M I R K A T DOOEL SKOPJE

FINANCIAL STATEMENTS

FOR THE YEAR THAT EXPIRED ON 31.12.2015

WITH A REPORT OF THE INDEPENDENT AUDITOR

SKOPJE, April 2016

Contents

BAKER TILLY MAKEDONIJA | 20th Anniversary

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REPORT OF THE INDEPENDENT AUDITOR TO THE MANAGEMENT OF MIRKAT DOOEL SKOPJE

We carried out an audit of the enclosed financial statements of MIRKAT DOOEL Skopje, which include: the Statement of financial position until December the 31st, 2015 inclusively, the Statement of Comprehensive Income, the Review of the Cash Flows, the Statement of changes in equity on the year expiring on that date, as well as the Review of the important accountancy policies and other explanatory notes.

Responsibility of the management for the financial statements

The management is responsible for the preparation and the objective presentation of these financial statements as pursuant to Accounting Standards applicable in the Republic of Macedonia, as well as for the internal controls relevant for the preparation and objective presentation of the financial statements, exempted from materially wrong presentation, regardless of whether it is a result of fraud or mistake.

Responsibility of the auditor

Our responsibility is to express our opinion on these financial statements based on our audit. We performed our audit in compliance with the International Standards on Auditing. Those standards require that we respect the ethical requirements and plan and carry out the audit so that we obtain reasonable assurance about whether the financial statements are free from material misstatements.

The audit includes the performance of procedures in view of collection of auditor's proofs referring to the amounts, and publication of financial statements. The chosen procedures depend on the reasoning of the auditor, including the estimation of the risks of materially wrong presentation of the financial statements, regardless of whether it is a result of fraud or error. When estimating the risk, the auditor inspects the internal controls, relevant for the preparation and objective presentation of the financial statements of the entity in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of the expressing an opinion on the effectiveness of the internal controls of the entity. The audit also includes an estimation of the appropriateness of the applied accountancy policies and the reasonability of the accountancy estimations made by the management, as well as an estimation of the overall presentation of the financial statements.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the Annual accounts present fairly, in all material respects, the financial position of MIRKAT DOOEL Skopje as at 31 December 2015 and of its financial performance for the year then ended in accordance with Accounting Standards applicable in the Republic of Macedonia.

Emphasis of matter

Without qualifying our opinion, we draw attention to the equity section of the Balance Sheet. The Company has uncovered loss in the amount of 65.921 thousand denars and presents negative equity in the amount of 22.311 thousand denars. This indicates the existence of a material uncertainty, which may cast a significant doubt about the company's ability to continue as a going concern.

Certified Auditor

Dimitar Andonovski

AUDIT COMPANY

BAKER TILLY MAKEDONIJA DOO

Skopje, 04 April 2016

Друштво за ревизија
БЕЈКЕР ТИЛИ МАКЕДОНИЈА
1
ДООЕЛ СКОПЈЕ

MIRKAT DOOEL Skopje

Financial statements

December 31, 2015

Statement of Comprehensive Income for the year ended December 31, 2015
(In thousand MKD)

	Notice	2015	2014
Revenues from sales	5.1.	85,928	38,608
Cost of goods sold		-95,523	-36,187
Gross profit (Loss) from sales		**-9,595**	**2,421**
Operational incomes	5.2.	26,871	4,698
Expenses for employees	5.3.	-3,489	-5,084
Depreciation	6.1.,6.1.1.	-1,791	-2,091
Operational expenses	5.4.	-8,319	-7,171
Operational profit (loss)		**3,677**	**-7,226**
Financial Incomes	5.5.	509	1,137
Financial costs	5.6.	-198	-26
Profit (loss) before taxation		**3,988**	**-6,115**
Income Tax		-445	0
Net Profit (loss) for the financial year		**3,543**	**-6,115**
Other comprehensive income			
TOTAL COMPREHENSIVE INCOME		**3,543**	**-6,115**
COMPREHENSIVE INCOME FOR THE PERIOD BELONGING TO THE OWNERS		**3,543**	**-6,115**

