

JUMBO EC.R SRL

**ANNUAL DIRECTORS' REPORT
ANNUAL FINANCIAL STATEMENTS
INDEPENDENT AUDITOR'S REPORT**

30 JUNE 2015

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JUMBO EC. R SRL

ANNUAL DIRECTORS' REPORT

30 JUNE 2015

The management of JUMBO EC. R S.R.L presents their Directors' Report and the Annual Financial Statements as at 30 June 2015 prepared under the International Financial Reporting Standards, adopted for use in the European Union ("*IFRS*").

DESCRIPTION OF ACTIVITIES

JUMBO EC. R SRL („*The Company*") is registered in the Trade Companies Register under № 7122, having the fiscal code RO 18921652 and headquarters' address in Romania, 51 Theodor Pallady Blvd. Bucharest district 3.

The Company has the following activity subject: manufacture and wholesale and retail trade of all kinds of goods, including kid's products, toys, baby's products, office consumables, clothes, shoes, accessories for clothes and shoes, furnitures, tourist equipment and appliances, presents, all kinds of electrical appliances, technics and electronics, foods and agricultural produce, industrial and craftsmanship goods and export of all abovementioned goods and products, and representations of local and foreign companies, manufacturing the same goods and products; execution of all kind of construction activities; sales and purchases, renting and utilizing of real estate; creation and exploitation of all kinds of tourist and hotel objects (hotels, restaurants, coffee shops, entertainment centres); advertising. The Company is entitled to all other kinds of activities that are not forbidden under the legislation of Republic of Romania.

The Company has stores at the territory of the cities of Bucharest, Timisoara, Oradea, Arad and Ploiesti.

The Company has predominantly retail sales to a large number of customers.

The major single customer of the Company during the financial period analyzed was JUMBO S.A., Greece ("*The Parent Company*").

The major suppliers of the Company during the financial period analyzed were the Parent Company for goods, electricity distributing companies, lessors of stores, transportation firms and others.

ANALYSIS OF THE ACTIVITIES' RESULTS

Sales Revenue

In June 2015 the Company generated sales revenue from sales of merchandise for the amount of LEI 110,020 thousand (2014: LEI 42,097 thousand) as disclosed in Note 15 to the financial statements. The increase in the sales revenue from sales of merchandise in 2015 is LEI 67,923 thousand (161 %) in comparison to 2014. The increase in sale is due mainly that Company has opened 4 new stores more specific Bucharest Berceni in October, Oradea shop in November, Arad shop in March and Ploiesti shop in June and an increase of the sales in the existing 2 stores Timisoara (by 32%) and Bucharest Pallady (by 27%).

Operating expenses

There is no significant change in the structure of the Operating expenses of the Company in comparison to the previous year. The Company's operating expenses, analysed on the basis of their nature and not on basis of the function they pertain to and without considering the cost of sold merchandise, were as follows:

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All amounts, apart from the shown percentages, are in LEI thousand

	Year 2015	%	Year 2014	%
Payroll expenses	11,805	33%	4,705	36%
Third parties' expenses and fees	4,689	13%	1,970	15%
Services received	3,440	10%	1,345	10%
Operating leases rent	3,704	10%	2,272	17%
Taxes and duties	1,504	4%	261	2%
Advertisement	-	0%	0	0%
Other various expenses	157	0%	146	1%
Depreciation of tangible assets	5,012	14%	671	5%
Small inventories	1,985	6%	388	3%
Other expenses	3,517	10%	1,240	3%
	35,813		12,997	

Financial Result

The financial result of the Company in June 2015 is a net profit of LEI 15,126 thousand (2014: LEI 6,325 thousand), which represents 13,75 % of the revenue from the sales of merchandise for 2015 (2014: 15.02 %). The increase in the Company's profit is due mainly of the expansion investments (the opening of 4 new shops – Berceni, Oradea, Arad, Ploiesti).

At the moment no meeting of the Board of Directors of the single shareholder is scheduled to be held in 2015 at which to be taken a decision for distribution of the realised financial result in the form of dividends and/or transfer of the realised financial result into the Retained earnings.

Non-current Assets

There is a significant change in the structure of the non-current assets of the Company in comparison to the end of the previous year. The non-current assets of the Company at the end of the reporting period were LEI 190,482 thousand, consisting of property, plant and equipment. Additional information about the non-current assets is disclosed in Notes 6, 7 to the financial statements.

Current Assets

There is significant change in the structure of the current assets of the Company in comparison to the end of the previous year. The current assets of the Company at the end of the reporting period were LEI 204,438 thousand, consisting mainly of cash amounting to LEI 65,233 thousand (31,91%). The remaining current assets represent mainly inventories amounting to LEI 27,086 thousand, as well as trade and other receivables amounting to LEI 111,247 thousand. Additional information about the current assets is disclosed in Notes 8, 9 and 10 to the financial statements.

Non-current Liabilities

There is a significant change in the structure of the non-current liabilities of the Company in comparison to the end of the previous year. The non-current liabilities of the Company at the end of the reporting period were LEI 57,794 thousand, consisting of Balance to be paid for the 2 new shops acquisitions and their Performance and Defects Guarantees related to these new 2 shops (Ploiesti and Arad). Additional information about the non-current liabilities is disclosed in Note 14 to the financial statements.

Current Liabilities

There is a significant change in the structure of the current liabilities of the Company in comparison to the end of the previous year. The current liabilities of the Company at the end of the reporting period were LEI 97,600 thousand,

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consisting mainly of trade and other payables for the amount of LEI 53,151 thousand (54,46 %). The remaining current liabilities represent current tax payables for the amount of LEI 1,745 thousand and other provisions for the other current liabilities amount of LEI 42,704 thousand. Additional information about the current liabilities is disclosed in Notes 13 to the financial statements.

Share Capital

With a decision of the Board of Directors of the Parent Company dated of subsequently August 2014, September 2014, December 2014, June 2015 the share capital of the Company is increased with LEI 204,035 thousand to LEI 218,230 thousand through an increase in the number of shares. The par value of a share is not changed; decreases only the number of shares, as disclosed in Note 12 to the financial statements.

The share capital of the Company at the end of the reporting period was LEI 218,230,441. The share capital consists of 16,786,957 shares with par value of LEI 13 each. The single shareholder of the Company as at 30 June 2015 and 2014 is JUMBO S.A., Greece, as disclosed in Note 12 to the financial statements.

