Trema Engineering 2 sh.p.k
Financial Statements as at and for the year ended December 31,2015
With the Independent Auditor's Report thereon

MAZARS

TABLE OF CONTENTS:

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INDEPENDENT AUDITOR'S REPORT

To the Management and Shareholders of "Trema Engineering 2" sh.p.k

Report on the Financial Statements

We have audited the accompanying financial statements of "**Trema Engineering 2**" sh.p.k which comprise the statement of financial position as at December 31, 2015, statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these 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 financial statements are free from material misstatement.
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 financial statements.

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

Basis for Qualified Opinion

As described in note 8 of these financial statements, the outstanding balance of other accounts receivable as at December 31, 2015 is 323,413,378 ALL and these amounts are older than one year. The company cannot estimate the possibility of collection of part of these amounts and has not recognised any amount for impairment. Based on the information received we are not able to estimate the effect of any possible adjustment from the further impairment of the accounts receivable, on the financial statements of the company. The amount of impairment up to their recoverable value will decrease the assets value and the value of equity at the same extent.

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Qualified Opinion

In our opinion, with the exception of the effects of the matter described in the paragraph "Basis for Qualified Opinion", the financial statements of the company **"Trema Engineering 2"** shpk presents fairly, in all material respects the financial position of the company as at December 31st 2015, and its performance for the year then ended in accordance with International Financial Reporting Standards.

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Teit Gjini
Engagement Partner

May 25, 2016

Statement of Financial Position
As at December 31, 2015

	Notes	December 31, 2015	December 31, 2014
ASSETS			
Non-current assets			
Property, plant and equipment	6	741,381,873	680,746,717
Intangible assets	7	537,533	750,086
Deferred tax assets	29	24,647,610	-
Other long term receivables	8	323,413,378	323,413,378
Total non-current assets		**1,089,980,394**	**1,004,910,181**
Current assets			
Inventories	9	1,027,577,641	580,599,352
Trade receivables	10	1,880,952,026	1,858,083,362
Other short term receivables	11	158,671,779	22,715,521
Prepayments and deferred expenses	12	292,367,817	29,985,839
Cash and cash equivalents	13	486,338,257	66,204,374
Total current assets		**3,845,907,520**	**2,557,588,448**
Total assets		**4,935,887,914**	**3,562,498,629**
EQUITY			
Owner's Equity		545,568,000	545,568,000
Reserves for foreign currency translation		37,863	37,859
Retained earnings		66,920,706	(42,050,192)
Current year profit		251,912,470	108,970,898
Total equity	14	**864,439,039**	**612,526,565**
LIABILITIES			
Non – current liabilities			
Long term loan	15	484,642,278	350,757,164
Provisions	16	71,417,562	103,826,019
Total non-current liabilities		**556,059,840**	**454,583,183**
Current liabilities			
Short-term loans	15	153,427,952	266,048,350
Trade payables	17	2,208,136,328	1,506,830,323
Payables to employees	18	31,108,151	20,584,760
Corporate Income Tax Liabilities		48,929,748	14,136,905
Other liabilities toward state	19	12,415,588	69,692,238
Other payables	20,16	160,122,731	101,192,049
Deferred income	21	901,248,537	516,904,256
Total current liabilities		**3,515,389,035**	**2,495,388,881**
Total liabilities		**4,071,448,875**	**2,949,972,064**
Total equity & liabilities		**4,935,887,914**	**3,562,498,629**

The financial statement has to be read in conjunction with notes set out in pages 7 to 29, forming part of these financial statements.

Statement of Profit or Loss and Other Comprehensive Income
For the year ended December 31, 2015

	Notes	For the year ended December 31, 2015	For the year ended December 31, 2014
Revenue	22	6,763,247,170	3,245,410,168
Other income	23	99,595,252	144,946,490
	24	(5,662,205,915)	(2,660,119,735)
Raw materials and consumables used	25	(346,572,860)	(133,014,249)
Personnel Expenses	26	(439,722,600)	(348,365,898)
Depreciation and amortization	27	(102,369,780)	(92,917,876)
Operating profit		**311,971,267**	**155,938,900**
Financial (expenses) Net	28	(20,424,759)	(30,445,126)
Total Financial (expenses)		**(20,424,759)**	**(30,445,126)**
Profit before tax		**291,546,508**	**125,493,774**
Income tax expense	29	(64,281,648)	(16,522,876)
Deferred tax expenses	30	24,647,610	
Profit for the year		**251,912,470**	**108,970,898**
Other comprehensive income for the year		-	-
Total comprehensive income		**251,912,470**	**108,970,898**

The financial statement has to be read in conjunction with notes set out in pages 7 to 29, forming part of these financial statements.

Pasqyra e Ndryshimeve në Kapital
Për vitin e mbyllur më 31 dhjetor 2015

	Kapitali i vet	Rezerva të konvertimit të monedhave të huaja	Fitime të mbartura /humbje te akumuluara	Fitim (Humbje) të ushtrimit	Totali
Pozicioni më 1 janar 2014	**545,568,000**	**38,236**	**(96,550,154)**	**54,499,962**	**503,556,044**
Transferim në fitime të mbartura			54,499,962	(54,499,962)	-
Fitimi i vitit				108,970,898	108,970,898
Transferime të tjera		(377)			(377)
Pozicioni më 31 dhjetor 2014	**545,568,000**	**37,859**	**(42,050,192)**	**108,970,898**	**612,526,565**
Transferim në fitime të mbartura			108,970,898	(108,970,898)	-
Fitimi i vitit				251,912,470	251,912,470
Transferim te tjera		4			4
Pozicioni më 31 dhjetor 2015	**545,568,000**	**37,863**	**66,920,706**	**251,912,470**	**864,439,039**

Pasqyrat financiare duhet të lexohen së bashku me shënimet shpjeguese nga faqja 7 deri në 27, të cilat janë pjesë përbërëse e këtyre pasqyrave financiare.