These financial statements were approved by management of the Company on February 28, 2016 and were signed on its behalf by:

Managing Director,
Ljube Neshovski

MIRKAT DOOEL Skopje
Financial statements
December 31, 2015

Statement of financial position as at December 31, 2015

(In thousand MKD)

	Notes	2015	2014
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	6.1.	10,854	13,005
Accumulated depreciation		(6,967)	(8,456)
		3,888	4,548
Accounting value			
Intangible assets	6.1.1.	-	-
Long term investments	6.1.2.	-	-
TOTAL NON CURRENT ASSETS		**3,888**	**4,548**
CURRENT ASSETS			
Cash and cash equivalents	6.2.	5,467	6,038
Receivables	6.3.	4,842	5,496
Investments	6.4.	-	-
Inventories	6.5.	24,935	18,062
TOTAL CURRENT ASSETS		**35,244**	**29,597**
TOTAL ASSETS		**39,132**	**34,145**
CAPITAL , RESERVES AND LIABILITIES			
CAPITAL and RESERVES			
Written capital		40,066	40,066
Reserves		-	-
Accumulated gain		-	-
Gain for the financial year		-	-
Loss for the financial year		3,543	(6,115)
Transferred loss		-	-
TOTAL CAPITAL and RESERVES		(65,921)	(59,806)
		(22,311)	**(25,854)**
Noncurrent liabilities	6.6		
Current liabilities	6.7.	61,443	59,999
TOTAL LIABILITIES		**61,443**	**59,999**
TOTAL CAPITAL , RESERVES AND LIABILITIES		**39,132**	**34,145**

Statement of changes in equity for the year ended December 31, 2015
(In thousands)

Description	Share capital	Reserves	Retained Earnings	Transferred loss	Total
Balance on 01.01.2015	40,066	0		-65,921	-25,854
New emission	-	-	-	-	-
Paid dividend	-	-	-	-	-
Redeemed treasury shares	-	-	-	-	-
Net gains (losses) for the financial year	-	-	3,543	-	3,543
Balance on 31.12.2015	**40,066**	**0**	**3,543**	**-65,921**	**-22,311**

Report of cash flows for the year ended December 31, 2015

(In thousands)	2015	2014
A. Cash flow from operating activities	**559**	**5,814**
Net income/loss after taxation	**3,543**	**-6,115**
Deprecation	1,791	2,091
Increase/decrease of inventories	-6,873	-3,026
Increase/decrease of trade receivables	654	-190
Increase/decrease of other receivables	0	2,504
Increase/decrease of (trade accounts payable)	1,444	10,550
Increase/decrease of other short-time liabilities	-	0
Capital Gain (Loss) from sale of material assets	-	0
B. Cash flow of investment activities	**-1,130**	**-148**
Purchase (sale)of material and intangible assets	-1,130	-148
Increase/decrease id long term investments	0	0
Increase/decrease of long term receivables	-	0
Increase/decrease of short term financial investments	-	0
C. Cash flow of financing activities	**0**	**0**
Increase of the capital	-	0
Increase/decrease of long-term credits	0	0
Gaining of minority interests	-	0
Payment of (cash) dividends	-	0
Purchase/sale of own shares	-	0
Increase/decrease of cash	**-571**	**5,666**
Cash on beginning of the year	**6,038**	**372**
Cash on the end of the year	**5,467**	**6,038**

