

***SIA Madara Cosmetics***  
*2015 Annual Report*  
*prepared in accordance with*  
*Latvian statutory requirements,*  
*and Independent auditors' report\**

\* This version of financial statements is a translation from the original, which was prepared in the Latvian language. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of financial statements takes precedence over this translation.

Riga, 2016

**CONTENTS**

	<b>Page</b>
<b>General information about the Comp</b>	<b>3</b>
<b>Management report</b>	<b>4</b>
<b>Financial report</b>	
<b>Income statement</b>	<b>5</b>
<b>Balance sheet</b>	<b>6 - 7</b>
<b>Cash flow statement</b>	<b>8</b>
<b>Statement of changes in equity</b>	<b>9</b>
<b>Notes to the financial statements</b>	<b>10 - 25</b>
<b>Independent auditors' report</b>	<b>26</b>

**General information about the Company**

Name of the Company	Madara Cosmetics
Legal status of the Company	Limited liability company
Registration number	No 40003844254
Registration place and date	Riga, 28 July 2006
Registered address	Zeltinu Street 131, Marupe, LV-2167
Shareholders	Liene Drāzniece - 8 % Uldis Iltners - 28 % Zane Tamane - 12 % Lote Tisenkopfa - Iltnerē - 28 % Paula Tisenkopfa - pieder 4 % daļu ALPS Investments, A/S, Reg No 40103684497 - 20 %
Type of operation NACE kods	Manufacture of perfumes and toilet preparations 20.42
Board of the Company	Lote Tisenkopfa - Iltnerē - Chairman of the Board Uldis Iltners - Member of the Board Solvita Kurtiņa - Member of the Board
Reporting year	1/1/2015 to 12/31/2015
Previous reporting year	1/1/2014 to 12/31/2014
Related parties information	Madara Retail SIA, reg. No 40103212103 - 100%  Cosmetics Nord SIA, reg. No 40103277805 - 100%
Independent Auditors:	Deloitte Audits Latvia SIA Reg. No 40003606960 Licence No 43 4a Gredu Street, Riga, LV-1019, Latvia
Certified Auditor	Jeļena Mihejenkova Certified Auditor Certificate No 166

## MANAGEMENT REPORT

### **Type of operation**

The main type of activity of SIA Madara Cosmetics is the production of daily care cosmetics with the brand names "MADARA" and "MOSSA". The company operates in leased premises in 2 Šampētera Street, Riga and 131 Zeltiņu Street, Marupe.

### **The Company's financial situation and operation in the reporting year**

The reporting year has been completed successfully. In 2015, the Company has successfully worked on the sales channels developed in previous years, reaching a 29% increase in turnover compared to 2014, maintaining the growth rate of previous years. The profit of the company has increased along with increase of turnover to EUR 522 867 before income tax.

In 2015, the plant modernization project was successfully completed by the company. The Company's production technologies were modernized and new production lines were installed during the modernization process, which allowed to increase production volumes capacity and introduce new products in production. The new production capacity after modernization is several times higher than before. The production capacity reserve after modernization is sufficient to ensure the current growth rate of the company in the future.

### **Future prospects and development**

In the future, the growth of the Company will be based on the expansion on foreign markets - development of foreign markets, which will consolidate and expand operations in the existing export markets and launch operations in several new markets. In 2015, the Company's organization has been improved to achieve this goal and 15 new jobs have been created. The Company's organization improvement will continue in the future.

### **Research and development activities**


In the reporting year, the Company has continued to implement a research program in cooperation with the "Pharma and Chemical Center of Latvia". The company invested EUR 89 109 in research and development of new products in 2015. The research results will allow to improve existing products and start the production of new competitive products in the coming years.

### **Events after the balance sheet date**

Since the end of the reporting year no material changes have taken place which would not be reflected in the financial statements and would be significant to assess the Company's assets and liabilities, its financial position and the financial result of the reporting year.

### **Proposal for the Company's profit for the year distribution or loss for the year coverage**

According to the management's assessment, the profit for 2015 should be allocated to the Company's development.

