtful receivables. The Group develops policies that limit the value of the credit exposure to any financial institution.

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28. FINANCIAL INSTRUMENTS (continued)

e) Liquidity risk management

A prudent liquidity risk management involves maintaining sufficient cash and credit lines available, a continuous monitoring of the estimated and actual cash flow and correlation of the due dates of the financial assets and liabilities. Due to the nature of its business, the Group intends to be flexible in respect of the financing options with the support of the majority shareholder.

f) Fair value of the financial instruments

The fair values of the financial assets and liabilities are determined as follows:

- the fair value of the financial assets and liabilities under standard terms and conditions and traded active and liquid and active market is determined by reference to the listed market rates;
- the fair value of other financial assets and liabilities (excluding derivatives) is determined in accordance with the generally accepted price models, based on the analysis of the discounted cash flows, using prices from observable current market transactions; and
- the fair value of the derivatives is calculated using the listed prices. Where such prices are not available, the analysis of the discounted cash flows is applied using the yield curve applicable to derivatives that do not include options and option evaluation models for the derivatives based on options.
- The financial instruments in the balance sheet include trade receivables and other receivables, cash and cash equivalents, short and long term borrowings and other liabilities. The estimated fair values of these instruments approximate their book values. The book values represent the maximum exposure of the Company to the credit risk related to the existent receivables.

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28. FINANCIAL INSTRUMENTS (continued)

The carrying amounts of the Group's currencies expressed in monetary assets and liabilities as at the reporting date are the following:

2014	EUR	USD	CHF	GBP	RON	31-Dec-14
	1 EUR = 4.4821	1 USD = 3.6868	1 CHF = 3.7273	1 GBP = 5.743	1	Total
	RON	RON	RON	RON	RON	RON
ASSETS						
Cash and cash equivalents	15,362,900	2,967,305	2,786	124	23,964,325	42,297,440
Receivables and other current assets	23,130,148	4,501,610	-	-	84,453,497	112,085,255
Other long term receivables	15,576	-	-	-	1,850,707	1,866,283
LIABILITIES						
Trade payables and other payables	22,547,629	4,015,058	-	2,099	26,786,180	53,350,967
Short and long term borrowings	87,544,476	-	-	-	3,106,717	90,651,193
Net balance sheet exposure	(71,583,481)	3,453,857	2,786	(1,975)	80,371,287	12,242,473
2013						
	EUR	USD	CHF	GBP	RON	31-Dec-13
	1 EUR = 4.4847	1 USD = 3.2551	1 CHF = 3.6546	1 GBP = 5.3812	1	Total
	RON	RON	RON	RON	RON	RON
ASSETS						
Cash and cash equivalents	25,874,889	12,185,319	2,744	116	16,214,815	54,277,883
Receivables and other current assets	36,223,693	2,464,262	-	-	102,517,706	141,205,661
Other long term receivables	6,279,499	-	-	-	746,201	7,025,701
Loans to associates	4,531,789	-	-	-	-	4,531,789
LIABILITIES						
Trade payables and other payables	11,795,208	1,986,098	-	1,967	59,464,405	73,247,678
Short and long term borrowings	71,273,815	-	-	-	8,562,563	79,836,379
Net balance sheet exposure	(14,690,942)	12,663,483	2,744	(1,851)	51,451,754	49,425,189

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28. FINANCIAL INSTRUMENTS (continued)

Sensitivity analysis

The Group is mainly exposed to the variations in the foreign exchange rates of EUR and USD against RON, The table below details the Group's sensitivity to a 10% increase or decrease of EUR / USD against RON, 10% is the sensitivity rate used when the internal reporting of the FX risk is made to the top management and represents the management's estimate regarding the reasonably possible changes in the FX rates, Sensitivity analysis includes only the remaining currency expressed in the monetary elements and adjust the translation at the end of the period for a 10% change in the FX rates, In the following table, a negative value indicates a decrease in profit when RON is impaired by 10% as against EUR / USD. A 10% increase of RON against EUR / USD would have an equal and contrary impact on profit and other equity and the balances below would be positive, The changes will be attributable to the exposures pertaining to the borrowings in EUR and USD at year end.