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FINANCIAL RATIOS

		30 June 2015	30 June 2014
Liquidity			
Current ratio = Current assets / Current liabilities =	LEI 204,438 thousand / LEI 97,600 thousand	2.097	1.4660
Quick ratio = (Current assets – Inventory) / Current liabilities =	(LEI 204,438 thousand – LEI 27,086 thousand) / LEI 97,600 thousand =	1.817	1.091
Absolute ratio = Cash and cash Equivalents / Current liabilities =	LEI 65,233 thousand / LEI 97,600 thousand	0.668	1.012
Net working capital = Current assets – Current liabilities	= LEI 204,438 thousand – LEI 97,600 thousand =	106,838	11,668
Profitability			
Gross profit margin = Gross profit / Sales revenue =	LEI 51,340 thousand / LEI 110,120 thousand =	46.66%	44.92%
Pre-tax return on assets = Profit before income tax / Total assets =	LEI 18,405 thousand / LEI 394,920 thousand =	4.66%	16.68%
Return on equity = Comprehensive income / Equity =	LEI 2,616 thousand / LEI 239,507 thousand =	6.32%	31.08%
Activity			
Days in inventory = Average inventory * 365 / Cost of sales =	LEI 18,235 thousand * 365 / LEI 58,680 thousand =	113	148
Total asset turnover = Sales revenue / Average total assets =	LEI 110,020 thousand / LEI 220,163 thousand =	49.97%	166.1%

MANAGEMENT

The management of the Company is carried out by Marios Petridis and Evangelos Papaevangelou, as Administrators and Ana Maria Kotsis, Procurator.

The remunerations received in the year by the key management personnel are those disclosed in Note 26 E) to the financial statements.

FINANCIAL RISK MANAGEMENT

The Company's activities potentially expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Management monitors the overall risk and seeks to neutralise the potential negative effects on the financial position of the Company as disclosed in Note 3 to the financial statements.

EVENTS AFTER THE END OF THE REPORTING PERIOD

There are no events which occurred after the end of the reporting period and which have impact on the financial statements, as disclosed in Note 28 to the financial statements.

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OBJECTIVES FOR THE FUTURE DEVELOPMENT

One of the major objectives set by the management of the Company for the period July 2015 – June 2016 are achieving an optimisation of the operating expenses and increasing the sales revenue with around 10 % in comparison to the realised in 2015.

The Company is planning to open in October a new shop in Pitesti.

With regards to the development of personnel, the Company has an objective to keep the hired staff. In 2015 the Company will continue to invest in trainings and qualification of the employees.

MANAGEMENT'S RESPONSIBILITIES

The management have to prepare financial statements annually, which financial statements should give a true and fair view of the financial position of the Company at the end of the year and of its financial performance and its cash flows for the year in accordance with IFRS.

The management confirms that they have applied in a consistent manner adequate accounting policies and that in the preparation of the financial statements as at 30 June 2015 they have applied the principle for prudence in the valuation of assets, liabilities income and expenses.

The management also confirm that they have adhered to the applicable financial reporting standards and the financial statements were prepared on a going concern basis.

The management are responsible for the correct recording in the accounting registers, for the adequate management of the assets and for the execution of the proper measures for the prevention and detection of potential fraud and other irregularities.



Kotsis Ana Maria, Procurator
Bucharest
22 September 2015



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Statement of Financial Position
(All amounts in LEI thousands)

	NOTE	2015	AT 30 JUNE 2014
ASSETS			
Non-current assets			
Property, plant and equipment	6,7	190,482	8,745
		190,482	8,745
Current assets			
Inventory	8	27,086	9,385
Trade and other receivables	9	111,247	1,964
Other current assets	9	872	
Cash and cash equivalents	10	65,233	25,311
		204,438	36,660
TOTAL ASSETS		394,920	45,405
EQUITY AND LIABILITIES			
Equity			
Share capital	12	218,230	14,196
Translation reserve			
Other reserves		1,287	
Reterning earnings previous year		4,863	(174)
Retained earnings		15,126	6,325
		239,505	20,346
Minor interests			
Total Equity		239,506	20,346
Non-current liabilities			
Long Term loan liabilities			
Other long term liabilities	14	57,794	32
Deferred tax liabilities	11	20	35
Total non-current liabilities		57,814	67
Current liabilities			
Trade and other payables	13	53,151	18,882
Current tax liabilities	13	1,745	1,235
Other current liabilities	13	42,704	4,875
Total current liabilities		97,600	24,992
Total liabilities		155,414	25,059
TOTAL EQUITY AND LIABILITIES		394,920	45,405

These financial statements were approved by the Management on 22 September 2015

 Chief Accountant


 Kotsis Ana Maria, Procurator



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Statement of Comprehensive Income
(All amounts in LEI thousands)

	NOTE	YEAR ENDED 30 JUNE	
		2015	2014
Sales Revenue	15	110,020	42,097
Cost of sales	16	(58,680)	(23,186)
Gross profit		51,340	18,911
Distribution costs	17	(30,573)	(10,954)
Administrative expenses	18	(1,722)	(803)
Other income and gains	19	2,616	1,349
Other expenses and losses	20	(3,517)	(1,240)
Operating profit		18,144	7,263
Finance income	22	261	311
Finance costs			
Finance income – Net			
Profit before income tax		18,405	7,574
Income tax expense	23	(3,279)	(1,249)
Profit for the year		15,126	6,325
Other comprehensive income that will not be reclassified to profit or loss		-	-
Total other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		15,126	6,324

These financial statements were approved by the Management on 22 September 2015

Chief Accountant


Kotsis Ana Maria, Procurator




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Statement of Changes in Equity
(All amounts in LEI thousands)


	NOTE	Share capital	Statutory reserves	Retained earnings	Total
AT 1 JULY 2014		14,196	-	6,151	20,346
Comprehensive income					
Profit for the year		-	-	6,325	-
Other comprehensive income for the year		-	-	-	-
Total comprehensive income		-	-	6,325	-
AT 30 JUNE 2014		14,196	-	6,151	20,346
Comprehensive income					
Profit for the year		-	-	15,126	15,126
Other comprehensive income for the year		-	-	-	-
Total comprehensive income		-	-	15,126	15,126
Transactions with owners					
Share capital increase through issuing of new shares		204,034	-	-	204,034
Statutory reserves		-	1,287	(1,287)	-
Total transactions with owners		204,034	-	-	219,160
AT 30 JUNE 2015		218,230	1,287	19,989	239,506

These financial statements were approved by the Management on 22nd September 2015

 Chief Accountant



 Kotsis Ana Maria, Procurator



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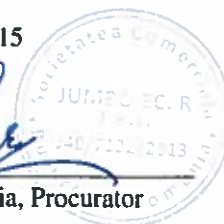
Statement of Cash-Flows
(All amounts in LEI thousands)