Notes to the Financial Statements
an integral part of these financial statements

1. General information

NAME OF THE COMPANY	Company for motor vehicles, engines and spare parts Mirkat Ltd Import Export Skopje
ABBREVIATED NAME	MIRKAT Ltd Skopje
ADDRESS	Skupi street, No. 1, Skopje, Macedonia
MUNICIPALITY	Karposh
TYPE OF OWNERSHIP	Private
OWNER	Sfakianakis Anonymous TRADE INDUSTRIAL COMPANY, Athens, Greece
DATE OF CONSTITUTION	31.07.2006
CODE OF ACTIVITY	45.11 – Trade with cars and lightweight motor vehicles
UNIQUE REGISTRATION NUMBER OF THE SUBJECT	6130275
UNIQUE TAX NUMBER	4030006600540
PRINCIPAL CAPITAL, MKD	655.000,00
AVERAGE NUMBER OF EMPLOYEES	4
ACCOUNTANCY MANAGER	Bilans LD Ltd, Skopje
MANAGER	Ljube Neshovski
FISCAL YEAR	2015
PERIOD OF BALANCE OF SUCCESS	01.01.2015 – 31.12.2015
DATE OF STATEMENT OF ACCOUNTS	31.12.2015

1. Basis of elaboration of financial statements

The financial statements of the company are prepared according the Aaccounting Standards accepted in Repu
blic of Macedonia which are implemented in Republic of Macedonia from 01.01.2010 year, and are published on 28.12.2009 year in the Official Gazette of the Republic of Macedonia No. 159/2009 year in the Rulebook for chart of accounts. The basic settings of such standards are given below.

<u>Calculation basis</u>

The financial statements have been prepared by accountancy compliant to an accountancy basis. According to such basis, the effects of the transactions and of the events are recognized when occurred, and not when the funds have been received or paid.

Continuity
The financial statements have been prepared under the assumption that the company shall continue to operate during an unforeseeable period of time that is, that the company has no intention to liquidate or seriously to reduce its operations.

Comparability
The company applies a consistent accountancy policy regarding the previous period, as well as regarding the other companies in Macedonia.

2. Basic accountancy policies and estimations

The basic accountancy policies applied upon the preparation of the financial statements are presented below:

2.1 Non-current assets

The non-current assets include real estate, plants and equipment, intangible assets and long-term investments.
The non-current assets are recognized in the Statement of Accounts when the company has proof that ownership thereon, and when it is certain that they will bring future economic benefits, whereas the costs of their acquiring can be measured objectively.
Assets are evidenced as per their purchasing value reduced for the accumulated depreciation and the accumulated loss due to damages.

2.1.1. The purchasing value of the real estate, the plants and equipment as well as the intangible assets, are measured according to the expenses needed to acquire them, as follows:

- The value of the asset as per the supplier's invoice
- The customs and taxes not refunded by the state
- Transport costs
- Costs on location setup
- Costs on assembling and experts' remunerations

2.1.2. The intangible assets in the statement of accounts include investments in other buildings and are presented as per their purchase value reduced for the accumulated depreciation.

The expenses on interests on credits used for financing of building of the real estate, the plants and the equipment, as well as the intangible assets and the further expenses related to an item in these assets are capitalized. The other expenses pertaining to loans and further costs that cannot be identified for any item of real estate, plants and equipment as well as the intangible assets are evidenced as expenses for the period.

These assets are depreciated with the linear method, by applying the rates as per appropriate depreciation groups established as per the useful life of these assets and coordinated with the national Nomenclature of Depreciation Assets and the Annual Depreciation Rates (Official Gazette 64/02 and 98/02). Depreciation is calculated the following month after the assets have been put into use as per the purchasing value of the principal asset.

The prescribed depreciation rates of the real estate, the plants and the equipment applied are the following:

	Depreciation rates	Useful life (years)
1. Real estate	2.5 – 10%	10-40
2. Plants and equipment	10-20%	5-10
3. Business inventory	20-25%	4-5
4. Means of transport	10-25%	4-10

The depreciation of investment in other buildings are calculated with the linear method in the period of five years, equal to the period of validity of the rental contract, that is, per the rate of 20%.

2.1.3. The real estate, the plants and equipment, as well as the intangible assets are inspected for possible damages always when certain events or changes indicate that the evidenced amount of assets cannot be remunerated. Always when the evidenced amount of assets is beyond their remunerable amount, the loss for damage is recognized. The remunerable amount is the higher one between the net sale price and the use value of the assets. The net sale price is the amount obtained from the sale of the asset in transaction between well-informed subjects, while the use value is the present value of the estimated future cash inflows that are expected to result from the continuous use of the assets and their alienation in the end of the period of their use.