	Year ended December 31, 2014	Year ended December 31, 2013
	RON	RON
Profit or loss	(6,812,962)	(202,746)

The impact on the result according to each currency is the following:

Currency	Year ended December 31, 2014	Year ended December 31, 2013
	RON	RON
EUR	(7,158,348)	(1,469,094)
USD	345,386	1,266,348
Total	(6,812,962)	(202,746)

Tables regarding the liquidity risk and interest rate risk

The following tables detail the periods to the due dates of the financial liabilities of the Group.

The tables have been prepared based on the cash flows not updated of the financial liabilities as at the nearest date when the Group can be required to pay. The table includes both the interest and the cash flows pertaining to equity.

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28. FINANCIAL INSTRUMENTS (continued)

2013	<u>Less than 1 year</u>	<u>1 - 2 years</u>	<u>2 - 5 years</u>	<u>Total</u>
Not bearing interest				
Trade payables and other current payables	73,247,678	-	-	73,247,678
Interest bearing instruments				
Long and short term borrowings	37,359,975	17,248,339	24,982,498	79,590,812
Short and long term leases	245,567	-	-	245,567
Cash and cash equivalents	54,277,883	-	-	54,277,883
Receivables and other current assets	140,887,245	318,416	-	141,205,661
Other long-term receivables	6,743,636	-	282,064	7,025,701
2014				
Not bearing interest				
Trade payables and other current payables	53,350,966	-	-	53,350,966
Interest bearing instruments				
Long and short term borrowings	42,610,670	19,242,795	28,797,727	90,651,192
Cash and cash equivalents	42,297,440	-	-	42,297,440
Receivables and other current assets	112,085,255	-	-	112,085,255
Other long-term receivables	-	1,734,552	131,730	1,866,282

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29. CASH AND BANK ACCOUNTS

For the purposes of the cash flow statement, cash and cash equivalents include petty cash and bank accounts, Cash and cash equivalents at the end of the financial year, as presented in the cash flow statement can be reconciled with balance sheet elements as follows:

	<u>Year ended December 31, 2014</u> RON	<u>Year ended December 31, 2013</u> RON
Cash in banks	2,082,898	15,764,119
Petty cash	3,035	82,410
Cash equivalents	<u>40,211,507</u>	<u>38,431,354</u>
Total	<u>42,297,440</u>	<u>54,277,883</u>

Cash equivalents item contains short term deposits and overdrafts. The Group has the following breakdown at the end of each reporting period.

Entity name	<u>Year ended December 31, 2014</u> RON	<u>Year ended December 31, 2013</u> RON
TTS SA	25,165,998	32,485,838
CNFR Navrom SA	829,612	4,992,219
Cernavoda Shipyard	988,297	-
Canopus SRL	3,813,365	-
TTS Operator	126,431	-
Navrom Bac	7,840,454	-
Navrom Shipyard	9,685	-
Hotel Mercur	180,130	358,766
Trans Europa Port	346,699	-
Bunker Trade Logistics	50,119	180,000
Agrimol Trade	524,611	16,004

30. COMMITMENTS AND CONTINGENCIES

Contingent liabilities:

Taxation

Taxation system in Romania is still developing and is subject to various interpretations and constant changes, which may sometimes be retroactive, Although the tax actually due for a transaction can be low, penalties can be significant, as they can be calculated at the value of the transaction plus a ratio of 0,1% per days since 2006 until July 2010 and 0,04% after July 2010, but can be significantly higher, In Romania, the statute of limitation for audits by the tax authorities is of 5 years, Management considers that the tax obligations included in these financial statements are adequate.

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30. COMMITMENTS AND CONTINGENCIES (continued)

Taxation (continued)

In accordance with the provisions issued by the Ministry of Public Finance, which regulate the fiscal regime of the elements of equity that have not been subject to the calculation of the income tax at the date of being entered in the accounts, due to their nature, if the Company changes the destination of the revaluation reserves (to cover losses or to distribute to the shareholders), this will lead to supplementary income tax liabilities.