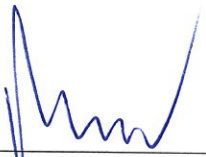
  
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Lote Tisenkopfa - Iltner  
Chairman of the Board  
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Solvita Kurtiša  
Member of the Board  
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Uldis Iltners  
Member of the Board


27 May 2016

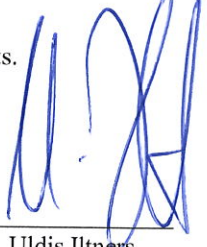
**INCOME STATEMENT**  
(by turnover method)

	Note	2015	2014
		EUR	EUR
Net turnover	2	3,915,333	3,025,223
Cost of goods sold	3	<u>(1,837,238)</u>	<u>(1,320,142)</u>
<b>Gross profit</b>		<b>2,078,095</b>	<b>1,705,081</b>
Selling expenses	4	(1,209,243)	(918,525)
Administration expenses	5	(338,510)	(244,835)
Other operating income	6	45,233	31,649
Other operating expenses	7	(21,520)	(85,235)
Interest and similar income	8	36	13,837
Interest and similar expenses	9	<u>(31,224)</u>	<u>(7,041)</u>
<b>Profit before taxes</b>		<b>522,867</b>	<b>494,931</b>
Income tax for the financial year	27	-	(69,610)
Deferred tax	10	<u>(33,849)</u>	<u>(14,776)</u>
<b>Profit for the financial year</b>		<b>489,018</b>	<b>410,545</b>

The accompanying notes on pages 10 to 25 are an integral part of these financial statements.

  
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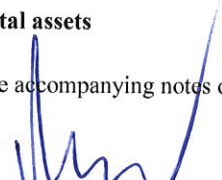
  
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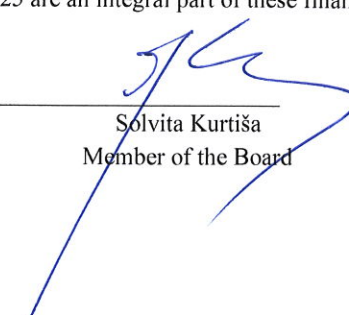
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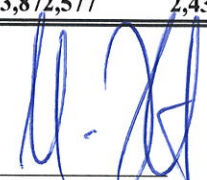
**BALANCE SHEET**

Assets	Note	12/31/2015 EUR	12/31/2014 EUR
<b>Non-current assets</b>			
<b>Intangible assets</b>			
Concessions, licences, patents, trade marks and similar rights		10,978	9,783
<b>Total intangible assets</b>	11	<b>10,978</b>	<b>9,783</b>
<b>Property, plant and equipment</b>			
Leasehold improvements		-	3,396
Plant and equipment		1,080,019	115,168
Other fixed assets		106,490	97,557
Construction in progress		553,094	-
Prepayments for property, plant and equipment		-	406,585
<b>Total property, plant and equipment</b>	12	<b>1,739,603</b>	<b>622,706</b>
<b>Non-current financial investments</b>			
Investments in subsidiaries	13	5,656	5,691
Other non-current receivables and other receivables	14	40,000	117,117
Other securities and investments	15	256	256
<b>Total non-current financial investments</b>		<b>45,912</b>	<b>123,064</b>
<b>Total non-current assets</b>		<b>1,796,493</b>	<b>755,553</b>
<b>Current assets</b>			
<b>Inventories</b>			
Raw materials	16	462,129	436,106
Finished goods and goods for sale	17	265,494	218,970
Prepayments for inventories		79,933	30,014
<b>Total inventories</b>		<b>807,556</b>	<b>685,090</b>
<b>Receivables</b>			
Trade receivables	18	511,681	389,090
Trade receivables from subsidiaries	19	204,027	211,433
Other receivables	20	197,732	34,712
Deferred expenses		4,299	5,712
<b>Total receivables</b>		<b>917,739</b>	<b>640,947</b>
<b>Cash and cash equivalents</b>	21	<b>350,789</b>	<b>354,673</b>
<b>Total current assets</b>		<b>2,076,084</b>	<b>1,680,710</b>
<b>Total assets</b>		<b>3,872,577</b>	<b>2,436,263</b>

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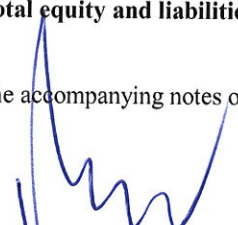
  