The remunerable amounts are estimated for individual assets or, if it is not possible, for the whole group of assets that generates cash.

2.1.4. The long-term investments evidenced by the company are the investments in stocks and equity that the company has no intention to alienate in the forthcoming accountancy period. In the beginning, they are evidenced as per the purchasing costs and further on each following day of the statement of accounts as per the objective value where applicable.

3.1. Current assets

The current assets classified by the company are those that can be easily be transformed into money in the forthcoming accountancy period. Those are money and money equivalents, receivables and stocks.

3.1.1. Money and money equivalents

Money and money equivalents are the money in the bank and in the cashbox. The money and money equivalents are valued in the statement of accounts as per their nominal values in MKD denars, and foreign currency assets transferred into MKD denars on the day of balance.

3.1.2. Receivables

Receivables include those receivables that are based on sales, the receivables from the state pertaining to taxes and other public expenses, the receivables from employees and receivables from loans. The receivables are valued as per their invoiced value on the day of the statement of accounts. The receivables older than three years are written-off and charged as expenses in the statement of accounts, as in the amount of the overall value of the uncollected receivables.
The taxation basis in the tax balance is increased for the written-off receivables, with exception made for those of purchasers liquidated by a Court of Law.
The unpaid receivables older than three years are considered as suspicious.
The company does not perform reservations of expenses related to suspicious receivables.

3.1.3 Stocks

The stocks are expressed in the statement of accounts as pursuant to the International Accountancy Standards, as per their purchase value or by the net realization value, depending on which value is lower. The purchase value includes all costs on bringing the stocks to their present condition and location.
The net realization value includes the estimated sale price, reduced for the estimated costs on finalization and the estimated costs on preparation of their sale. The decrease of the value of the stocks is entered into the bookkeeping as expenses in the period.
The accountancy policies regarding the consumption of the stocks are calculated as per the FIFO method.

3.2. Non-current liabilities

The non-current liabilities are classified in the statement of accounts as obligations due for payment one year after the date of balancing. All non-current liabilities from previous periods that are due for payment in the forthcoming accountancy period are re-classified as current liabilities.
The non-current liabilities include: long-term liabilities for loans and credits in the country.

3.3. Current liabilities

Current liabilities include all liabilities which are due for payment in the following 12 months following the day of the statement of accounts, as following:

- Liabilities towards domestic and foreign suppliers
- Liabilities towards banks and other financial institutions
- Liabilities for participation in the profit
- Liabilities towards employees
- Liabilities towards the state – taxes and contributions

These liabilities are valued in the amount of the received documents after the completed transactions (invoices, contracts, interest lists).
The obsolete liabilities are written-off for the benefit of the operational incomes in the Income Statement.
The liabilities older than three years, which have not been sued and the liabilities on which agreement was reached are considered as obsolete.

3.4. Financial instruments and risk management

The financial instruments include assets as well as liabilities and principal capital as pursuant to the meaning of the agreed provisions of the instrument.
The financial instruments are initially recognized as per their purchase value. The subsequent measuring of the financial instruments is carried out as per the individual policies for each particular item.
The approach of the company in risk management is directed towards the estimation of the unpredictability of the financial markets whereby efforts are made to find a way to minimize the potential negative effects.

3.5. Capital

The capital of the company includes the following:

- The invested assets (money and no-money investment) of the founder entered in the Central Register of the Republic of Macedonia,
- The own equity deduced from the overall capital until they are sold,
- The revalorized reserves pertaining to profits (losses) from the tangible assets and financial assets available for sale,
- A reserve fund as allocation of 5% of the profit for the current year and as in compliance with the Law on Trading Companies. The allocation ends when the reserves reach the value of 1/10 of the principal capital,
- The current profit (loss) is the profit (loss) obtained from the balance of success after taxation,
- The accumulated (loss) includes all the retained profits (the uncovered losses) from the previous periods.