Pasqyrat financiare të shoqërisë për vitin e mbyllur më 31 dhjetor 2015 janë aprovuar nga administratori i Trema Engineering 2 sh.p.k më __________ dhe janë firmosur si më poshtë.

TREMA Engineering 2
RR.BARDHOK BIBA
OLD TIRANA BUILDING
TIRANA - ALBANIA

Ilir Trebicka
Drejtor Teknik

Enis Kariqi
Përgjegjëse Finance

Statement of Cash Flows
For the year ended December 31, 2015

	Notes	For the year ended December 31, 2015	For the year ended December 31, 2014
Cash Flows from operating activities			
Net profit before tax		291,546,508	125,493,774
Depreciation and amortization		102,369,780	92,917,876
Disposal on PPE		1,345,800	1,484,988
Release from reserves		(8,050,099)	3,712,942
Accrued interest		28,478,752	26,749,513
Operating profit before changes in working capital		**415,690,741**	**250,359,093**
Changes in working capital			
Changes in inventories		(446,978,289)	(26,313,357)
Changes in trade and other receivables		(158,824,917)	(1,362,221,836)
Changes in trade and other payables		681,034,560	938,879,757
Changes in prepayments & deferred exp		(262,381,978)	10,145,987
Changes in deferred revenues		384,344,281	369,028,345
Paid interest		(10,215,435)	(15,165,986)
Cash generated from operations		**602,668,963**	**164,712,003**
Received interest		-	17,331
Income tax paid		(29,448,394)	-
		(29,448,394)	**17,331**
Investing activities			
Purchase of property, plant and equipment		(164,138,184)	(340,664,219)
Purchase of controlled units minus cash received			
Cash generated from investments		**(164,138,184)**	**(340,664,219)**
Financing activities			
(Repayments) / proceeds from LT borrowings, net		141,935,213	16,930,847
(Repayments) / proceeds from SHT borrowings, net		(130,883,715)	(20,428,423)
Cash generated from financing		**11,051,498**	**(3,497,576)**
Net change in cash and cash equivalents		**420,133,883**	**(179,432,461)**
Cash and cash equivalents at beginning		66,204,374	245,636,835
Cash and cash equivalents at end	13	**486,338,257**	**66,204,374**

The financial statement has to be read in conjunction with notes set out in pages 7 to 29, forming part of these financial statements.

1. General information

"TREMA ENGINEERING 2" sh.p.k is a limited liability company, founded with court decision of Tirana District Court, with commercial register number 26524 dated 22.10.2001, in accordance with the law "On commercial entities" and its statute.

The main activities of the company are the design and construction of civil and industrial buildings, artworks, road infrastructure etc.

The legal representative of the company is Mr. Ilir Trebicka. The address of the Company is Str. "Bardhok Biba", Tirane and is registered as a legal entity at the Tax Directorate, Large Taxpayers Unit with NUIS K21401004R.
The owners of the company are:
- Mr. Ilir Trebicka, owning 49% of capital quotas;
- Strabag SE, owning 51% of capital quotas.

The registered capital of the company is 545,568,000 ALL.

As at December 31, 2015 the company has 416 employees. (2014: 312)

2. Application of new and revised international financial reporting standards (IFRS)

2.1 Standards and Interpretations effective in the current period

The following standards and interpretations apply for the first time to financial reporting periods commencing on or after 1 January 2015.

Improvements to IFRSs 2010-2012 and 2011-2013 cycles:

- *IFRS 2 – clarifies the definition of 'vesting condition' and now distinguishes between 'performance condition' and 'service condition'*
- *IFRS 3 – clarifies that an obligation to pay contingent consideration is classified as financial liability or equity under the principles in IAS 32 and that all non-equity contingent consideration (financial and non-financial) is measured at fair value at each reporting date.*
- *IFRS 3 – clarifies that IFRS 3 does not apply to the accounting for the formation of any joint arrangement*
- *IFRS 8 – requires disclosure of the judgements made by management in aggregating operating segments and clarifies that a reconciliation of segment assets must only be disclosed if segment assets are reported.*
- *IFRS 13 confirms that short-term receivables and payables can continue to be measured at invoice amounts if the impact of discounting is immaterial.*
- *IFRS 13 – clarifies that the portfolio exception in IFRS 13 (measuring the fair value of a group of financial assets and financial liabilities on a net basis) applies to all contracts within the scope of IAS 39 or IFRS 9*
- *IAS 16 and IAS 38 – clarifies how the gross carrying amount and accumulated depreciation are treated where an entity measures its assets at revalued amounts*
- *IAS 24 – where an entity receives management personnel services from a third party (a management entity), the fees paid for those services must be disclosed by the reporting entity, but not the compensation paid by the management entity to its employees or directors.*
- *IAS 40 – clarifies that IAS 40 and IFRS 3 are not mutually exclusive when distinguishing between investment property and owner-occupied property and determining whether the acquisition of an investment property is a business combination.*

2. Application of new and revised international financial reporting standards (IFRS) (continues)

Amendments to IAS 19 – "Defined Benefit Plans: Employee Contributions" ***(published in November 2013 and effective for annual periods beginning 1 July 2014).***

The amendments clarify the accounting for defined benefit plans that require employees or third parties to contribute towards the cost of the benefits. These amendments allow contributions that are linked to service, but that do not vary with the length of employee service (i.e. a fixed % of salary), to be deducted from the cost of benefits earned in the period that the service is provided. Therefore many entities will be able to (but not be required) continue accounting for employee contributions using their existing accounting policy.