	<u>30 June 2015</u>	<u>30 June 2014</u>
Cash flows from operating activities		
Net profit for the period before tax	18,405	7,573
Adjustments for:		
Income taxes	(3,294)	(1,213)
Deferred tax liabilities	15	(35)
Depreciation of non current assets	5,012	890
Interest and related income	(260)	(311)
Interest and related expenses		
Operating profit before change in working capital	<u>19,878</u>	<u>6,903</u>
Change in working capital		
(Increase) / decrease in inventories	(17,701)	(9,373)
(Increase) / decrease in trade and other receivables	(109,283)	(1,955)
(Increase) / decrease in other current and non-current assets	(872)	
Increase/ (decrease) in trade payables	57,829	21,357
Other		(1)
Cash flows from operating activities	<u>(50,150)</u>	<u>16,932</u>
Cash flows from operating activities		
Cash flows from operating activities	(50,150)	16,932
Paid income taxes	(2,959)	(766)
Net cash flows from operating activities	<u>(53,109)</u>	<u>16,166</u>
Cash flows from investing activities		
Purchases of property, plant and equipment	(111,265)	(5,038)
Purchases of intangible assets		(266)
Refunded other taxes	260	311
Net cash flows from investing activities	<u>(111,005)</u>	<u>(4,993)</u>
Cash flows from financing activities		
Proceeds from share capital increase	204,035	8,868
Payments for finance lease		
Interest received		
Bank charges		
Net cash flows from financing activities	<u>204,035</u>	<u>8,868</u>
Net increase / (decrease) in cash and cash equivalents	<u>39,921</u>	<u>20,041</u>
Cash and cash equivalents at beginning of the period	25,312	5,270
Exchange difference cash and cash equivalents		
Cash and cash equivalents at end of the period	65,233	25,312

These financial statements were approved by the Management on 22 September 2015

Chief Accountant


Kotsis Ana Maria, Procurator



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(All amounts in LEI thousands unless otherwise stated)

1. GENERAL INFORMATION

JUMBO EC. R SRL („*The Company*”) is a solely owned limited liability company registered in Romania with domicile 51 Theodor Pallady Blvd. Bucharest district 3.

The main activities carried out by the Company are manufacture and wholesale and retail trade of all kinds of goods, including kid's products, toys, baby's products, office consumables, clothes, shoes, accessories for clothes and shoes, furnitures, tourist equipment and appliances, presents, all kinds of electrical appliances, technics and electronics, foods and agricultural produce, industrial and craftsmanship goods and export of all abovementioned goods and products, and representations of local and foreign companies, manufacturing the same goods and products. The Company is entitled to all other kinds of activities that are not forbidden under the legislation of Republic of Romania.

The parent Company which is also the ultimate parent of the Group which the Company is a part of is JUMBO S.A., Greece.

These financial statements were approved for publishing by the Management on 22 September 2015.

2. ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1. BASIS OF PREPARATION OF THE ANNUAL FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with International Financial Reporting Standards („*IFRS*”), published by the International Accounting Standards Board (“*IASB*”) and adopted for use in the European Union by the Commission of the European Union („*the European Commission*”). The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

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2.1.1. NEW STANDARDS, AMENDMENTS TO EXISTING STANDARDS AND INTERPRETATIONS EFFECTIVE IN 2015 AND AFTERWARDS, RELEVANT TO BUT NOT EARLY ADOPTED BY THE COMPANY

The following standards, amendments and interpretations are published and are mandatory for reporting periods beginning on different dates, the earlier of which is 17 June 2014 and are relevant to the Company:

IFRS 9 “Financial Instruments” (published by IASB in July 2014, expecting adoption by the European Commission, effective for reporting periods beginning on or after 1 January 2018) The package of improvements introduced by IFRS 9 includes a logical model for classification and measurement, a single, forward-looking “expected loss” impairment model and a substantially-reformed approach to hedge accounting, as follows:

- **Classification and measurement:** IFRS 9 introduces a logical approach for the classification of financial assets, which is driven by cash flow characteristics and the business model in which an asset is held. This single, principle-based approach replaces existing rule-based requirements that are generally considered to be overly complex and difficult to apply. The new model also results in a single impairment model being applied to all financial instruments, thereby removing a source of complexity associated with previous accounting requirements.
- **Impairment:** IFRS 9 introduces a new, expected-loss impairment model that will require more timely recognition of expected credit losses. Specifically, the new Standard requires entities to account for expected credit losses from when financial instruments are first recognised and to recognise full lifetime expected losses on a more timely basis.
- **Hedge Accounting:** IFRS 9 introduces a substantially-reformed model for hedge accounting, with enhanced disclosures about risk management activity.
- **Own credit:** IFRS 9 also removes the volatility in profit or loss that was caused by changes in the credit risk of liabilities elected to be measured at fair value. This change in accounting means that gains caused by the deterioration of an entity’s own credit risk on such liabilities are no longer recognised in profit or loss.

The Company will apply the new standard after its adoption by the European Commission. At the moment, the potential impact of the standard on the financial statements cannot be assessed.

IFRS 15 “Revenue from Contracts with Customers” (published by IASB in May 2014, expecting adoption by the European Commission, effective for reporting periods beginning on or after 1 January 2017) The core principle of the new standard is for companies to recognise revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the company expects to be entitled in exchange for those goods or services. The new standard will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively (for example, service revenue and contract modifications) and improve guidance for multiple-element arrangements. The Company will apply the new standard after its adoption by the European Commission. At the moment it is not expected that the new Standard will affect significantly the financial statements of the Company.

IAS 1 (Amendments) “Disclosure Initiative” (published by IASB in December 2014, expecting adoption by the European Commission, effective for reporting periods beginning on or after 1 January 2016) The amendments to the standard are designed to further encourage companies to apply professional judgement in determining what information to disclose in their financial statements. For example, the amendments make clear that materiality applies to the whole of financial statements and that the inclusion of immaterial information can inhibit the usefulness of financial disclosures. Furthermore, the amendments clarify that companies should use professional judgement in determining where and in what order information is presented in the financial disclosures. The Company will apply the amendments to the standard after their adoption by the European Commission. At the moment it is not expected that this will affect significantly the financial statements of the Company.

IFRIC 21 “Levies” (published by IASB in May 2013, adopted by the European Commission in June 2014, effective for reporting periods beginning on or after 17 June 2014) IFRIC 21 is an interpretation of IAS 37. IAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a

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present obligation as a result of a past event (known as an obligating event). The Interpretation clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy. The Company will apply the Interpretation after becoming effective. At the moment it is not expected the application of this Interpretation to have significant impact on the financial information of the Company.

