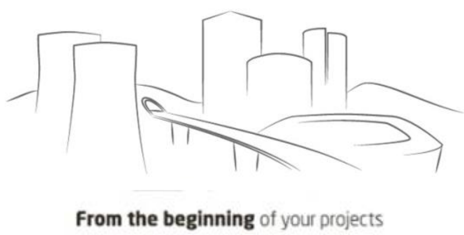
FINANCIAL STATEMENTS

ULMA Construccion Polska S.A.

FOR THE PERIOD OF 12 MONTHS ENDED ON 31 DECEMBER 2015



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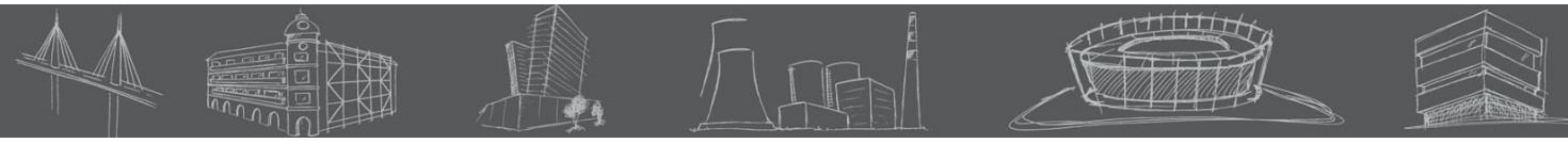
All amounts are stated in PLN '000, unless indicated otherwise



ULMA Construccion Polska S.A.

GENERAL INFORMATION

All amounts are stated in PLN ‘000, unless indicated otherwise

The company's business

The business of ULMA Construccion Polska S.A. consists in the following:

- lease and sale of building scaffolding and formwork,
- execution of designs for applications of formwork and scaffolding on commission,
- export of construction services,
- sale of construction materials and raw materials and accessories for concrete,

ULMA Construccion Polska S.A. is a joint-stock company (Company). The Company commenced its business activity on 14 February 1989 under the name of Bauma Sp. z o.o., in a form of a limited liability company (Spółka z o.o.) and was registered under the Rep. No. A.II – 2791. On 15 September 1995, it was converted into a joint-stock company, established by a notarial deed before notary Robert Dor at the Notarial Office in Warsaw, registered under Rep. No. A 5500/95. On 29 October 2001, the District Court in Warsaw, 13th Commercial Division of the National Court Register, entered the Company into the Register of Entrepreneurs under the National Court Register No. 0000055818. On 6 November 2006, the Extraordinary General Meeting of Shareholders, by way of Resolution No. 1, decided to change the Company's name from BAUMA S.A. to ULMA Construccion Polska S.A. The relevant entry into the National Court Register was made on 14 November 2006.

Registered seat

ULMA Construccion Polska S.A.
Koszajec 50
05-840 Brwinów

Supervisory Board

Aitor Ayastuy Ayastuy	Chairman of the Supervisory Board
Lourdes Urcelayi Ugarte	Vice-Chairman of the Supervisory Board
Ander Ollo Odriozola	Member of the Supervisory Board until 31 January 2015
Iñaki Irizar Moyua	Member of the Supervisory Board
Félix Esperesate Gutiérrez	Member of the Supervisory Board
Rafał Alwasiak	Member of the Supervisory Board

Audit Committee

Rafał Alwasiak	Chairman of the Committee
Aitor Ayastuy Ayastuy	Member of the Committee
Lourdes Urcelai Ugarte	Member of the Committee

All amounts are stated in PLN '000, unless indicated otherwise

Management Board

Andrzej Kozłowski	President of the Management Board
Krzysztof Orzełowski	Member of the Management Board
José Ramón Anduaga Aguirre	Member of the Management Board until 31 January 2015
Ander Ollo Odriozola	Member of the Management from 1 February 2015
José Irizar Lasa	Member of the Management Board until 31 July 2015
Rodolfo Carlos Muñiz Urdampilleta	Member of the Management from 1 September 2015
Andrzej Sterczyński	Member of the Management Board