2.2 Standards and Interpretations in issue not yet adopted

As at 30 April 2015, the following standards and interpretations had been issued but were not mandatory for annual reporting periods ending 31 December 2015:

- *Amendments to IFRS 9 – "Financial Instruments" (published in July 2014 and effective for annual periods beginning 1 January 2018, with early adaption permitted for financial years commencing 1 February 2015.)*
- *Amendments to IFRS 10 and IAS 28 – "Sale or contribution of assets between an investor and its associate or joint venture" (published in September 2014, with the effective date of this amendment postponed indefinitely)*
- *Amendments to IFRS 10, IFRS 12 and IAS 28 – "Investment entities: Applying the consolidation exception" (published in December 2014 and effective for annual periods beginning on or after 1 January 2016.)*
- *Amendments to IFRS 11 – "Accounting for Acquisitions of Interests in Joint Operations" (published in May 2014 and effective for annual periods beginning on January 2016.)*
- *IFRS 14 – "Regulatory Deferral Accounts" (published in January 2014 and effective for annual periods beginning on January 2016.)*
- *IFRS 15 – "Revenue from Contracts with Customers" (published in May 2014 and effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted.)*
- *Amendments to IAS 1 – "Disclosure Initiative" (published in December 2014 and effective for annual periods beginning on or after 1 January 2016.)*
- *Amendments to IAS 16 and IAS 38 – "Clarification of Acceptable Methods of Depreciation and Amortisation" (published in May 2014 and effective for annual reporting periods beginning on or after 1 January 2016.)*
- *Amendments to IAS 16 and IAS 41 – "Agriculture: Bearer Plants" (published in June 2014 and effective for annual periods beginning on or after 1 January 2016.)*
- *Amendments to IAS 27 – "Equity method in separate financial statements" (published in August 2014 and effective for annual periods beginning on after 1 January 2016.)*

The Company has elected not to adopt these standards, revisions and interpretations in advance of their effective dates. The Company anticipates that the adoption of these standards, revisions and interpretations will have no material impact on the financial statements of the Company in the period of initial application.

3. Basis of preparation

3.1. Statement of compliance

The Consolidated Financial Statements have been prepared in accordance with the Internation Financial Reporting Standards (IFRS).

3.2. Basis of measurement

The Consolidated Financial Statements have been prepared in historical cost basis.

3.3. Going concern

The Consolidated Financial Statements are prepared on the assumption of the business as a going concern, which takes into account that the company will continue its activity for a foreseeable future.

3.4. Monedha funksionale dhe e paraqitjes

These financial statements are presented in Albanian Lek ("ALL"), which is the Company's functional currency.

3.5. Use of estimates and judments

The preparation of financial statements in conformity with International Financial Reporting Standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.
Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected. Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are included in note 5.

3.5.1. Impairment of accounts receivable

Impairment of accounts receivable is based on estimated losses resulting from the inability of customers to pay their obligations. These estimates are based on the age of the accounts receivable and previous experience in de-recognition, the assessment of the solvency of clients, as well as recent changes and expected in the customer payment terms. These factors are reviewed periodically and changes are reflected in the calculations if necessary.

4. Significant accounting policies (continues)

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by the Company.

4.1. Foreing Currency Transactions

Transactions in foreign currencies are translated to the functional currency 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 resulting from translating a given number of units of a foreign currency into the functional currency at different exchange rates at the dates of exchange. Non-monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the dates of the transaction whereas those that are measured at fair value are retranslated to the functional currency at the exchange rate at the date the fair value was determined. Foreign currency differences arising on retranslation are recognized in comprehensive income statement.

The respective foreign currencies as at December 31, 2015 and 2014 are detailed as below:

Exchange rate	2015	2014
Eur/ALL	137.28	140.14
USD/ ALL	125.79	115.23

4.2. Financial instruments

Non-derivative financial instruments comprise other receivables, cash and cash equivalents, due to/due from obligations and other payables.
Non-derivative financial instruments are recognized initially at fair value plus any directly attributable transaction costs, except as described below. For instruments not held at fair value through profit or loss, transaction costs go directly in the comprehensive income statement. Subsequent to initial recognition, non-derivative financial instruments are measured as described below.

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

Cash and cash equivalents
Cash and cash equivalents comprise cash balances, current bank accounts and short-term bank deposits. For the purposes of the cash flow statement, cash and cash equivalents comprise unrestricted deposits with maturity of three months or less from the origination date.

Trade receivable
Accounts receivable are initially recognized at fair value and subsequently measured at cost less any impairment losses. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

4. Significant accounting policies (continues)

Trade payable
Trade and other payables are initially recorded at their fair value and subsequently measured at their amortized cost, using the effective interest method.

Borrowings
Borrowings are initially measured at fair value, net of transaction costs and subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Fair value
Estimated fair values of cash and cash equivalents, trade receivable, trade payable and borrowings are estimated to be similar to their net book value.

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

Equity
Equity is recognized at par value.

Impairment of financial assets
A financial asset is considered to be impaired if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset that has an impact on the estimated future cash flows of the financial asset and that can be reliably estimated.
An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate.

Significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.
Impairment losses are recognized in the statement of comprehensive income (in profit and loss).

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. For financial assets meassured at their amortised cost, the reversal of the impairment is recognized in the income statement.