Annual Improvements to IFRSs 2010 – 2012 Cycle & 2011 – 2013 Cycle (published by IASB in December 2013, adopted by the European Commission in December 2014, effective for reporting periods beginning on or after 1 January or 1 February 2015) The amendments relates to the following standards and respective topics:

- **IFRS 1** – meaning of ‘effective IFRSs’;
- **IFRS 2** – definition of vesting condition;
- **IFRS 3** – accounting for contingent consideration in a business combination and scope exemptions for joint ventures;
- **IFRS 8** – aggregation of operating segments and reconciliation of the total of the reportable segments’ assets to the entity’s assets ;
- **IFRS 13** – short-term receivables and payables and scope of paragraph 52 (portfolio exception);
- **IAS 16** – revaluation method – proportionate restatement of accumulated depreciation;
- **IAS 24** – key management personnel;
- **IAS 38** – revaluation method – proportionate restatement of accumulated depreciation; and
- **IAS 40** – clarifying the interrelationship between IFRS 3 and IAS 40 when classifying property as investment property or owner-occupied property.

The Company will apply the amendments to the applicable standards after becoming effective but this is not expected to significantly affect its financial statements.

Annual Improvements to IFRSs 2012 – 2014 Cycle (published by IASB in September 2014, expecting adoption by the European Commission, effective for reporting periods beginning on or after 1 January 2016) The amendments relates to the following standards and respective topics:

- **IFRS 5** – changes in methods of disposal;
- **IFRS 7** – servicing contracts and applicability of the amendments to IFRS 7 to condensed interim financial statements;
- **IAS 19** – discount rate: regional market issue; and
- **IAS 34** – disclosure of information “elsewhere in the interim financial report”.

The Company will apply the amendments to the applicable standards after their adoption by the European Commission but this is not expected to significantly affect its financial statements.

2.1.2. NEW STANDARDS, AMENDMENTS TO EXISTING STANDARDS AND INTERPRETATIONS EFFECTIVE IN 2015 AND AFTERWARDS AND NOT RELEVANT TO THE COMPANY

The following standards, amendments and interpretations are published and are mandatory for reporting periods beginning on different dates, the earlier of which is 1 February 2015 and are not relevant to the Company:

- **IFRS 10 and IAS 28 (Amendments) “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”**
- **IFRS 10, IFRS 12 and IAS 28 (Amendments) “Investment Entities: Applying the Consolidation Exception”**
- **IFRS 11 (Amendments) “Accounting for Acquisitions of Interests in Joint Operations”**
- **IFRS 14 “Regulatory Deferral Accounts”**
- **IAS 16 and IAS 38 (Amendments) “Clarification of Acceptable Methods of Depreciation and Amortisation”**
- **IAS 16 and IAS 41 (Amendments) “Bearer Plants”**
- **IAS 19 (Amendments) “Defined Benefit Plans: Employee Contributions”**
- **IAS 27 (Amendments) “Equity Method in Separate Financial Statements”**

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(All amounts in LEI thousands unless otherwise stated)

2.2. FOREIGN CURRENCY TRANSLATION

2.2.1. FUNCTIONAL AND PRESENTATION CURRENCY

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Romanian Lei (LEI), which is the Company's functional and presentation currency. The Romanian Leu is not fixed to the EUR, having fluctuations based on monetary policy of Romania.

2.2.2. TRANSACTIONS AND BALANCES

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of comprehensive income. The closing exchange rates of the LEI against the major foreign currencies relevant to the Company's operations for the reporting periods of the financial statements are as follows:

	AT 30 JUNE	
	2015	2014
1 EUR	4.4725	4.3830

2.3. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment except for lands are shown at cost less subsequent depreciation and impairment. Land is shown at cost less impairment. Cost includes the purchase price, including customs duties and non-refundable taxes, if any, as well as expenditure that is directly attributable to the acquisition of the items. Cost does not include borrowing costs for there are no qualifying assets.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of comprehensive income during the financial period in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

	YEARS
Buildings	32
Machines and equipment	5 – 10
Computers	3 – 4
Furniture and fittings	5 – 10

The assets' residual values and useful lives are reviewed by the management, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

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Gains and losses on disposals are determined by comparing proceeds with the carrying amounts of the disposed assets. These are included in the Statement of comprehensive income in other income or other expenses line items.

2.4. INTANGIBLE ASSETS

2.4.1. COMPUTER SOFTWARE

Separately acquired computer software programmes are carried at cost less subsequent amortisation and impairment. Cost includes the purchase price and other expenditure that is directly attributable to the acquisition of the items and the preparation of the assets for their expected use. Cost does not include borrowing costs for there are no qualifying assets. These intangible assets have finite useful lives. Amortisation is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Computer software	YEARS 3 – 4
-------------------	-----------------------

Costs associated with maintaining computer software programmes are recognised as an expense as incurred.

2.5. IMPAIRMENT OF NON-FINANCIAL ASSETS

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the following two: (1) an asset's fair value less costs to sell and (2) value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

2.6. FINANCIAL ASSETS

2.6.1. CLASSIFICATION OF FINANCIAL ASSETS

The Company classifies its financial assets as loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and that are not designated at their initial recognition as held for trading, at fair value through profit or loss or available for sale. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period, which are classified as non-current. Loans and receivables include trade and other receivables (except for the advances paid to suppliers) as well as cash and cash equivalents on the Statement of financial position (Notes 2.8 and 2.9).

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2.6.2. RECOGNITION AND MEASUREMENT OF FINANCIAL ASSETS

At their recognition, the financial assets are measured at fair value, plus, for those financial assets that are not carried at fair value through profit or loss, the transaction costs which are directly attributable to the acquisition of the financial assets.

Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership of the financial assets.

2.6.3. IMPAIRMENT OF FINANCIAL ASSETS CARRIED AT AMORTISED COST

The company assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The criteria that the company uses to determine that there is objective evidence of an impairment loss include:

- ✓ Significant financial difficulty of the issuer or obligor;
- ✓ A breach of contract, such as a default or delinquency in interest or principal payments;
- ✓ The company, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider;
- ✓ It becomes probable that the borrower will enter bankruptcy or other financial reorganisation;
- ✓ The disappearance of an active market for that financial asset because of financial difficulties; or
- ✓ Observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the portfolio, including adverse changes in the payment status of borrowers in the portfolio and national or local economic conditions that correlate with defaults on the assets in the portfolio.

The company first assesses whether objective evidence of impairment exists separately for financial assets that are individually significant and separately or in aggregate for financial assets that are not individually significant.

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The asset's carrying amount of the asset is reduced and the amount of the loss is recognised in the profit or loss. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the profit or loss.

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2.6.4. OFFSETING FINANCIAL ASSETS AND LIABILITIES

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

2.7. INVENTORY

Inventories are stated at the lower cost or net realizable value. The delivery cost of inventories includes the sum of all purchase costs, or other costs incurred in bringing the inventories to their present location and condition. Cost excludes borrowing costs for there are no qualifying assets. Net realizable value is the estimate of the selling price in the ordinary course of business, less estimated costs necessary to make the sale. The method used to determine cost of inventories when they are expensed is weighted average cost.

2.8. TRADE RECEIVABLES

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in 12 months or less from the period end, they are classified as current assets. If not, they are presented as noncurrent assets.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost (using the effective interest method), less provision for impairment.