Statutory Auditor

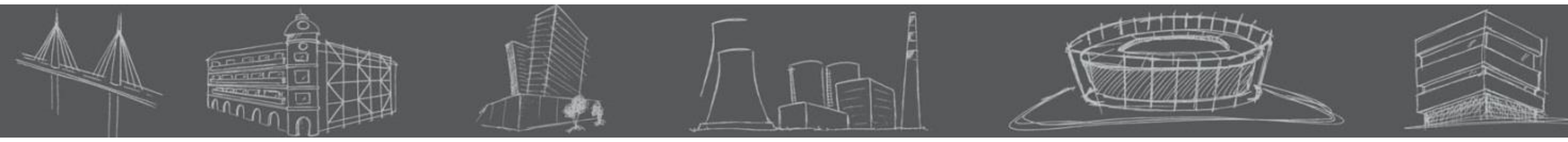
KPMG Audyt Sp. z o.o. spółka komandytowa
ul. Inflancka 4a
00-189 Warszawa
The company is entered onto the list of entities authorised to audit financial statements under No 3546.

Banks

mBANK (former BRE Bank S.A.)
PEKAO S.A.
BNP PARIBAS Bank Polska S.A.
PKO Bank Polski S.A.
Banco de SABADEL (Spain)

Stock market quotations

The Company is quoted on the Warsaw Stock Exchange (“GPW”).
Ticker symbol on GPW: ULM.



ULMA Construccion Polska S.A.

FINANCIAL STATEMENTS
for the period of 12 months of 2015

All amounts are stated in PLN ‘000, unless indicated otherwise

Statement of financial position

	As at:		
	Note	31 December 2015	31 December 2014
ASSETS			
I. Fixed assets			
1. Tangible assets	4.	194,780	215,305
2. Intangible fixed assets	5.	147	172
3. Investments in subsidiaries and associates	7.	8,198	8,198
4. Other non-current assets	8.	4,068	4,123
5. Long-term receivables	9.	17,590	20,462
Total fixed assets		**224,783**	**248,260**
II. Current assets			
1. Inventories	10.	2,383	2,277
2. Trade receivables and other receivables	9.	77,638	60 454
3. Current income tax receivables		302	24
4. Cash and cash equivalents	11.	31,061	28,315
Total current assets		**111,384**	**91,070**
Total assets		**336,167**	**339,330**
EQUITY AND LIABILITIES			
I. Shareholders' equity			
1. Share capital	12.	10,511	10,511
2. Supplementary capital - surplus from the sale of shares at premium	12.	114,990	114,990
3. Retained profit, including:		170,657	170,625
a. Net profit/(loss) in the financial period		*32*	*(11,901)*
Total equity		**296,158**	**296,126**
II. Liabilities			
1. Long-term liabilities			
a. Deferred income tax liabilities	16.	4,747	7,572
b. Long-term retirement benefit liabilities	17.	193	173
Total long-term liabilities		**4,940**	**7,745**
2. Short-term liabilities			
a. Credits and loans	14.	-	10,625
b. Short-term retirement benefit liabilities	17.	14	6
c. Current income tax liabilities		-	352
d. Short-term liabilities due to factoring of trade liabilities	13.	3,545	-
e. Derivative instruments	6.	8	76
f. Trade liabilities and other liabilities	13.	31,502	24,400
Total short-term liabilities		**35,069**	**35,459**
Total liabilities		**40,009**	**43,204**
Total equity and liabilities		**336,167**	**339,330**

All amounts are stated in PLN '000, unless indicated otherwise

Profit and loss statement and other comprehensive income

	Note	12 months of 2015		12 months of 2014
Revenues from sales	18.	161,772		171,431
Costs of sold goods, products and materials	19.	(144,564)		(167,409)
I. Gross profit on sales		**17,208**		**4,022**
Sales and marketing costs	19.	(11,089)		(12,136)
General administrative costs	19.	(12,285)		(10,681)
Other operating income	20.	3,469		3,597
Other operating costs	20.	(1,954)		(1,917)
II. Operating profit (loss)		**(4,651)**		**(17,115)**
Financial income	21.	4,207		3,476
Financial costs	21.	314		(110)
Net financial revenues (costs)		*4,521*		*3,366*
III. Profit (loss) before tax		**(130)**		**(13,749)**
Income tax	22.	162		1,848
IV. Net profit/(loss) in the financial period		**32**		**(11,901)**
Other comprehensive income:		-		-
V. Comprehensive income for the financial period		**32**		**(11,901)**
Weighted average number of ordinary shares		5,255,632		5,255,632
Basic and diluted profit (loss) per share in the financial period (in PLN per share)	24.	0.01		(2.26)