4.3. Inventory

Inventories are recorded at cost. Costs are those expenses incurred to bring each product to the required location and condition. In the case of self produced materials, the cost includes the overall expenses pertaining to the production of materials calculated over the normal production capacity. Inventory cost is calculated based on the weighted average cost method.
Inventory balance is recorded in the balance sheet at historical cost, at the lower of their cost and net realizable value.

4. Significant accounting policies (continues)

4.4. Property, plant and equipment

i. Recognition and measurement

Items of property and equipment are measured at cost less accumulated depreciation and any impairment losses.
Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Capital expenditures related to self-constructed assets are capitalized in "Construction in progress" and transferred to the appropriate asset category when construction has finished, when is applied the respective depreciation category.
When parts of an item of property and equipment have different useful lives, they are accounted for as items (major components) of property, plant and equipment.
Gains and losses on disposal of an item of property and equipment are determined by comparing the proceeds from disposal with the carrying amount of property and equipment and are recognized net within "other income" in profit or loss.

ii. Subsequent Cost

The cost of replacing part of an item of property and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of the day-to-day servicing of property and equipment are recognized in comprehensive income statement as incurred.

iii. Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset less its residual value. Depreciation is recognized by using the declining balance method applying the following rates:

Useful life for the year ended 31 December 2015 and 2014 is as per below:

Item of Property, Plant and Equipment	Method of calculation	Depreciation rate
Buildings and installations	Residual Value	5 %
Machinery and equipment	Residual Value	20 %
Installations	Residual Value	20 %
Vehicles	Residual Value	20 %
Electronic appliances	Residual Value	25 %
Furniture	Residual Value	20 %

These rates most closely reflect the expected pattern of consumption of the future economic benefits embodied in the assets. Work in progress is not depreciated.
The depreciation rates and residual values of property, plant and equipment are reassessed at the reporting date.

iv. De-recognition

An item of property, plant and equipment is derecognised when it is disposed or when there are not expected any future economic benefits from its use or its disposal.
Gains and losses from the disposal of fixed assets are calculated based on their residual amount and are taken into account calculating the operating profit of the fiscal year.

4. Significant accounting policies (continues)

4.5. Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale (a qualifying asset) are capitalized as part of the cost of the respective assets. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

All other borrowing costs are recognized in the statement of profit or loss and other comprehensive income in the period in which they are incurred.

4.6. Revenues

Revenues from rendering of services are recognized based on the percentage of completion and in connection to the accounting period to which they pertain, regardless of when the collection is made. Interest income are recorded at the date of their maturity.

- **Construction contracts**

Revenues from construction contracts consist of the initial value for which is agreed in the contract and (a) the amount of variations from the contracted work; (b) the claims; (c) incentive payments recognized to the extent in which they can be perceived as income and reliably assessed.

When the outcome of a construction contract can be estimated reliably, revenue and costs associated with the construction contract shall be recognized as revenue and expenses respectively in the stage of completion of works at the balance sheet date, known as the percentage of completion method. Percentage of completion is calculated on the basis of the percentage of actual costs at the balance sheet date with total estimated costs of the contract. Under this method, contract revenue are compared to the costs which have incurred to reach this stage of performance of the contract, assessing in this way the amount of revenues, expenses and profit attributable to the proportion of work performed.

Under the percentage of completion method, contract revenue is recognized as revenue in the income statement for the accounting period in which the work is performed. Contract costs are recognized as an expense in the income statement, in the accounting period in which the work is performed.

Other acceptable method of recognizing revenues and costs for construction contracts are those based on inspection of work performed and the level of completion of the physical part of the contracted work.

- **For contracts based on the volume of work performed at present prices**

Revenues are recognized based on the volume of work performed at agreed prices as per the contract and costs are recognized to the extent of their occurrence for performing the construction works.

- **Other income consists mainly of interest income**

Other income consists mainly of interest income. These income are generated from bank deposits and are recognized as they mature, in accordance with the tax legislation.

- **Finance income and expenses**

Interest income and expenses are recognized in the income statement when have been accumulated, taking into consideration the effective interest method.
Interest expense consists of the interest paid on borrowings taken for the purpose of working capital, calculated as per the effective interest method.

4. Significant accounting policies (continues)

4.7. Leases

Leases are classified as financial or operating since the very beginning. Finance leases are recognized as assets and liabilities at the lowest between the fair value of the asset and the present value of minimum lease payments at the acquisition date. Financial costs are recorded in the income statement under rent expenses at the applicable interest rates over the remaining balance of obligations.
The company has only operating leases for the year.

4.8. Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

4.9. Employee contributions

Mandatory social contributions

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Government of Albania is responsible for providing pensions in Albania under a defined contribution pension plan. The Company's contributions to the defined contribution pension plan are recognized as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

4.10. Income Tax Expenses

Income tax expense comprises current and deferred tax. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or in other comprehensive income.
Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Income tax rate for the year 2015 is 15% (2014: 15%).

Deferred tax represents the difference of profit tax payable (or recoverable) in future periods, which is estimated for the identified temporary differences that arise due to application of different accounting principles from those as per tax authorities. Deferred tax is recognized according to the balance sheet liability method, applying the effective tax rate on the difference between assets and liabilities for financial reporting purposes and values of these assets and liabilities for tax purposes.

Deferred tax balances are measured at tax rates enacted or substantively enacted at the end of the reporting period, which is expected to apply to the period when temporary differences will be cancelled or tax losses carried forward will be used.
Deferred tax assets for deductible temporary differences are recorded to the extent that it is probable that taxable profit in the future can be used for these discounts.
The company has not recorded any deferred tax assets in regard to the carried forward tax losses.