Uldis Iltneris  
Member of the Board


27 May 2016

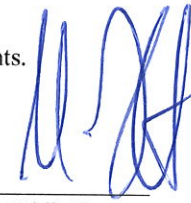
**BALANCE SHEET**

<b>Equity and liabilities</b>	<b>Note</b>	<b>12/31/2015</b>	<b>12/31/2014</b>
		<b>EUR</b>	<b>EUR</b>
<b>Equity</b>			
Share capital	22	106,652	106,715
Share premium		761,236	761,236
Other reserves		63	-
Retained earnings:			
a) prior year retained earnings		903,007	492,462
b) profit for the year		489,018	410,545
<b>Total equity</b>		<b>2,259,976</b>	<b>1,770,958</b>
<b>Provisions</b>			
Other provisions	23	46,882	76,870
<b>Total provisions</b>		<b>46,882</b>	<b>76,870</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Bank borrowings	24	514,674	169,760
Other liabilities	25	14,862	24,787
Deferred revenue		323,065	-
Deferred tax liabilities	10	58,687	24,838
<b>Total non-current liabilities</b>		<b>911,288</b>	<b>219,385</b>
<b>Current liabilities</b>			
Bank borrowings	24	135,145	22,955
Advances from customers		15,636	5,627
Trade payables		272,089	170,239
Trade payables to subsidiaries	26	1,057	167
Taxes and social insurance contributions	27	26,964	30,708
Other payables	28	58,759	82,738
Deferred revenue		88,926	-
Unpaid dividends		-	45,440
Accrued liabilities		55,855	11,176
<b>Total non-current liabilities</b>		<b>654,431</b>	<b>369,050</b>
<b>Total liabilities</b>		<b>1,565,719</b>	<b>588,435</b>
<b>Total equity and liabilities</b>		<b>3,872,577</b>	<b>2,436,263</b>

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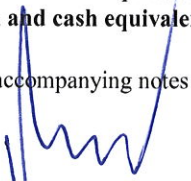
  
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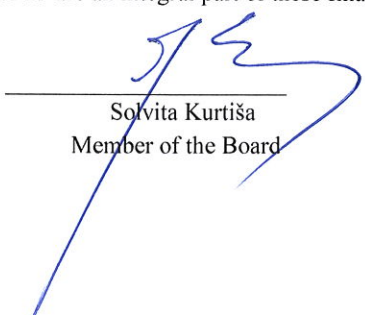
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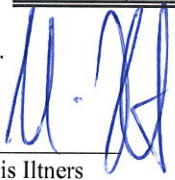
**CASH FLOW STATEMENT**  
(indirect method)

	Note	2015 EUR	2014 EUR
<b>Cash flow of operating activities</b>			
Profit before taxes		522,867	494,931
<b>Corrections:</b>			
Depreciation of fixed assets	12	136,797	107,390
Amortisation of intangible assets	11	3,805	5,338
Fixed assets and intangibles disposals		-	20,701
Revenue from the recognition of ERAF funds	6	(32,622)	(6,051)
Investment value write-off		35	-
Increase/(decrease) in provisions		(29,988)	52,923
Interest and similar income	8	(36)	(12,291)
Interest and similar expenses	9	31,224	7,041
<b>Profit before adjustments for current assets and current liabilities</b>		<b>632,082</b>	<b>669,982</b>
<b>Corrections:</b>			
(Increase)/decrease in receivables		(214,797)	(88,295)
(Increase)/decrease in inventories		(72,547)	47,195
Increase/(decrease) in payables and other payables		181,279	43,105
<b>Gross cash flow of operating activities</b>		<b>526,017</b>	<b>671,987</b>
Interest payments		(31,224)	(7,041)
Income tax payments	27	(89,770)	(84,386)
<b>Net cash flow of operating activities</b>		<b>405,023</b>	<b>580,560</b>
<b>Investment activities cash flow</b>			
Other investments		-	(3,440)
Acquisition of fixed assets and intangible assets		(1,267,731)	(486,759)
Issued loans		-	(70,000)
Proceeds of loan repayments		36,974	109,221
Proceeds of bank guarantee repayment		17,999	-
Received interest		36	12,291
<b>Investment activities cash flow</b>		<b>(1,212,722)</b>	<b>(438,687)</b>
<b>Financing activities cash flow</b>			
Proceeds from ERAF funds		444,613	6,051
Received loans	24	919,605	192,715
Settlement of credit line	24	-	(107,773)
Repaid financial lease liabilities		(52,462)	(68,848)
Dividends paid		(45,440)	(92,391)
Repaid loan	24	(462,501)	-
<b>Financing activities cash flow</b>		<b>803,815</b>	<b>(70,246)</b>
<b>Increase/(decrease) in cash and cash equivalents</b>		<b>(3,884)</b>	<b>71,627</b>
<b>Cash and cash equivalents at the beginning of the reporting year</b>	21	<b>354,673</b>	<b>283,046</b>
<b>Cash and cash equivalents at the end of the financial year</b>	21	<b>350,789</b>	<b>354,673</b>