If some of the criteria described in p. 2.6.3 exist including delinquency in payments (more than 30 days) are considered indicators that the trade receivable is impaired. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the Statement of comprehensive income. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against the Statement of comprehensive income.

2.9. CASH AND CASH EQUIVALENTS

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of 3 months or less.

2.10. SHARE CAPITAL

The Company reports its share capital on the nominal value of the shares as registered in the Trade register.

2.11. TRADE PAYABLES

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within 12 months or less after the period end. If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

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2.12. BORROWINGS

Borrowings are classified as current liabilities when the payment is to be executed within 12 months after the period end and unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period. If not, they are presented as non-current liabilities.

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the Statement of comprehensive income over the period of the borrowings using the effective interest method.

2.13. CURRENT AND DEFERRED INCOME TAX

The income tax expense, included in the profit or loss for the period, comprises current and deferred tax expense. Current and deferred tax is recognised in the profit or loss, except to the extent that it relates to items recognised during the current year or previously in other comprehensive income or directly in equity. In this case the current and deferred tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge, as well as the current tax assets/liabilities for the current and previous periods is calculated on the basis of the amount that is expected to be paid/received to the taxation authorities when applying the tax rates (and tax laws) enacted or substantively enacted at the end of the reporting period. The current income tax for the current and previous periods is recognised as a liability (Current income tax liabilities) to the extent that it is not paid. If the already paid amount for current income tax is greater than the amount payable for the current and previous periods the excess is recognised as an assets (Current income tax receivables).

Deferred income tax is recognised, using the liability method, on all taxable or refundable temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss. Deferred income tax assets and liabilities are determined using tax rates (and tax laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on one taxable entity. The deferred assets/liabilities are presented netted in the Statement of financial position.

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2.14. PROVISIONS

Provisions are recognised when: the Company has a present legal or constructive obligation 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. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense in the Statement of comprehensive income.

2.15. REVENUE RECOGNITION

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and rendering of services in the ordinary course of the Company's activities. Revenue is shown net of value-added tax, returns, rebates and discounts.

2.15.1 SALES OF GOODS

Sales of goods are recognised when the Company has transferred to the client the significant risks and rewards inherent to the ownership of the goods, no managerial involvement and effective control over the goods has been retained, the amount of revenue and the costs incurred or to be incurred in relation to the transaction can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the Company.

2.15.3 INTEREST INCOME

Interest income is recognised using the effective interest method. When a loan and receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loan and receivables are recognised using the original effective interest rate.

2.16. LEASES

The Company classifies the lease contracts as finance or operating lease based on the extent to which the risks and rewards of ownership are to the lessor or the lessee. A lease contract is classified as a finance lease if it transfers substantially all the risks and rewards of ownership to the lessee. In all other cases the lease contract is classified as an operating lease. The classification of the contracts is made at the inception of the lease.

2.17 OPERATING LEASE WHERE THE COMPANY IS A LESSEE

The company holds hired assets of property, plant and equipment under operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the Statement of comprehensive income on a straight-line basis over the period of the lease.

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2.18. RELATED PARTIES

For the purposes of these financial statements, the Company presents as related parties its parent company and its related parties thereof, the Company's key management personnel and their close family members and their related parties thereof.

2.19. DIVIDEND DISTRIBUTION

Dividend distribution to the Company's single shareholder is recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Board of Directors of the parent company.

2.20. GAIN AND LOSSE FROM FOREIGN EXCHANGE

The Gains and losses resulted from foreign exchange are disclosed as operating income/ revenues,

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3. FINANCIAL RISK MANAGEMENT

3.1. FINANCIAL RISK FACTORS

The Company's activities potentially expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance. Financial risk management is carried out by the management in accordance with the selected and approved policy.

3.1.1. MARKET RISK

(A) CURRENCY RISK

The Company operates in Romania and since the Romanian Leu (LEI) has been officially pegged to the Euro (EUR) at a variable rate (Note 2.2.1), it is exposed to foreign exchange risk only from purchases, related to the construction of property, plant and equipment, denominated in foreign currencies other than the EUR, mainly: US dollar (USD). The currency risk is monitored and minimised only by the minimisation of the portion of those purchases. The Company has no assets or liabilities denominated in USD as at 30 June 2015.

(B) INTEREST RATE RISK

The Company has significant interest bearing assets in the form of short-term bank deposits but the Company's income and cash in-flows from operating and financing activity are to a high degree independent of changes in the market interest rates since the interest bearing assets are contracted at fixed interest rates. The Company has no assets with floating rates as at 30 June 2015. The Company has no significant interest bearing liabilities.

(C) OTHER PRICE RISK

The Company is not exposed to other price risk regarding investments held by it since it has no available-for-sale assets or assets accounted for at fair value through profit and loss. The Company is not exposed to other price risk and with regards to financial assets related to price levels of commodities.

3.1.2. CREDIT RISK

Credit risk is managed centralised by the Management of the Company. Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding current receivables. For banks and financial institutions, the Company uses the services only of Romanian banks with good reputation. With regards to customers, apart from the sales to the Parent Company, the Company sells merchandise to end customers, predominantly in cash and no credit limits are allowed.

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3.1.3. LIQUIDITY RISK

Liquidity risk management implies maintaining sufficient cash, cash equivalents and marketable securities, as well as the availability of funding through an adequate amount of committed credit facilities, such as bank overdrafts and revolving credit lines, if considered necessary.

Management monitors forecasts of the Company's liquidity reserve comprising cash and cash equivalents (Note 10). The forecasts are based on the expected cash flows.

The non-derivative financial liabilities have the following maturities, where the amounts disclosed are the contractual undiscounted cash flows:

AT 30 JUNE 2015	Less than 6 months	Between 6 months and 1 year	Between 1 and 5 years	Over 5 years	Total
Trade and other payables	97,563		57,794	-	155,367
Total	97,563		57,794	-	155,367

AT 30 JUNE 2014	Less than 6 months	Between 6 months and 1 year	Between 1 and 5 years	Over 5 years	Total
Trade and other payables	11,444	18,116	32	-	29,591
Total	11,444	18,116	32	-	29,591

In the category of trade and other payables are not included those arising from regulatory requirements (tax payables and social security payables) as well as the advances paid from customers and the deferred revenue.

There are no non-derivative financial liabilities for which the cash flows to occur earlier than the periods shown in the table above.

3.2. CAPITAL RISK MANAGEMENT

The Management's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to provide adequate returns for the shareholder and benefits for other stakeholders. Management is trying to achieve those objectives through adequate pricing of the goods and the services comparable to the risk level and through maintaining optimal capital structure aimed at minimisation of its cost.