Environment

The regulations regarding the environment are still developing in Romania and the Company did not record any obligations as at December 31, 2014 or December 31, 2013 for any anticipated costs, including legal and consulting fees, surveys of the location, design and implementation of remedial plans regarding the environment.

As at February 24, 2010, Dolj Environment Agency issued an environment permit valid until February 2020, This permit does not require any compliance program from the Company.

Guarantees

Bank	Beneficiary	Ccy	Amount	Date created	Due date	Comment
UNICREDIT TIRIAC	Administratia Zonei Libere Braila	USD	350	11/12/2014	11/30/2015	amendament 1_SGB GAR/OUT/39618/13 CONF ACT ADITIONAL 7 / 26 11 2013 LA CTR 4153/09 11 2006
UNICREDIT TIRIAC	APDM Galati	RON	248.605	3/18/2014	12/31/2014	amendament 1/18 03 2014 la SGB GAR/OUT/39800/14-16 01 2014 conf Ctr 6067/2010
UNICREDIT TIRIAC	CN Administratia Canalelor Navigabile SA Constanta	EURO	2.000	1/27/2014	12/31/2014	6066/2010 6329/2009 6328/2009 6330/2009 SGB 39981/14-27 01 2014 conf CTR 389/14 12 2012
UNICREDIT TIRIAC	APM Constanta	RON	23.867	3/18/2014	12/31/2014	amendament 1 la SGB 39918/14 contr de inchiriere CNAPM-02284-CHI-01 /26 04 2006
UNICREDIT TIRIAC	AFDJ RA Galati	RON	45.000	11/7/2014	1/31/2015	SGB 41346/14 contr de dragare pe Dunare 140 /07 11 2014
UNICREDIT TIRIAC	AFDJ RA Galati	EURO	24.078	11/28/2014	6/30/2015	SGB 41417/14_CTR 143_punere la dispozitie salana Silestea 2
UNICREDIT TIRIAC	AFDJ RA Galati	EURO	204.701	12/23/2014	3/11/2015	SGB 00888-02-0108774_CTR 170_punere la dispozitie draga Dunarea Mantima
UNICREDIT TIRIAC	PRIMARIA GALATI	RON	630	11/12/2014	12/31/2014	garantie cf ctr 2778-pastrare in custodie nava Delta 25 282 euro depozit SGB K045187/832 garantata pentru 24 078 euro punere la dispozitie salanda Mida 17
BCR	AFDJ RA Galati	EURO	25.282	4/30/2013	7/2/2015	
UNICREDIT TIRIAC	APM Constanta	EURO	5.000	2/16/2010	12/31/2014	SGB 28959- CTR 2284/B/2010-
UNICREDIT TIRIAC	APM Constanta	EURO	10.000	3/17/2011	12/31/2014	SGB31867-contract 15977/20 07 2010
UNICREDIT TIRIAC	OMV Petrom	EURO	30.000	06 12 2013	31 12 2014	
UNICREDIT TIRIAC	Cn Administratia Porturilor Dunarii Maritime S.	RON	8.039	29-Jan-2015	24-Jan-2014	

Transfer prices

The tax regulations in Romania regarding transfer pricing have been established in Romania starting with the year 2000. The current legal frame defines the concept of „market price” for transactions between related parties as well as the methods to establish transfer prices. As a result, it is possible that the fiscal authorities start detailed verifications of the transfer prices, to insure that the fiscal result and/or the customs value of the imported goods are not affected by the prices used in transactions with related parties. The Company cannot assess the result of this verification, but the management considers that the Company does not have a significant exposure from this point of view, as there are documentations for the price transfers for the previous period, that will be further updated.

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31. SUBSEQUENT EVENTS

On January 22nd, 2015, the Extraordinary Shareholders' Meeting of TTS (Transport Trade Services) SA approved the withdrawal of CNFR Navrom SA shares from trading on RASDAQ market according to Law 151/2014.

There are no other significant subsequent events after the balance sheet date.

These consolidated financial statements have been approved by the Board of Directors and authorized to be issued on July 31, 2017.



Mihailescu Alexandru Mircea
President of the Board of Directors



Stefanut Petru
CFO

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