The accompanying notes on pages 10 to 25 are an integral part of these financial statements.

  
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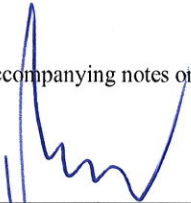
  
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**STATEMENT OF CHANGES IN EQUITY**

	Share capital	Share premium	Other reserves	Retained earnings	Total equity
	EUR	EUR	EUR	EUR	EUR
<b>Balance as of 31 December 2013</b>	<b>106,715</b>	<b>761,236</b>	-	<b>612,462</b>	<b>1,480,413</b>
Distribution of dividends	-	-	-	(120,000)	(120,000)
Profit for the reporting year	-	-	-	410,545	410,545
<b>Balance as of 31 December 2014</b>	<b>106,715</b>	<b>761,236</b>	-	<b>903,007</b>	<b>1,770,958</b>
Denomination of the share capital	(63)	-	63	-	-
Profit for the reporting year	-	-	-	489,018	489,018
<b>Balance as of 31 December 2015</b>	<b>106,652</b>	<b>761,236</b>	<b>63</b>	<b>1,392,025</b>	<b>2,259,976</b>

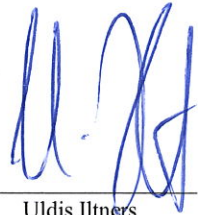
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27 May 2016

**NOTES TO THE FINANCIAL STATEMENTS****(1) STATEMENT OF ACCOUNTING POLICIES – GENERAL INFORMATION****Basis of preparation of the financial statements**

These financial statements have been prepared in accordance with the Laws of the Republic of Latvia on Accounting and on Annual Reports. The statement of profit and loss is prepared according to turnover costs method.

These are the Company's stand-alone financial statements. Management believes that consolidation will not provide new additional information, therefore consolidated financial statements are not prepared.

**Accounting principles applied**

The financial statements have been prepared in accordance with the following policies:

- a) Going concern assumption – the Company will continue as a going concern.
- b) Evaluation principles are consistent with the prior year.
- c) Items have been valued in accordance with the principle of prudence:
  - the financial statements reflect only the profit generated till the date of the balance sheet;
  - all incurred liabilities and current or prior year losses have been taken into consideration even if discovered within the period after the balance sheet date;
  - all impairments and depreciation have been taken into consideration irrespective of whether the financial result was a loss or profit.
- d) Income and expenses incurred during the reporting year have been taken into consideration irrespective of the payment date or date when the invoice was issued or received. Expenses have been matched with revenue for the reporting period.
- e) Asset and liability items have been valued separately.
- f) The opening balance sheet matches the prior year closing balance sheet.
- g) The financial statements contains all items, that have considerable influence in evaluation and economic decision making.
- h) Business transactions are recorded taking into account their economic content and substance, not merely the legal form.

**The reporting period**

The financial statements cover the period from 1 January to 31 December 2015.

**Translation of foreign currencies**

The accompanying financial statements are presented in the currency of the European Union, the Euro (hereinafter – EUR), which is the Company's functional and presentation currency.