The Company is not subject to externally imposed capital requirements. The Company manages the capital structure and makes relevant adjustments according to the changes of the economic conditions and the risk characteristics of the major assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to the shareholder, return capital to shareholder, issue new shares or sell assets to reduce debt.

The Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (as shown in the Statement of financial position) less cash and cash equivalents. The total capital is calculated as equity (as shown in the Statement of financial position) plus the net debt.

In 2015 the Company's strategy, which was unchanged from 2014, was not to use borrowings.

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3.3. FAIR VALUE ESTIMATION

The Company has no financial instruments that are carried at fair value at the Statement of financial position. The fair values for disclosure purposes of the following financial instruments are assumed to approximate their carrying values:

- Trade and other receivables;
- Cash and cash equivalents; and
- Trade and other payables.

3.4. OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The Company offsets financial assets and financial liabilities under a contract for offsetting accounts receivables concluded in 2013 with JUMBO SA, Greece (Parent Company) and under a contract for offsetting accounts receivables concluded in 2014 with JUMBO EC. B EOOD, Bulgaria (Other related party).

3.4.1. FINANCIAL LIABILITIES

The following financial liabilities are subject to offsetting in the Statement of financial position due to the fact that they are encompassed by enforceable master netting arrangements or similar agreements:

AT 30 JUNE 2015	Gross amount of recognised financial liabilities	Gross amount of recognised financial assets set off in the Statement of financial position	Net amount of financial liabilities presented in the Statement of financial position
Payables to JUMBO SA, Greece	56,557	-	56,557
Payables to JUMBO EC. R SRL, Romania	92	-	92
Total	56,649	-	56,649

AT 30 JUNE 2014	Gross amount of recognised financial liabilities	Gross amount of recognised financial assets set off in the Statement of financial position	Net amount of financial liabilities presented in the Statement of financial position
Payables to JUMBO SA, Greece	19,346	-	19,346
Total	19,346	-	19,346

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements 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.

4.1 CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

The Company makes estimates and assumptions concerning the future. Notwithstanding the fact that those estimates are made by the Management on the basis of its best knowledge of the events and activities in the period, the resulting accounting estimates will, by definition, seldom equal the related actual results. There were no key assumptions regarding the future and other sources of uncertainty concerning the estimates at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

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4.2 CRITICAL JUDGEMENTS IN APPLYING THE COMPANY'S ACCOUNTING POLICIES

There were no critical judgements made by the Management, apart from those related to the estimates, which significantly impact the amounts recognised in the financial statements.

5. FINANCIAL INSTRUMENTS BY CATEGORY

AT 30 JUNE 2015

Financial assets	Loans and receivables
Trade and other receivables (Note 9)	111,247
Cash and cash equivalents (Note 10)	65,233
Total financial assets in the Statement of financial position	176,480
Financial liabilities	Financial liabilities at amortised cost
Trade and other payables (Note 13)	53,151
Other current liability (Note 13)	42,704
Total financial liabilities in the Statement of financial position	95,855

AT 30 JUNE 2014

Financial assets	Loans and receivables
Trade and other receivables (Note 9)	1,964
Cash and cash equivalents (Note 10)	25,311
Total financial assets in the Statement of financial position	27,275
Financial liabilities	Financial liabilities at amortised cost
Trade and other payables (Note 13)	18,882
Other current liability (Note 13)	4,875
Total financial liabilities in the Statement of financial position	23,757

Trade and other receivables shown above do not include those arising from regulatory requirements (other tax receivables), as well as advances paid to suppliers and deferred charges.

Trade and other payables shown above do not include those from regulatory requirements (other tax payables and Social security payables), as well as advances received from clients and deferred revenue.

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6. PROPERTY, PLANT AND EQUIPMENT (PPE) and INTANGIBLE ASSETS

	Land	Buildings	Furnitures, computers and machines	Software	Assets under construction	Total
AT 1 JULY 2014						
Cost	-	-	8,637	303	475	9,415
Accumulated depreciation	-	-	(643)	(28)	-	(671)
Net book amount	-	-	7,995	275	475	8,745
YEAR ENDED 30 JUNE 2015						
Additions	30,026	135,000	19,899	431	34,233	219,588
Transfers	-	-	-	-	(32,838)	(32,838)
Depreciation charge	-	(2,296)	(2,561)	(155)	-	(5,012)
Closing net book amount	30,026	132,703	25,332	550	1,870	190,482

AT 1 JULY 2013						
Cost	-	-	-	-	-	-
Accumulated depreciation	-	-	-	-	-	-
Net book amount	-	-	-	-	-	-
YEAR ENDED 30 JUNE 2014						
Additions	-	-	8,637	303	475	9,415
Disposals and transfers	-	-	-	-	-	-
Depreciation charge	-	-	(643)	(28)	-	(671)
Closing net book amount	-	-	7,995	275	475	8,745

AT 30 JUNE 2015						
Cost	30,026	135,000	28,536	734	1,870	196,165
Accumulated depreciation	-	(2,296)	(3,203)	(183)	-	(5,683)
Net book amount	30,026	132,703	25,882	1,870	1,870	190,482

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Depreciation and amortization expenses are reported as follows: 4,937 (2014: 655) in Distribution costs (Note 17) and 75 (2013: 15) in Administrative expenses (Note 18).

Lease rental payments amounting to 3,704 (2013: 2.271) relating to the lease of land and buildings are included in the Statement of comprehensive income (Notes 17 and 18).

7. INTANGIBLE ASSETS (please see Note 6)

Software

AT 1 JULY 2014	
Cost	303
Accumulated depreciation	(28)
Net book amount	275

YEAR ENDED 30 JUNE 2015	
Additions	431
Transfers	-
Depreciation charge	(155)
Closing net book amount	550

AT 1 JULY 2013	
Cost	-
Accumulated depreciation	-
Net book amount	-

YEAR ENDED 30 JUNE 2014	
Additions	303
Disposals and transfers	-
Depreciation charge	(28)
Closing net book amount	275

AT 30 JUNE 2015	
Cost	734
Accumulated depreciation	(183)
Net book amount	-

8. INVENTORY

	30 JUNE 2015	30 JUNE 2014
Merchandise	26,978	9,373
Other Merchandise (consumables)	108	12
Total	27,086	9,385

The cost of merchandise recognised as expense and included in Cost of sales amounted to 58,680 (2014: 23,186) (Note 16).

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9. TRADE AND OTHER RECEIVABLES

	30 JUNE 2015	30 JUNE 2014
Trade receivables	9	1,964
Amounts due from Parent (Note 26(C))	92,639	-
Other tax receivables	18,599	-
Total trade and other receivables	111,247	1,964

The fair values of current trade and other receivables approximate their carrying amounts.

Other tax receivables represent the amount of VAT resulted from the investment activities , that means from the acquisition of 5 new shops. The Company has not submitted any claim for refunding, expecting to be compensated through VAT on sales.