3.6. Profit from sales

The Income Statement differentiates between:
- incomes from sales of outputs related to the performance of the principal activity;
- operational incomes; and
- financial incomes.

In general, the incomes from sales of goods (outputs) are recognized when the following conditions are cumulatively met:

- if the all the important risks and benefits from ownership of the delivered goods are transferred to the purchaser;
- if the company has no real control over the sold goods;
- if the incomes can be plausibly measured;
- if it is certain that the incomes will generate incomes;
- if the expenses on sales can be plausibly measured;
- if there is proof that the sale transaction was carried out.

Operational incomes include the incomes which are not related to the principal activity of the company but regularly happen and can be an important item, as are: incomes from rents, write-off of obligations, incomes from collected written-off receivables, and incomes from sale of permanent assets.

The **Financial incomes** include mainly those incomes resulting from financial transactions (interests on deposits, exchange rates differences, etc.).
The accumulated profit is increased and the accumulated loss is reduced for the non-evidenced incomes from previous years.

3.7. Recognition of expenses

The expenses are recognized as pursuant to the principle of opposition to incomes.
The expense in the current year is not recognized if it is related to any already recognized income from previous periods and in these cases the accumulated income (loss) is corrected.
If an expense, which results from a previous period, cannot be opposed (identified) to an income, than such expense is entirely recognized in the current period.
The expenses are measured according to:

- the purchase value of the sold trading goods;
- the net amount of the paid compensation for services of others;
- the expense on trading goods in the amount of the purchase value;
- write-off of principal assets in the amount of the non-amortized value of the asset.

3.8. Reservations

Reservations are recognized when the companies have the obligation of payment as a result of a passed event that is, when it is possible that the company shall be required to cover an obligation which can be foreseen with considerable certainty.

The recognized amount as a reservation represents the best estimation of the expense envisaged to cover the obligation on the date of the statement of accounts.

The company does not perform reservations of expenses on rendering the rented business premises to their previous condition because it considers that the required reservation shall not have any materially important influence on the financial statements.

3.9. Taxes

3.9.1 Profit tax

The income tax is calculated on the tax basis expressed in the Tax Balance. Pursuant to the legal regulations, the profit tax is paid at the rate of 10%.

The tax basis is the sum of the profit before taxation expressed in the Income Statement and the non-recognized expenses for taxation purposes as follows:

- unpaid salaries;
- expenses calculated as amount above the average price of the materials and trade goods;
- the difference between the transfer price and the market price in the trading between related entities;
- expenses for employees which are not recognized in the Law on Profit Tax as expenses for tax purposes;
- representation and sponsorships beyond the limit envisaged by the Law on Profit Tax;
- written-off receivables;
- payments to unemployed people (members of the Management Board, sales agents etc.);
- depreciation higher than the depreciation calculated as per the proportional method;
- remaining present value of the principal assets;
- paid dividend;
- performed reservations.

3.9.2. Value Added Tax

The Value Added Tax is paid on the monthly taxation basis: the sale value which does not include the tax, as per the general tax rate of 18% and the preferential tax rate of 5%.

3.10. Calculation of the foreign assets for payment and accountancy treatment of foreign exchange differences

All receivables and obligations to be paid in foreign currency are calculated as per their MKD counter-value as per the exchange rate valid on the day of the Balance Statement.
The positive and the negative foreign exchange differences incurred from the calculation of the receivables and the obligations in foreign capital to be paid in their MKD counter-value are expressed in the Income Statement, as incomes, that is, as expenses in the year to which they refer.

3.11. Salaries and other compensations to employees

The gross salaries are paid to the employees in the amount of the contract signed with the employer. The contributions from salaries (retirement, healthcare and employment) of 27% are paid on the tax basis which is gross salary. The personal tax of 10% is paid on the amount of the gross salary, reduced for the amount of contributions and personal annual tax exemption. After the payment of the contribution and personal tax the net salary is paid on the bank account of the employees.