All transactions denominated in foreign currencies are translated into the EUR at the European Central Bank rate of exchange prevailing on the transaction day. At the balance sheet date monetary assets and liabilities denominated in foreign currencies are translated at the European Central Bank rate of exchange prevailing on 31 December.

	<b>12/31/2015</b>	<b>12/31/2014</b>
USD	1.0887	1.2141
SEK	9.1895	9.3930
GBP	0.7339	0.7789
DKK	7.4626	7.4453

The gain or loss arising from fluctuations in foreign currency exchange rates are recognised in the statement of profit or loss.

**Related parties**

Related parties are shareholders of the Company and Board members, their close family members and companies controlled by these persons or companies in which these persons have significant influence.

**Investments**

- *Subsidiaries*

The subsidiary is the entity controlled directly or indirectly by another company (parent company - more than 50% of the shareholders' voting rights in this company). The parent company controls the subsidiary's financial and business policies.

- *Associates*

The associate is the entity over which the Company has significant influence (accompanying a shareholding of between 20% and 50% of the shareholders' voting rights in this company), but where the Company has no control over subsidiary's financial and business policies.

**Intangible assets and fixed assets**

Intangible assets and fixed assets are recognized at their cost of acquisition less depreciation and amortisation. Fixed assets are recognized as assets if their cost of acquisition exceeds EUR 600.

Acquired assets under EUR 600 are recognised as low value inventory.

The cost of fixed assets comprises its purchase price, import duties and non-refundable purchase taxes, any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Only the rights acquired for consideration are recognized as "Concessions, patents, licences, trademarks and similar rights".

Depreciation and amortisation is calculated over the useful life of the asset according to the straight-line method applying the following depreciation rates as the basis of calculation:

*Intangible assets:*

Licences	20-33	%
Other intangible assets	20	%

*Fixed assets:*

Machinery	20	%
Hardware and electronic equipment	33	%
Vehicles	20	%
Other fixed assets	20	%

The gain or loss arising from the sale of fixed assets are recognized in the statement of profit or loss for the respective period.

Repair and renovation expenses increasing the useful life or the value of the fixed asset are capitalized and depreciated over their useful life. Other repair and maintenance expenses are charged in income statement of the reporting period they are incurred.

Leasehold improvements are capitalized and are included in the asset's carrying amount. Leasehold improvements are amortised over the shorter of the useful life of the improvement and the term of the lease agreement on a straight-line basis.

Research costs are recognized in the income statement of the reporting period they are incurred. The Company's development costs are capitalized when its future recoverability can reasonably be demonstrated. Amortisation is calculated over the period of development cost recovery.

**Impairment of non-current assets**

If the value of non-current asset on the balance sheet date is lower than its acquisition value less accumulated depreciation, the asset is valued at its lower value.

**Valuation of inventories**

The cost of inventories is stated using the weighted average price method.

Inventories are stated at the lower of cost or net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the costs of product completion and selling expenses.

Inventories are recognized at net realisation value by decreasing the cost of inventories by the amount of provisions made.

**Receivables**

Receivables are recognized according to the amount of initial invoices, less allowances for doubtful debts. Allowances are made if receipt of the full amount of the debt is doubtful. Debts are written off if their recovery is considered as impossible.

**Cash and cash equivalents**

Cash and cash equivalents includes cash in bank accounts.

**Financial instruments**

- *Non-current loans and claims*

is financial assets which are created by the Company by providing money or rendering services directly to the debtor and which are not intended to be sold immediately or in short time period. Loans are recognised initially at cost value which is calculated by adding loan related issuance costs to the loan fair value. Subsequent to initial recognition all loans are stated at amortised cost, using the actual interest rate method. The amortised value is calculated using loan issuance costs as well as any discounts or bonuses related to the loan. The profit or loss arising from amortisation is recognised in the income statement under interest income and expenses. Appropriate provisions are created if an asset is impaired.

- *Other non-current financial investments*

Held-to-maturity investments are financial assets with fixed or determinable payments and fixed maturity dates that the Company has the positive intent and ability to hold to maturity. Loans are recognised initially at cost value which is calculated by adding loan related issuance costs to the loan fair value. Subsequent to initial recognition all loans are stated at amortised cost, using the actual interest rate method.