All amounts are stated in PLN ‘000, unless indicated otherwise

Statement of changes in equity

Specification	Share capital – nominal value	Surplus from the issue of shares at premium	Retained earnings	Total equity
As at 31 December 2013	**10,511**	**114,990**	**182,526**	**308,027**
Net comprehensive income in 2014	-	-	(11,901)	**(11,901)**
As at 31 December 2014	**10,511**	**114,990**	**170,625**	**296,126**
Net comprehensive income in 2015	-	-	32	**32**
As at 31 December 2015	**10,511**	**114,990**	**170,657**	**296,158**

All amounts are stated in PLN ‘000, unless indicated otherwise

Cash flow statement

	Note	12 months of 2015	12 months of 2014*)
Net profit/(loss) in the financial period		**32**	**(11,901)**
Adjustments:			
- Income tax	22.	(162)	(1,848)
- Depreciation of tangible assets	4.	52,437	67,788
- Amortisation of intangible fixed assets	5.	115	338
- Net value of formwork sold – tangible assets		4,015	5,638
- (Profit)/loss on changes in the fair value of financial instruments		(67)	118
- Interest, dividend revenue		(4,207)	(3,476)
- Interest expense		131	1,294
- (Profit)/loss on foreign exchange differences		(1,037)	(1,337)
- Change in the value of provision for retirement benefits		28	39
Change in the balance of current assets:			
- Inventories		(106)	2,141
- Trade receivables and other receivables		15,232	8,068
- Trade liabilities and other liabilities		10,647	(4,584)
		77,058	**62,278**
Purchase of formwork – fixed assets		(34,593)	(24,972)
Income tax paid		(3,294)	(1,271)
Net cash revenues from operating activities		**39,171**	**36,035**
Acquisition of tangible fixed assets		(1,334)	(937)
Inflows from the sale of tangible fixed assets		55	1,100
Acquisition of intangible fixed assets		(90)	(19)
Loans granted		(84,972)	(45,677)
Repayment of loans granted		56,934	39,456
Dividend received and other profits from interest in related entities		2,068	1,664
Interest received		1,722	1,735
Net cash expenses from investment activities		**(25,617)**	**(2,678)**
Repayment of loans and credits		(10,604)	(30,014)
Payment related to financial leasing		-	(139)
Interest paid		(152)	(1,352)
Net cash expenses from financial activities		**(10,756)**	**(31,505)**
Net increase / (decrease) in cash and overdraft facility		**2,798**	**1,852**
Cash and overdraft facility at the beginning of period		28,315	26,272
Foreign exchange (loss)/profit on the valuation of cash and overdraft facility		(52)	191
Cash and overdraft facility at the end of period	11.	**31,061**	**28,315**

*) Restated data

All amounts are stated in PLN '000, unless indicated otherwise

ULMA Construccion Polska S.A.

ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS

All amounts are stated in PLN '000, unless indicated otherwise

Notes to the Financial Statements

1. Description of major accounting principles applied

The basic accounting principles applied during the preparation of these consolidated financial statements are presented below. The principles described herein were applied in all the periods presented on a continuous basis, except the change in the presentation of costs due to purchase of formwork in the consolidated cash flow statement. These costs were presented under net cash flows from operating activities (in the consolidated financial statements for the period of 12 months ended 31 December 2014 they were presented under cash flows from investment activities). In the opinion of the Management Board, the current presentation better reflects the specifics of the Company's operations, including, i.a., lease of formwork systems. The cash flow statement for the financial year ended 31 December 2014 was properly restated.

A. Basis for preparation

The financial statements for the period of 12 months ended 31 December 2015 for ULMA Construccion Polska S.A. were prepared in accordance with the International Financial Reporting Standards (IFRS) approved by the European Union.
These statements were prepared in accordance with the historical cost principle, with the exception of financial assets and liabilities (derivative financial instruments) measured at fair value through profit and loss.

B. Measurement of items expressed in foreign currencies

Functional and presentation currency

The items included in the financial statements of the Company are measured in the currency of the primary economic environment in which a substantial part of the Company operates (functional currency). The functional currency is Polish zloty (PLN), constituting also the presentation currency for the financial statements of the Company.