Other Current assets

Other current assets in amount of 872 are the prepaid expenses, which are made for short term period (under 1 year) rent of buildings,

At 30 June 2015 no trade and other receivables were overdue.

At 30 June 2015 no trade and other receivables were impaired.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above except for the advances paid to suppliers and the deferred charges. The Company does not hold any collateral as security on trade and other receivables.

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10. CASH AND CASH EQUIVALENTS

	30 JUNE 2015	30 JUNE 2014
Cash in hand	437	139
Cash at bank	64,487	11,920
Short-term bank deposits	-	12,981
Cash in transit	309	271
Total cash and cash equivalents	65,233	25,311

Cash and cash equivalents are financial assets that are neither overdue nor impaired and do not expose the Company to credit risk.

For the Statement of cash flows, cash and cash equivalents include the amounts shown above.

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11. DEFERRED INCOME TAX ASSETS AND LIABILITIES

Deferred income tax assets and liabilities are accounted for all temporary differences arising from differences between the accounting and tax carrying values of the assets and the liabilities, at the tax rate of 16% (2014: 16%), which is to be effective at the time they are realised.

The deferred tax assets and liabilities are analysed as follows:
The Company does not have deferred tax assets as at 30 June 2015.

	30 JUNE 2015	30 JUNE 2014
Deferred income tax liabilities		
– Deferred income tax liabilities to be recovered after 12 months	(20)	(35)
Total deferred income tax liabilities	(20)	(35)
Deferred income tax assets – net	(20)	(35)

The gross movement on the deferred income tax account was as follows:

	30 JUNE
AT 30 June 2014	(35)
(Charged)/credited to profit or loss (Note 23)	15
Tax (charge)/credit relating to components of other comprehensive income (Note 23)	-
AT 30 June 2015	(20)

The movement in deferred tax assets and liabilities by elements during the period was as follows:

	Property, plant and equipment	Total
Deferred tax liabilities		
AT 30 JUNE 2013	0	0
(Charged)/credited to profit or loss	(35)	(35)
AT 30 JUNE 2014	(35)	(35)
(Charged)/credited to profit or loss	(15)	(15)
AT 30 JUNE 2015	(20)	(20)

At 30 JUNE 2015 the Company has no tax losses to carry forward.

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12. SHARE CAPITAL

	Number of shares	Amount
AT 30 JUNE 2013	1,091,991	14,196
AT 30 JUNE 2014	1,091,991	14,196
Increasing t of shares	15,694,966	204,034
AT 30 JUNE 2015	16,786,957	218,230

With several decisions of the Board of Directors of the Parent Company dated August 2014, September 2014, December 2014, June 2015 the share capital of the Company is increased with LEI 204,034 thousands to LEI 218,230 thousand through an increase in the number of shares. The new amount of the share capital after the increase is LEI 218,230 thousand and is consisted of 16,786,957 shares with par value of LEI 13 per share.

All issued shares are fully paid.

The Company single shareholder at 30 June 2015 and 2014 was JUMBO S.A., Greece.

13. LIABILITIES

13.1 TRADE AND OTHER PAYABLES

	30 JUNE 2015	30 JUNE 2014
Trade payables – Suppliers of goods (note 26)	51,377	18,116
Other trade payables	1,773	765
Advances from customers	1	1
Total trade and other trade payables	53,151	18,882

The fair values of trade and other payables approximate their carrying amounts.

Other trade payables represent other internal suppliers.

13.2 Current tax liabilities

	30 JUNE 2015	30 JUNE 2014
Expense for income tax corresponding the period	728	409
liabilities from taxes VAT	-	780
tax on salaries	124	44
Other taxes - analysis below	892	2
Total	1,745	1,235

13.3 Other Short term liabilities

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	30 June 2015	30 June 2014
Suppliers of fixed assets EU intercompany and intercompany (Note 26)	14,084	4,567
Suppliers of fixed assets internal	27,771	-
Salaries payable to personnel	464	159
Social security liabilities	382	149
Other liabilities acc. 462	2	-
Total	42,704	4,875

14 Long term Other Paybles

	30 June 2015	30 June 2014
<i>Guarantees obtained</i>		
Opening balance	32	-
Additions	1,449	32
Reductions	-	-
Total	1,481	32
<i>Liabilities to suppliers of fixed assets</i>		
Opening balance	-	-
Additions (balance payable 2016,2017)	56,312	-
Reductions	-	-
Total	56,312	-
Balance as at 30/06/2015	57,794	32

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15. SALES REVENUE

	30 June 2015	30 June 2014
Sales of merchandise on the domestic market	107,748	41,477
Sales of merchandise on foreign market (Note 26)	2,272	620
Total revenue	110,020	42,097

16. COST OF SALES

	30 June 2015	30 June 2014
Inventory Merchandise at the beginning of period (Note 8)	9,373	-
Purchases	77,027	32,761
Discounts on purchases	(742)	(354)
Surpluses of merchandise	-	152
Shortages and wastage of merchandise	-	-
Impairment of inventory	-	-
Consumable items	-	(12)
Inventory in the end of the period (Note 8)	26,978	9,385
Total cost of sales	58,680	23,186

17. DISTRIBUTION COSTS

	30 June 2015	30 June 2014
Depreciation and amortisation charges (Notes 6 and 7)	4,937	656
Small inventories	1,976	314
Payroll expenses (Note 21)	11,208	4,323
External services	3,019	1,079
Electricity, gas	4,578	1,970
Operating leases- rent	3,701	2,261
Taxes and duties	1,021	240
Other expenses	132	111
Total distribution costs	30,573	10,954

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18. ADMINISTRATIVE EXPENSES

	30 June 2015	30 June 2014
Payroll expenses (Note 21)	597	381
External services	531	265
Operating leases- rent	3	10
Depreciation and amortisation charges (Note 6)	75	15
Small inventories	8	74
Taxes and duties	483	21
Other expenses	25	35
Total administrative expenses	1,722	802

19. OTHER INCOME AND GAINS

	30 June 2015	30 June 2014
Surpluses of merchandise	824	152
Sales of other goods	92	55
Surpluses of cash	28	6
Operating gains on foreign currencies	1,673	1,107
Total other income and gains	2,616	1,349

20. OTHER EXPENSES AND LOSSES

	30 June 2015	30 June 2014
Other expenses (Exchange differences)	3,517	1,240
Total other expenses and losses	3,517	1,240

21. PAYROLL EXPENSES

	30 June 2015	30 June 2014
Wages and salaries	9,566	3,682
Social security and national health contributions	2,239	1,022
Total payroll expenses	11,805	4,704

The number of employees at the end of the presented periods and the average number of employees was as follows:

Employees at the end of the year	422	142
Average number of employees in the year	260	95