Available-for-sale financial assets are financial assets which are not issued loans, invoices and held-to-maturity investments. These assets can be sold in order to increase liquidity or interest rates in case of changes in rates or capital value. Available-for-sale financial assets are recognised at fair value. Changes in the carrying amount of available-for-sale financial assets are recognised in the equity under the revaluation reserve. Provisions are created if there is objective indication on impairment of an asset.

- *Current financial investments*

are financial assets held for sale which are acquired or incurred for the primary purpose of making a profit from short-term fluctuations in price or profit margins. Current financial investments are recognised at fair value. Changes in the carrying amount of current financial investments are recognised in the income statement.

**Finance lease liabilities**

Finance lease assets initially are recognized at their purchase value, recognizing the same amount of liabilities. Depreciation is calculated within all the economically useful life of the assets. The interest element of lease payments is charged to the income statement so that as to produce a constant periodic rate of interest on the remaining balance of the liability.

**Operating lease**

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

**Provisions**

Provisions are recognized when there is obligation (legal or constructive) as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated.

**Revenue recognition**

Revenue from the sale of goods is recognized as soon as a significant portion of ownership rights and risks of goods are transferred to the customer, and the reward can be measured reliably.

Revenue from rendering of services is recognized in proportion to the stage of completion of the order.

Revenue from dividends are recognized when the shareholder's rights arise to receive dividends.

Interest income is recognized in the corresponding period of time.

**Corporate income tax**

Corporate income tax includes current and deferred taxes. Corporate income tax is recognized in the income statement.

Current corporate income tax is calculated in accordance with the law on Corporate income tax applying a rate of 15% on taxable income generated by the Company during the taxation period.

Deferred corporate income tax is calculated for differences caused by temporary differences, which are caused by differences between the value of assets and liabilities in the financial statements and their value for tax purposes. Deferred tax is calculated by applying 15% tax rate provided in the law. The mentioned differences have mainly occurred due to different depreciation rates of fixed assets, which are used in the tax and financial accounting, for individual non-deductible accruals for tax purposes.

**Fair value**

The fair value represents the value, at which an asset may be disposed of or liabilities performed under normal market conditions. If, in the opinion of the management, the fair value of financial assets and liabilities may differ substantially from their accounting value, the fair value is disclosed in notes to financial statements.

**Use of estimates**

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, as well as income and expenses. The management has assessed the income statement and believes that the financial statements give a true and fair view of the financial position of the Company based on all the information currently available.

**(2) Net turnover**

Turnover is the income received during the year from the Company's main activities - the provision of services without value added tax. Revenue has been generated from the production and sale of cosmetics.

**Turnover by geographical markets:**

	<b>2015</b>	<b>2014</b>
	<b>EUR</b>	<b>EUR</b>
European Union	2,198,664	1,347,915
Latvia	1,819,003	1,629,799
Other	287,978	322,706
Trade discounts	(392,617)	(276,899)
Other revenue	2,305	1,702
<b>Total</b>	<b>3,915,333</b>	<b>3,025,223</b>

**(3) Cost of goods sold**

	<b>2015</b>	<b>2014</b>
	<b>EUR</b>	<b>EUR</b>
Materials cost	1,023,921	844,923
Remuneration for work	240,683	159,798
Premises rent and management costs	191,564	76,541
Fixed assets depreciation	101,833	64,227
New products research and development costs	89,109	52,337
Current assets write-off	74,021	34,756
Social security contributions	55,726	39,853
Resource costs	34,383	27,096
Production service costs	22,125	11,589
Other production and production maintenance costs	3,873	9,022
<b>Total</b>	<b>1,837,238</b>	<b>1,320,142</b>

**(4) Selling expenses**

	<b>2015</b>	<b>2014</b>
	<b>EUR</b>	<b>EUR</b>
Advertising costs	431,561	280,315
Transport costs	202,357	166,695
Remuneration for work	181,938	98,290
Social security contributions	51,290	30,174
Mediation services costs	51,157	35,838
Sample production costs	46,615	38,310
Internet store's WEB page maintenance costs and other IT costs	43,171	15,050
Packaging materials costs	32,739	37,057
Marketing bonus costs	31,727	24,747
Fixed assets depreciation	29,294	34,560
Work trip and exhibitions costs	28,162	61,809
Representation costs	20,660	6,239
ECOSERT quality certificate maintenance costs	12,838	18,755
Royalties	12,150	9,376
Other sales expenses	33,584	61,310
<b>Total</b>	<b>1,209,243</b>	<b>918,525</b>