4. Significant accounting policies (continues)

4.11. Related party transactions

Related parties are defined as a party controlled by the other party or has significant influence on the business decisions or financial decisions of the other party. For purposes of presentation of financial statements, the management and directors of the company are considered as related parties.

4.12. Contigent assets and liabilities

Contingent liabilities are not recognized in the financial statements. They are presented in the notes to the financial statements as long as the possibility for an outflow of resources embodying economic benefits is remote. A contingent asset is not presented in the financial statements but presented in the notes as long as there is access of the economic benefits. The amount of contingent losses is recognized as a provision if it is probable that future events will confirm that a liability has arisen at the date of financial position and may be a reasonable estimate of the amount of loss.

5. Critical accounting estimates and judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Income taxes

The Company is subject to income taxes in Albania. Significant judgment is required in determining the amount of deferred income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

Useful life of property plant and equipment

As described in note 4.4 the Management of the Company reviews the estimated useful lives of the property, plant and equipment at the end of each reporting period. During the current period, the directors determined that the useful life of the property plant and equipment have not changed.

(all amounts are expressed in ALL)

6. Property, plant and equipment

	Land and Buildings	Machinery and equipment	Office furniture and equipment	Vehicles	Other	Total
Cost						
Balance as at January 1, 2014	31,353,678	554,582,065	37,216,182	95,172,112	8,913,279	727,237,316
Additions	185,316,421	107,862,844	944,749	43,172,766	3,367,440	340,664,220
Diposals	-	-	(548,935)	(936,053)	-	(1,484,988)
Balance as at December 31, 2014	**216,670,099**	**662,444,909**	**37,611,996**	**137,408,825**	**12,280,719**	**1,066,416,548**
Additions	-	95,888,246	4,316,904	46,993,723	16,939,311	164,138,184
Diposals	-	(1,550,934)	(89,999)		-	(1,640,933)
Balance as at December 31, 2015	**216,670,099**	**756,782,221**	**41,838,901**	**184,402,548**	**29,220,030**	**1,228,913,799**
Accumulated depreciation						
Balance as at January 1, 2014	3,292,790	215,656,878	18,491,868	53,687,662	2,343,261	293,472,459
Charge for the year	12,546,705	62,363,629	2,814,661	11,669,125	3,192,297	92,586,417
Disposals	-	-	(389,045)	-	-	(389,045)
Balance as at December 31, 2014	**15,839,495**	**278,020,507**	**20,917,484**	**65,356,787**	**5,535,558**	**385,669,831**
Charge for the year	11,292,034	67,772,182	2,617,109	17,751,410	2,724,493	102,157,228
Disposals	-	(295,133)		-	-	(295,133)
Balance as at December 31, 2015	**27,131,529**	**345,497,556**	**23,534,593**	**83,108,197**	**8,260,051**	**487,531,926**
Net Book Value						-
Balance as at December 31, 2014	**200,830,604**	**384,424,402**	**16,694,512**	**72,052,038**	**6,745,161**	**680,746,717**
Balance as at December 31, 2015	**189,538,570**	**411,284,665**	**18,304,308**	**101,294,351**	**20,959,979**	**741,381,873**

7. Intagible assets

The balance of intangible assets as of December 31, 2015 and December 31, 2014 is detailed below:

	Intangible assets	Total
Cost		
Balance as at December 31, 2014	2,941,503	2,941,503
Additions	-	-
Disposals	-	-
Balance as at December 31, 2015	**2,941,503**	**2,941,503**
Depreciation		-
Balance as at December 31, 2014	2,191,418	2,191,418
Depreciation of the year	212,552	212,552
Reverse charge of depreciation	-	-
Balance as at December 31, 2015	**2,403,970**	**2,403,970**
		-
Net balance as at December 31, 2014	**750,085**	**750,085**
Net balance as at December 31, 2015	**537,533**	**537,533**

8. Other long term receivables

Other receivables as of December 31, 2015 and December 31, 2014 is detailed below:

	December 31, 2015	December 31, 2014
Clients for the sale of apartments	323,413,378	323,413,378
	323,413,378	**323,413,378**

9. Inventory

Inventory as of December 31, 2015 and December 31, 2014 is detailed below:

	December 31, 2015	December 31, 2014
Raw materials	126,032,412	65,156,969
Work in progress	433,010,778	495,056,417
Other materials	15,005,652	20,385,966
Total Trema Tirane	**574,048,842**	**580,599,352**
Inventory- Trema Kosovo	453,528,799	-
	1,027,577,641	580,599,352

10. Trade receivables

Trade receivables as of December 31, 2015 and December 31, 2014 are detailed below:

	December 31, 2015	December 31, 2014
Trade Receivables	1,184,465,712	1,064,231,449
Guarantees from clients	606,714,314	343,033,431
Total of Trema Tirane	**1,791,180,026**	**1,407,264,880**
Trade Receivables - Trema Kosovo	89,772,000	450,818,482
	1,880,952,026	1,858,083,362

11. Other short term receivables

Other short term receivables as of December 31, 2015 and December 31, 2014 are detailed below:

	December 31, 2015	December 31, 2014
VAT receivable	43,662,904	7,072,412
Advances given to personnel	925,713	2,712,601
Other receivables	28,958,224	12,930,508
Total Trema Tirane	**73,546,841**	**22,715,521**
VAT receivable - Trema Kosovo	85,124,938	-
	158,671,779	22,715,521

12. Prepaiments and deferred expenses

Prepaiments and deferred expenses as of December 31, 2015 and December 31, 2014 are detailed below:

	December 31, 2015	December 31, 2014
Prepayments to suppliers	15,517,098	21,104,935
Deferred expenses	254,927,789	8,880,904
Total Trema Tiranë	**270,444,887**	**29,985,839**
Prepayments Trema Kosovo	21,922,930	-
	292,367,817	29,985,839

13. Cash and cash equivalents

Cash and cash equivalents as of December 31, 2015 and December 31, 2014 are detailed below:

	December 31, 2015	December 31, 2014
Cash at banks	470,075,034	63,797,492
Current account	470,075,034	63,797,492
Demand deposit	-	-
Petty Cash	314,994	2,325,881
Trema Kosovo	15,948,229	81,001
	486,338,257	66,204,374

14. Equity

Equity as of December 31, 2015 and December 31, 2014 is detailed below:

Owner's of the company	2015 %	2015 Capital quotes	2015 Subscribed capital	2014 %	2014 Capital quotes	2014 Subscribed capital
Strabag SE	51	278,240	278,239,680	51	278,240	278,239,680
Z. Ilir Trebicka	49	267,328	267,328,320	49	267,328	267,328,320
Total	**100**	**545,568**	**545,568,000**	**100**	**545,568**	**545,568,000**

15. Loans
(Values are in 000 ALL)

Long term loans for the year ended in December 31, 2015 are detailed below:

Loans 2015	Currency	Remaining principal of loan balance	Interest in %	Equivalent amount in 000/ALL	Amount up to 1 year	Amount more than 1 year
BRVZ	EUR	3,046,586	2.7	418,235	106,942	311,294
Ilir TREBICKA	EUR	478,365	2.7	65,670	-	65,670
Ilir TREBICKA	EUR	168,272	2.7	23,100	23,100	
Ilir TREBICKA	EUR	450,000	0	61,776		61,776
STRABAG SHPK	EUR	12,700	0	1,743	1,743	-
RAIFFEISEN LEASING - QERA FINANCIARE	EUR	375,554	7.5	51,556	17,691	33,865
SOCIETE LEASING - QERA FINANCIARE	EUR	116,464	6.5	15,989	3,952	12,037
					-	-
		4,647,941		**638,070**	**153,428**	**484,642**

15. Loans (continue)
(Values are in 000 ALL)

Long term loans for the year ended in December 31, 2014 are detailed below:

Loans 2014	Currency	Remaining principal of loan balance	Interest in %	Equivalent amount in 000/ALL	Amount up to 1 year	Amount more than 1 year
BRVZ	EUR	2,800,126	2.7	392,410	140,140	252,270
SOCIETE GENERALE ALBANIA - OVERDRAFT	EUR	500,134	5.5	70,089	70,089	-
Ilir TREBICKA	EUR	473,874	2.7	66,409	23,684	42,725
STRABAG SHPK	EUR	12,700	0	1,780	1,780	-
RAIFFEISEN LEASING - QERA FINANCIARE	EUR	469,338	7.5	65,773	24,684	41,089
SOCIETE LEASING - QERA FINANCIARE	EUR	145,181	6.5	20,346	5,672	14,674
					-	-
		4,401,352		616,806	266,048	350,757

16. Provisions

Provisions as of December 31, 2015 and December 31, 2014 are detailed below:

	December 31, 2015	December 31, 2014
Balance as at January 1st	131,790,875	124,769,437
Additions	154,873,080	42,612,411
Disposals	(55,123,662)	(35,590,973)
Balance at year end	231,540,293	131,790,875

17. Trade payables

Trade payables as of December 31, 2015 and December 31, 2014 are detailed below:

	December 31, 2015	December 31, 2014
Suppliers	1,670,268,376	1,495,527,177
Supplier Trema Kosovo	537,867,952	11,303,146
	2,208,136,328	1,506,830,323

18. Payables to employees

Payables to employees as of December 31, 2015 and December 31, 2014 are detailed below:

	December 31, 2015	December 31, 2014
Payable salaries	28,424,327	20,584,760
Payable salaries Trema Kosovo	2,683,824	-
	31,108,151	20,584,760

19. Other liabilities toward state

Liabilities toward state as of December 31, 2015 and December 31, 2014 are detailed below:

	December 31, 2015	December 31, 2014
Social and health insurance	7,370,278	5,836,439
Personal Income Tax	2,895,644	2,480,626
Withholding Tax	1,531,220	-
Liabilities toward state- Trema Kosovo	618,446	61,375,173
	12,415,588	69,692,238

20. Other payables

Other payables as of December 31, 2015 and December 31, 2014 are detailed below:

	December 31, 2015	December 31, 2014
Other liabilities	-	72,984,000
Short- term provisions (note 16)	160,122,731	27,964,856
Other liabilities- Trema Kosovo	-	243,193
	160,122,731	101,192,049

21. Deferred income

Deferred income as of December 31, 2015 and December 31, 2014 are detailed below:

	December 31, 2015	December 31, 2014
Deferred incomes Trema Tirane	770,732,734	123,274,788
Deferred incomes Trema Kosovo	130,515,803	393,629,468
	901,248,537	**516,904,256**

22. Revenues

Revenues for the year ended December 31, 2015 and December 31, 2014 are detailed below:

	For the year ended December 31, 2015	For the year ended December 31, 2014
Construction of detention and prison building Fier	-	387,705,359
Works Hamallaj & Lalez Bay	-	3,535,900
Maintenance former typography building	1,445,884	3,867,537
Different works for TIA	-	1,425,743
Construction of the Church	-	1,996,165
Moglica access road construction	1,104,160,170	790,551,720
Construction HPP Lengarice	749,734,542	662,699,899
Prell access road construction	246,462,615	27,518,343
Works for the rehabilitation of Tirane River	98,310,876	879,093,237
Works for 11 Dams	917,503,961	3,899,980
Reconstruction of the Stadium Elbasan	-	398,085,240
Works for the World Centre of Bektashism	1,276,800	18,172,788
Works in the Port of Durres	261,279,183	46,135,869
Water Supply Construction Lezhe	424,394,140	-
Water Supply Construction Gjirokaster	447,968,088	-
Rehabilitation of water supply Kamez and new reservoir construction	550,936,505	-
Water Supply Construction Sarande	363,676,551	-
Reconstruction of the Stadium "Loro Borici", Shkoder	883,088,719	-
Project works and other	9,913,532	12,390,640
Total Trema Tirane	**6,060,151,566**	**3,237,078,420**
Revenues from sale of works- Trema Kosovo	703,095,604	8,331,748
	6,763,247,170	3,245,410,168

22. Revenues (continues)

	For the year ended December 31, 2015
Reconciliation of revenues	
(+) Taxable revenues	5,730,291,456
(+) Non-taxable revenues	1,145,577,642
(+) Exports	-
(-) Less auto charge	(63,027,358)
(+) Deferred incomes in 2014, amortized during 2015	123,274,788
(-) Deferred incmes for the year 2015	(770,732,734)
(-) Revenues from the sale to Trema Kosovo	(5,636,976)
(+) Revenues Trema Kosove	703,095,604
Corrected amount of turnover	**6,862,842,422**
As per accounting	6,862,842,422
Difference	-

23. Other revenues

Other revenues for the year ended December 31, 2015 and December 31, 2014 are detailed below:

	For the year ended December 31, 2015	For the year ended December 31, 2014
Revenues from the sale of materials, etc	85,038,271	140,768,546
Rent income	7,570,870	3,118,979
Income from use of machinery and equipment	6,986,111	1,058,965
	99,595,252	144,946,490

24. Raw materials and consumables used

Raw materials and consumables used for the year ended December 31, 2015 and December 31, 2014 are detailed below:

	For the year ended December 31, 2015	For the year ended December 31, 2014
Raw materials and others	1,534,858,624	822,393,055
Subcontractors	3,251,626,465	1,724,352,632
other services	221,733,543	113,374,048
Total Trema Tirane	5,008,218,632	2,660,119,735
Raw materials etc. Trema Kosovo	653,987,283	-
	5,662,205,915	2,660,119,735

25. Other expenses

Other expenses for the year ended December 31, 2015 and December 31, 2014 are detailed below:

	For the year ended December 31, 2015	For the year ended December 31, 2014
Technical consultancy, design and supervision	53,866,213	29,378,412
Insurance premiums	17,919,136	7,650,808
Travel and perdiems	29,640,981	15,468,673
Post and telecommunications	6,538,114	5,583,456
Bank services	4,628,017	3,503,076
Rent expenses	24,469,071	12,120,433
Non- deductible expenses- provisions	46,824,651	42,612,411
Other expenses	38,690,344	9,465,431
Fines and penalties	113,672,698	928,699
Local and other taxes	3,088,599	1,604,728
Net Book Value of PPE disposed	1,345,800	380,723
Total Trema Tirane	**340,683,624**	**128,696,850**
Other operation expenses Trema Kosovo	5,889,236	4,317,399
	346,572,860	**133,014,249**

26. Personnel expenses

Personnel expenses for the year ended December 31, 2015 and December 31, 2014 are detailed below:

	For the year ended December 31, 2015	For the year ended December 31, 2014
Salaries	365,054,555	303,155,859
Social and health contributions	49,794,230	41,724,874
Total Trema Tirane	**414,848,785**	**344,880,733**
Personnel Expenses Trema Kosovo	24,873,815	3,485,165
	439,722,600	**348,365,898**

27. Depreciation and amortization expenses

Depreciation and amortization expenses for the year ended December 31, 2015 and 2014 are detailed below:

	For the year ended December 31, 2015	For the year ended December 31, 2014
Licenses and Softwares	212,553	331,460
Land and buildings	11,292,034	12,546,705
Machinery	67,772,182	62,363,629
Vehicles	17,751,410	11,669,125
Office and computer equipments	2,617,109	2,814,661
Other	1,135,869	3,067,221
Total Trema Tiranë	**100,781,157**	**92,792,801**
Depreciation expenses Trema Kosovo	1,588,623	125,075
	102,369,780	**92,917,876**

28. Financial expenses

Financial expenses for the year ended in December 31, 2015 and December 31, 2014 are detailed below:

	For the year ended December 31, 2015	For the year ended December 31, 2014
Interest incomes	3,894	17,331
Exchange rate differences	8,050,099	(3,712,944)
Interest expenses	(28,478,752)	(26,749,513)
	(20,424,759)	**(30,445,126)**

29. Income tax

	For the year ended December 31, 2015	For the year ended December 31, 2014
Net profit for the year before income tax	**280,426,837**	**125,089,666**
Non deductible expenses (as follows)	**136,997,809**	**66,388,842**
Hospitality expenses (over the limit)	155,008,816	33,554,877
Provisions for unauthorised revenues and risks guarantees	82,801,081	42,612,411
Provisions recapture	(55,123,662)	(35,590,973)
Non deductible expenses- wht related	10,650,968	25,812,527
Recapture expenses - double taxation reply 2015	(56,339,394)	-
Result Trema Tirane 2015	**417,424,646**	**191,478,508**
Profit before tax (including non deductible expenses)	**417,424,646**	**191,478,508**
Carried forward fiscal loss	-	(81,595,416)
	417,424,646	**109,883,092**
Income Tax @ 15%	62,613,697	16,482,464
	575,559	
Fiscal result Trema Kosove	**11,119,671**	**404,108**
Income tax Trema Kosove	1,092,392	40,412
Total income tax expense consolidated	**64,281,648**	**16,522,876**

30. Deferred tax expenses

Deferred tax expenses for the year ended in December 31, 2015 are detailed below:

	Balance sheet statement December 31, 2015	Profit and loss statement December 31, 2015
Provisions	24,647,610	24,647,610
Income/(expenses) deferred income tax	-	**24,647,610**
Deferred fiscal assets/(liabilities)	**24,647,610**	

31. Financial risk management

The Company has exposure to the following risks from its use of financial instruments:
- credit risk
- liquidity risk
- market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

The management has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyses the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The principal financial instruments of the Company consist of cash and cash equivalents, other receivables, borrowings, trade and other payables.