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22. FINANCE INCOME

Finance income		
Interest income on cash at banks	261	311
Total finance income	261	311
Finance income – net	261	311

23. INCOME TAX EXPENSE

	30 June 2015	30 June 2014
Current tax	3,294	1,213
Deferred tax (Note 11)	(15)	35
Income tax expense	3,279	1,249

The tax on the Company's profit before tax adjusts to the theoretical amount that would arise using the tax rate applicable to profits as follows:

	30 June 2015	30 June 2014
Profit before tax	18,404	7,573
Theoretical current tax at 16% (2014: 16%)	2,945	1,212
<i>Effect on the tax charge of:</i>		
Expenses not deductible for tax purposes	334	37
Current tax	3,279	1,249

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The current income tax payable at 30 June 2015 for the amount of 728 is calculated as from the current tax charge for the year, amounting to 3,294, and is deducted the tax paid in the financial year, amounting to 2,959

The current income tax payable at 30 June 2014 for the amount of 409 is calculated as from the current tax charge for the year, amounting to 1,213, and is deducted the tax paid in the financial year, amounting to 766.

24. DIVIDENDS PER SHARE

In 2015 and 2014, there is no distribution of dividends to the single shareholder of the Company.

At the date of the approval of these financial statements it is not expected that a decision for distribution of dividends relating to the year ended 30 June 2015 will be made.

25. CONTINGENT LIABILITIES

(A) The Company is not a part in any commercial litigation which has significant interest. The Company's Management does not expect that any potentially material liability could arise in the case of advertent outcome of court cases or legal claims against it, apart from what is disclosed below.

(B) OPERATING LEASE COMMITMENTS WHERE THE COMPANY IS A LESSEE

The future aggregate minimum lease payments under non-cancellable operating leases were as follows:

	30 June 2015	30 June 2014
Not later than 1 year	4,237	3,531
Later than 1 year and not later than 5 years	22,958	19,963
Later than 5 years	33,002	30,002
Total	60,197	53,497

The Company leases lands and buildings under non-cancellable operating lease agreements with terms that expire 2025. The agreements include different renewable options.

Operating lease payments recognised as expense in the Statement of comprehensive income are disclosed in Notes 17 and 18.

26. RELATED-PARTY TRANSACTIONS

The Company is controlled by JUMBO S.A., Greece which holds 100 % of the Company's shares (Note 12) which is also the ultimate parent company of the Group which the Company is a part of. The parent company has control over the entities disclosed below as Other related parties.

The following transactions were carried out with related parties:

(A) SALES OF MERCHANDISE AND OTHER GOODS

	30 June 2015	30 June 2014
Parent company		
JUMBO SA, Greece	2,272	173
Other related parties		
JUMBO EC. B EOOB , Bulgaria		447
Total	2,272	620

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(B) PURCHASES OF MERCHANDISE, SERVICES AND PPE

	30 June 2015	30 June 2014
Parent company		
JUMBO SA, Greece – merchandise	72,671	31,126
JUMBO SA, Greece – services		53
JUMBO SA, Greece – PPE	4,092	1,311
Total parent company	76,802	32,490
Other related parties		
JUMBO EC. B EOOB , Bulgaria merchandise	1,990	
JUMBO EC. B EOOB , Bulgaria services	89	-
JUMBO EC. B EOOB , Bulgaria -PPE	13	2
Total related parties	2,092	2

Purchases of services from the parent company include insurances and other services.

(C) Other receivables

The amount of LEI 92,640 concerns the June's share capital increase and is owed by Jumbo S.A. to Jumbo EC.R.SRL was disclosed under Other receivables - Amounts due from Parent. The above amount was cashed in July 2015

(D) PAYABLES FOR PURCHASES OF MERCHANDISE, SERVICES AND PPE

	30 June 2015	30 June 2014
Parent company		
JUMBO SA, Greece – merchandise	51,377	18,116
JUMBO SA, Greece – services	-	-
JUMBO SA, Greece – PPE	5,268	1,230
Total parent company	56,557	19,346
Other related parties		
JUMBO EC. B EOOB Bulgaria	92	-
Total related parties	92	-

(E) KEY MANAGEMENT COMPENSATION

Key management personnel include the managers of the Company.

	YEAR ENDED 30 JUNE	
	2015	2015
Short-term employee benefits/ Salaries fees	287	258
Total	287	258

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27. GOING CONCERN

These financial statements have been prepared on a going concern basis, which assumes that the Company will continue in operational existence for the foreseeable future. The future viability of the Company depends upon the business environment as well as on the securing and finance provided by the current and future owners and investors. If this risk is not mitigated and if the business of the Company was to be wound down and its assets sold, adjustments would have to be made to reduce the carrying value of assets to their liquidation value, to provide for further liabilities that might arise, and to reclassify property, plant and equipment and long term liabilities as current assets and liabilities. In the light of the expected future cash flows, the Management of the Company considers that it is appropriate the financial statements to be prepared on a going concern basis. With regards to the Management assessment that the Company will be able to continue as a going concern, the Company receives full support, including financial assistance, by JUMBO S.A., Greece as its parent company.

28. EVENTS AFTER THE END OF THE REPORTING PERIOD

There are no significant events after the end of the reporting period, having effects on the financial statements for the year ended on 30 JUNE 2015.

INDEPENDENT AUDITOR'S REPORT**TO THE SOLE SHAREHOLDER AND MANAGEMENT OF JUMBO EC.R S.R.L.****Report on the Financial Statements**

We have audited the accompanying annual financial statements of JUMBO EC.R S.R.L. ("The Company"), which comprise the Statement of Financial Position as at 30 June 2015 and the Statement of Comprehensive Income, Statement of Changes in Equity and Cash Flows Statement 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, adopted for use in the European Union, 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.

Auditors' 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 whether the special purpose 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.

Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of JUMBO EC.R S.R.L. as at 30 June 2015 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards, adopted for use in the European Union.

Report on Other Legal and Regulatory Requirements

We performed procedures on the consistency of the accompanying Annual Director's report of JUMBO EC.R S.R.L. as at 30 June 2015, set out on pages 1 to 5, with the financial statements.

Management's responsibility for the Annual Director's Report

Management is responsible for preparing the Annual Director's Report in accordance with the requirements of the Accounting Act.

Auditor's Responsibility

Our responsibility is to express an opinion whether the Annual Director's Report is consistent with the annual financial statements for the same period.

Opinion

In our opinion, the Annual Director's Report of JUMBO EC.R S.R.L. as at 30 June 2015 is prepared, in all material respects, in consistency with the information disclosed in the accompanying financial statements for the same reporting period.

Grant Thornton Audit SRL
26, Armand Calinescu Str.
District 2, Bucharest
Romania

A handwritten signature in blue ink that reads "Grant Thornton".

26 October 2015