**(5) Administration expenses**

	<b>2015</b>	<b>2014</b>
	<b>EUR</b>	<b>EUR</b>
Remuneration for work	120,145	90,100
Office costs	82,951	32,974
ERAF project management costs	27,788	-
Cash outflow related costs	27,307	19,133
Social security contributions	19,979	17,544
Communication costs	12,758	9,809
Accounting and management software maintenance costs	8,654	8,609
Allowance for doubtful receivables (see Note 18)	7,713	1,981
Depreciation and amortisation	6,080	10,546
Audit costs	4,950	5,318
Legal service costs	3,512	3,643
Bank loan management costs	2,211	3,973
Other management and administration costs	14,462	41,205
<b>Total</b>	<b>338,510</b>	<b>244,835</b>

**(6) Other operating income**

	<b>2015</b>	<b>2014</b>
	<b>EUR</b>	<b>EUR</b>
Revenues from the ERAF project L-APV-14-0111	32,622	-
Revenue from sales of current assets	6,281	4,144
Revenue from rent of premises	3,646	2,554
Other revenues	2,684	18,900
Revenues from the ERAF project L-ATA-14-2226	-	6,051
<b>Total</b>	<b>45,233</b>	<b>31,649</b>

**(7) Other operating expenses**

	<b>2015</b>	<b>2014</b>
	<b>EUR</b>	<b>EUR</b>
Resold purchased goods and services	8,439	2,445
Nature protection costs	4,304	7,534
Production development projects costs	-	55,129
Donations	-	16,065
Other expenses	8,777	4,062
<b>Total</b>	<b>21,520</b>	<b>85,235</b>

**(8) Interest and similar income**

	2015	2014
	EUR	EUR
Interest on issued loans	-	12,226
Net gain on foreign currency exchange rate fluctuations	-	1,546
Other interest income	36	65
<b>Total</b>	<b>36</b>	<b>13,837</b>

**(9) Interest and similar expenses**

	2015	2014
	EUR	EUR
Interest on borrowings	18,876	2,981
Interest on finance lease	1,513	2,963
Currency exchange rate fluctuations	1,299	-
Factoring fees	680	948
Penalties paid	8,856	149
<b>Total</b>	<b>31,224</b>	<b>7,041</b>

**(10) Deferred tax**

<b>Deferred tax temporary differences:</b>	2015	2014
	EUR	EUR
Temporary difference on finance and tax depreciation values of property, plant and equipment	69,378	13,307
Temporary difference on accrual for unused employee vacations	(7,032)	(5,596)
Temporary difference on other accruals	(2,237)	(5,935)
Tax return losses	(1,422)	-
Unrecognised deferred tax decrease	-	(23,062)
<b>Deferred tax liabilities</b>	<b>58,687</b>	<b>(21,286)</b>
At the beginning of the reporting year	24,838	10,062
Recognised deferred tax assets in the reporting year	33,849	14,776
<b>At the end of the reporting year</b>	<b>58,687</b>	<b>24,838</b>

**(11) Intangible assets**

	<b>Concessions, patents, licenses, trademarks and similar rights</b>	<b>Total intangible assets</b>
	<b>EUR</b>	<b>EUR</b>
<b>Cost as of 31.12.2014</b>	<b>52,597</b>	<b>52,597</b>
Additions	5,000	5,000
<b>Cost as of 31.12.2015</b>	<b>57,597</b>	<b>57,597</b>
<b>Accumulated amortisation as of 31.12.20</b>	<b>42,814</b>	<b>42,814</b>
Charge	3,805	3,805
<b>Accumulated amortisation as of 31.12.20</b>	<b>46,619</b>	<b>46,619</b>
<b>Net book value as of 31.12.2014</b>	<b>9,783</b>	<b>9,783</b>
<b>Net book value as of 31.12.2015</b>	<b>10,978</b>	<b>10,978</b>