(a) Credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum credit exposure to credit risk at the reporting date was:

	December 31, 2015			
	Up to 6 months	6-12 months	Over than 1 year	Total
Trade and other receivables	978,364,153	880,893,647	503,779,383	2,363,037,183
Cash on hand and at banks	486,338,257	-	-	486,338,257
	1,464,702,410	**880,893,647**	**503,779,383**	**2,849,375,440**

31. Financial risk management (continues)

(a) Credit risk (continues)

	December 31, 2014			
	Up to 6 months	6-12 months	Over than 1 year	Total
Trade and other receivables	1,062,432,381	479,474,162	662,305,718	2,204,212,261
Cash on hand and at banks	66,204,374	-	-	66,204,374
	1,128,636,755	479,474,162	662,305,718	2,270,416,635

No impairment indications existed for trade receivables other classes of financial assets as at the reporting dates.

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

Below are listed the remaining contractual maturities of financial assets and liabilities as of 31 December 2015 and as of 31 December 2014:

	December 31, 2015				
	Up to 6 months	6-12 months	1-5 years	Over 5 years	Total
Trade and other receivables	1,324,197,271	715,426,534	323,413,378		2,363,037,183
Cash on hand and at banks	486,338,257				486,338,257
Total	**1,810,535,528**	**715,426,534**	**323,413,378**	**-**	**2,849,375,440**
Trade payables and other payables	64,272,991	2,038,020,327	265,965,741		2,368,259,059
Loan and borrowings	10,821,321	142,606,631	484,642,278		638,070,230
Total	**75,094,312**	**2,180,626,958**	**750,608,019**	**-**	**3,006,329,289**
Liquidity Risk as at December 31, 2015	**1,885,629,840**	**2,896,053,492**	**1,074,021,397**	**-**	**5,855,704,729**

	December 31, 2014				
	Up to 6 months	6-12 months	1-5 years	Over 5 years	Total
Trade and other receivables	1,549,585,841	331,213,042	323,413,378		2,204,212,261
Cash on hand and at banks	66,204,374				66,204,374
Total	**1,615,790,215**	**331,213,042**	**323,413,378**	**-**	**2,270,416,635**
Trade payables and other payables	74,057,781	1,281,574,579	252,390,012		1,608,022,372
Loan and borrowings		266,048,350	350,757,164		616,805,514
Total	**74,057,781**	**1,547,622,929**	**603,147,176**	**-**	**2,224,827,886**
Liquidity Risk as at December 31, 2014	**1,689,847,996**	**1,878,835,971**	**926,560,554**	**-**	**4,495,244,521**

(c) Currency risk

Exposure to currency risk

The Company's exposure to foreign currency risk as of December 31, 2015 and December 31, 2014 was as follows:

	December 31, 2015				
	EUR	USD	ALL	Others	Total
Trade and other receivables	1,257,312,322	11,376,065	1,094,348,796		2,363,037,183
Cash on hand and at banks	482,420,478	62,310	3,855,469		486,338,257
Total	**1,739,732,800**	**11,438,375**	**1,098,204,265**	**-**	**2,849,375,440**
Trade payables and other payables	1,521,628,756	31,523,225	815,107,078		2,368,259,059
Loan and borrowings	638,070,230				638,070,230
Total	**2,159,698,986**	**31,523,225**	**815,107,078**	**-**	**3,006,329,289**
Currency Risk as at December 31, 2015	**3,899,431,786**	**42,961,600**	**1,913,311,343**	**-**	**5,855,704,729**

	December 31, 2014				
	EUR	USD	ALL	Others	Total
Trade and other receivables	1,608,215,632	12,508,008	583,488,621		2,204,212,261
Cash on hand and at banks	42,465,844	95,293	23,643,237		66,204,374
Total	**1,650,681,476**	**12,603,301**	**607,131,858**	**-**	**2,270,416,635**
Trade payables and other payables	996,162,292	417,156	611,442,924		1,608,022,372
Loan and borrowings	616,805,514				616,805,514
Total	**1,612,967,806**	**417,156**	**611,442,924**	**-**	**2,224,827,886**
Currency Risk as at December 31, 2014	**3,263,649,282**	**13,020,457**	**1,218,574,782**	**-**	**4,495,244,521**

(d) Interest rate risk

Interest rate risk is comprised of the risk that the value of a financial instrument will fluctuate due to changes in market interest rates and the risk that the maturities of interest bearing assets differ from the maturities of the interest bearing liabilities used to fund those assets. The length of time for which the rate of interest is fixed on a financial instrument therefore indicates to what extent it is exposed to interest rate risk. The assets and liabilities of the Company carry market interest rates.

32. Events after the reporting date

As of December 31, 2015, the date of these financial statements and up to the date of their approval there are no other subsequent events incurred that are materially significant to be presented in the financial statements.

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