4. Financial statements

For each accounting year the company prepares the following:

- Balance Sheet
- Income Statement
- Cash Flow Report
- Report on the changes in the principal capital
- Notes to the financial statements

Besides the cited financial statements the company has prepared statements which are required as pursuant to the Macedonian regulations, as follows:

- Tax balance
- Special data on state evidence
- Report on the structure of incomes per activities

5. Explanatory notes to the Income Statement

5.1. Revenue from sales

No.	Description	2015	2014
1	Revenues from sales of products and services on domestic market	852	862
2	Revenues from sales of goods on domestic market	83,904	37,746
3	Revenues from sales of products, goods and services on foreign market	1.171	-
4	Other revenues	-	-
	TOTAL	**85,928**	**38,608**

5.2. Operational incomes

No.	Description	2015	2014
1	Incomes from sold the materials and spares	-	-
2	Incomes from sold fixed assets	-	-
3	Incomes from sold own products	143	50
4	Incomes from reconciliation	28	213
5	Incomes from sold intangible and tangible assets	2,421	501
6	Incomes from investments	-	-
7	Incomes from surplus	-	-
8	Incomes from written-off liabilities and from recovery of written off receivables	19	-
9	Incomes from subsidies, grants and donations	-	-
10	Other operational incomes	24,259	3,934
	TOTAL	**26,871**	**4,698**

5.3. Expenses for employees

No.	ОПИС	2015	2014
1	Gross salaries of employees	3,308	4,892
2	Per diem for official travel and travel expenses	13	56
3	Costs for transportation of employees	-	-
4	Expenses for severance payments and recourse for vacation	168	135
	TOTAL	**3,489**	**5,084**

5.5. Financial incomes

No.	Description	2015	2014
1	Incomes from interest from non-related parties	165	23
2	Incomes from course differences from non-related parties	58	65
3	Other incomes from related parties	-	-
4	Income from investments in related parties	-	-
5	Incomes from interest	-	-
6	Incomes from course differences	-	-
7	Income from investments	-	-
8	Other incomes	286	1,049
	TOTAL	**509**	**1,137**

5.4. Operational expenses

No.	Description	2015	2014
1	Post expenses (phone, internet)	90	127
2	Spent energy	491	705
3	Spent materials	-	-
4	Transport services	253	137
5	Maintenance services	753	570
6	Rental costs	2,238	2,238
7	Public utilities	78	76
8	Services under contract for deed	565	476
9	Other services	734	586
10	Reconciliation of financial investments	-	-
11	Written off trade receivables	271	-
12	Writing off of fixtures and figures	28	19
13	Reconciliations of stocks	17	-
14	Other reconciliation	-	-
15	Office and other administrative expenses	82	66
16	Expenses for employees according labor agreement	-	-
17	Expenses for representation and advertising	1,885	1,502
18	Insurance premium costs	330	313
19	Other taxes	12	21
20	Bank provisions and services	-	-
21	Taxes that are not dependent on the result	296	145
22	Not written-off value of alienated and out of use fixed assets	-	-
23	Shortages	-	-
24	Decline of value of the fixed assets	-	-
25	Additionally determined expenses	164	190
26	Other costs	34	-
27	Depreciation	-	-
	TOTAL	**8,319**	**7,171**

5.6. Financial costs

No.	Description	2015	2014
1	Interest from work with related parties	-	-
2	Course differences from work with related parties	-	-
3	Other financial expenses with related parties	-	-
4	Regular bank interest	-	-
5	Course differences from work with non-related parties	197	26
6	Other financial expenses	-	-
	TOTAL	**197**	**26**

6. Explanatory notes to the Statement of financial position

6.1. Property, plant and equipment

Description	Land	Buildings	Plant and equipment	Other equipment	TOTAL
Changes in 2015					
Purchased Value on 01.01.2015	-	-	551	12,453	13,005
New supplies in 2015	-	-	81	7,834	7,915
Alienated, Scrapped assets	-	-	-	(10,065)	(10,065)
Balance on 31.12.2015	**-**	**-**	**632**	**10,222**	**10,854**
Accumulated depreciation					
Balance on 01.01.2015	-	-	(513)	(7,944)	(8,456)
Current depreciation 2015	-	-	(21)	(1,770)	(1,791)
Alienated, Scrapped assets	-	-	-	3,280	3,280
Balance on 31.12.2015	**-**	**-**	**(533)**	**(6,433)**	**(6,967)**
Book value					
Balance on 31.12.2015	**-**	**-**	**99**	**3,789**	**3,888**

6.1.1. Intangible assets

Description	License	Softer	Trademark	Other intangible assets	TOTAL
Changes in 2015					
Purchased Value on 01.01.2015		5,499			5,499
New supplies					
Alienated, Scrapped assets					
Balance on 31.12.2015		5,499			5,499
Accumulated depreciation					
Balance on 01.01.2015		(5,499)			(5,499)
Current depreciation 2015					
Alienated, Scrapped assets					
Balance on 31.12.2015		(5,499)			(5,499)
Book value					
Balance on 31.12.2015					

6.2. Cash and cash equivalent

No.	Description	2015	2014
1	Money on bank accounts	5,430	5,925
2	Cash at hand	29	105
3	Money on foreign accounts	-	-
4	Cash at hand - foreign currency	8	8
5	Other cash – time deposits	-	-
6	Bonds	-	-
7	Commercial and other securities	-	-
	TOTAL	**5,467**	**6,038**

6.3. Receivables

No.	*Description*	2015	2014
1	Trade receivables from related parties	-	-
2	Trade receivables - domestic	2,935	4,018
3	Trade receivables - foreign	-	1,045
4	Adjustment of trade receivables	-	-
5	Advances given	-	-
6	Approved loans	-	-
7	Receivables for overpaid value-added tax	517	-
8	Receivables for overpaid income tax	-	17
9	Receivables from state institutions	-	-
10	Receivables from employees	3	3
11	Other receivables	1,148	-
12	Prepaid expenses	239	413
	TOTAL	**4,842**	**5,496**

6.4. Short term Investments

No.	Description	2015	2014
1	Short-term loans and investments to related parties	-	-
2	Short-term loans to non-related parties	-	-
3	Investments held to maturity - current part due within one year	-	-
4	Other short term investments	-	-
5	Other short term financials assets	-	-
6	Adjustment of investments	-	-
	TOTAL	**-**	**-**

6.5. Inventories

No.	Description	2015	2014
1	Inventories on unfinished production	-	-
2	Goods in stores	13,326	10,681
3	Products in stores	-	-
4	Goods in other warehouse	3,503	3,618
5	Goods on road	8,673	4,368
6	Included VAT	-	-
7	Included price differences in stores	(566)	(604)
8	Allowance on inventories	-	-
9	Raw Materials Inventory	-	-
10	Spare parts	-	-
11	Fixtures and fittings	-	-
	TOTAL	**24,935**	**18,062**

6.6 **Noncurrent liabilities**

No.	Description	2015	2014
1	Other long-term liabilities	-	-
2	Long-term loans payable (domestic or foreign)	-	-
3	Deferred tax liabilities	-	-
4	Other long-term liabilities	-	-
	TOTAL	**0**	**0**

6.7. **Current liabilities**

No.	Description	2015	2014
1	Trade payables - domestic	1,831	939
2	Trade payables - foreign	58,488	56,736
3	Liabilities for non-invoiced goods	-	-
4	Liabilities toward related parties	-	-
5	Liabilities for loans from credit institutions	-	-
6	Liabilities for advances, deposits and guaranties	-	-
7	Liabilities for taxes	425	166
8	Liabilities towards employees	-	-
9	Other liabilities	-	-
10	Unearned incomes	699	2,157
	TOTAL	**61,443**	**59,999**

7. Risk management

In the normal flow of performance of its business activities, the company is, according to the nature of its operations, enter into different risks from certain transactions which can be deduced to different level of exposure as follows: market risk (including: the foreign currency exchange risk, the interest rate risk and the price risk), the solvency risk, credit risk, capital risk management and estimations of the objective value.

The risk management of the company is focused on the inability to foresee the markets and aims towards minimization of the potential negative effects on the financial operations of the company.

Market risk

The market risk can be defined as the possibility to lose the existing purchasers, and can occur of the dominant purchasers are lost. Considering that the company has been operating for quite a long time and has built a well-reputed brand this risk is hardly possible to occur.

In Macedonia there is no strategy of management of this type of risks, therefore the company has not brought any special policy for management of this type of risk either.

Foreign exchange risk

The risk of foreign exchange differences, which can be defined as causing losses in view of the increase of the exchange rate of the foreign currencies in the companies that have import transactions, is managed by the company by timely payment of the obligations towards foreign suppliers and agreements on payment in foreign currencies.

The company does not have a special policy of management with this risk, considering the fact that in Republic of Macedonia there are no special financial instruments to avoid it.

Interest rate risk

The interest rate risk exists in credits agreed by the company in foreign currency, which, by the change of the level of market interest rates influences its financial standing and the financial flows.

In Republic of Macedonia there are no appropriate financial instruments and policies to avoid this risk.

Solvency risk

The management of solvency risk is centralized in the company. The insolvency risk exists when the company is unable to regularly pay its obligations to creditors from its financial reserves.

Such risk is overcome by constantly providing for the necessary cash for servicing of its obligations. The company does not use financial derivates.

Credit risk

Credit risk results from money and financial assets, deposits in banks and financial institutions, as well as credit exposure to corporative clients, including the receivables and obligations. The management of the credit risk by the company is carried out by taking appropriate measures and activities by the company.

The company has considerable receivables from purchasers, which represents risk of loss due to the impossibility to pay them on time on not pay them at all. There is no strategy of management of this type of risks in Macedonia, and the company has not brought any special policy to manage this risk.

Capital risk management

The purposes of the company regarding the capital management are to maintain the ability of the company to continue its operations on the basis of the supposed continuity in order to maintain the optimal structure which would reduce the expense in capital and provide for income to the owners.

Estimations of the objective value

The company has a policy of revealing information regarding the objective value of the components of the assets and liabilities for which market prices are available for those where the objective value can importantly differ from the accountancy one.

In Republic of Macedonia there is no sufficient level of market experience, stability and solvency for purchase and sale of receivables and other financial assets or liabilities; hence, they are not available for sale. As a result of the absence of an active market, the objective basis cannot be established on a reliable basis. The company management estimates that the expressed accountancy amounts are the most valid and the most useful report values under the existing market conditions.

8. Potential and undertaken obligations

Court disputes

According the situation on December the 31st 2015, there is no evidence of any reservations from potential losses due to Court disputes. The Company management regularly analyses the possible risks of losses pertaining to Court disputes or possible receivables against the Company which could incur in future. Although the results in this field cannot always be established accurately, the Management of the Company believes that they will not result in materially important obligations.

Tax risk

The financial statements and the accountancy evidence of the Company are subject to tax control by the tax authorities in the period of 5 years after the submission of the tax report on the financial year and can generate further tax obligations. According to the estimations of the Management of the Company there are no additional conditions that could result in potentially materially important obligations on this basis even on the date of these statements.

Capital obligations

No capital obligations that have not already been recognized in the financial statements were evidenced on the day of balancing.

9. Financial investment

At the end of the year 2015 the company has not recorded any financial investments.

10. Transactions with related clients

As transactions with related parties are considered the one way transactions, purchase of trade goods, with the founder Sfakianakis from Greece:

(In 1.000 denars)

Year	Supplies	Liabilities
2015	99,875	58,488

11. Events that occurred after the date of the Statement of accounts

No events which, by their importance, would cause necessary change in the financial statements have occurred in the period from December 31st 2015 until the date of the issuance of the auditor's report.

Annex 1 – Annual Account