Transactions and balances

Transactions expressed in foreign currencies are converted into the functional currency at the exchange rate in force on the transaction date. Foreign exchange profits and losses related to settlement of such transactions and balance sheet valuation of cash liabilities and assets expressed in foreign currencies are recognised respectively in the financial result. Positive and negative foreign exchange differences related to investment and financial activities are included in financial costs.
Foreign exchange differences related to the performance and balance sheet valuation of trade settlements increase or decrease revenue or cost items with which they are operationally correlated.
The Company adopts the average exchange rate for a given currency published by the National Bank of Poland as at the balance sheet date as the closing rate for that currency, used for the purpose of balance sheet valuation of cash liabilities and assets expressed in foreign currencies.

C. Financial instruments

The financial instruments disclosed in the statement of financial position include cash in hand and at banks, trade receivables and other receivables, financial assets disclosed at fair value through profit or loss,

financial assets available for sale, trade liabilities and other liabilities, factoring liabilities, as well as loans and credits.
The methods of presentation and measurement of individual financial instruments are included in sections describing the adopted accounting principles below.
Derivative financial instruments are initially recognised at fair value as at the date of contract conclusion. Subsequently, their value is adjusted to reflect the current fair value. The derivative instruments held by the Company do not qualify as hedge accounting and therefore the result of their measurement to fair value is recognised in the financial result.
At the end of each reporting period, the Company assesses whether there is objective evidence that financial assets, other than assets measured at fair value through profit or loss, are impaired. A financial assets is considered impaired when, after its initial recognition, objective evidence occurred of an event that could have negative, reliably estimated impact on the value of future cash flows related to the particular asset.
Objective evidence that financial assets (including capital instruments) are impaired includes default or delinquency by a borrower, restructuring of an amount due to the Company, approved by the Company for economic or legal reasons, due to economic or legal conditions resulting from financial difficulties of the debtor, on terms that the Company would not otherwise consider, indication that a borrower is highly probable to enter bankruptcy, adverse changes in the balance of payments from debtors, economic conditions that correlate with default on contractual provisions, disappearance of an active market for a particular financial asset. Additionally, in the case of investment in capital instruments, significant or prolonged decrease in fair value of such an investment below its purchase cost is considered objective evidence of impairment of financial assets.

Loans granted and own receivables, as well as held-to-maturity investments

The Company assesses evidence of impairment of loans granted, own receivables or held-to-maturity investments on the level of a single asset, as well as with respect to groups of assets. In the case of individually significant receivables and held-to-maturity investments, impairment tests are carried out for individual assets. All individually significant loans granted, receivables and held-to-maturity investments in the case of which no evidence of impairment was identified on an individual basis are then subject to group assessment in order to verify whether impairment otherwise unidentifiable did not occur. Loans granted, receivables and held-to-maturity investments of individually insignificant value are assessed collectively in view of impairment, in groups with similar risk characteristics.
When assessing impairment of groups of assets, the Company takes into account historical trends to estimate the probability of arrears and payment timing, as well as the value of losses incurred, adjusted for estimates of the Management Board whether current economic and credit conditions indicate significant differences between the actual level of losses and losses arising from the assessment of historical trends.
Impairment of financial assets carried at amortised cost is measured as the difference between the carrying amount of an asset and the present value of estimated future cash flows discounted using the initial effective interest rate. All losses are recognised in the profit or loss for the current period and constitute a revaluation write-down on loans granted and receivables, as well as held-to-maturity investments, whereas the Company continues calculating interest on assets subject to revaluation. If subsequent circumstances (e.g. payments made by the debtor) indicate that grounds for impairment ceased to exist, the reversal of a write-down is recognised in the profit or loss for the current period.

Available-for-sale financial assets

Impairment of available-for-sale-financial assets is recognised by reclassifying the accumulated loss recognised in the revaluation reserve from valuation at fair value to the profit or loss for the current period. The value of the aforementioned accumulated loss is calculated as a difference between the purchase price

less received repayments of principal instalments and changes in the carrying amount resulting from the application of the effective interest rate method, and fair value. Additionally, this difference is reduced by impairment losses previously recognised in the profit or loss for the current period. Changes in the impairment write-down due to the application of the effective interest rate method are recognised as interest income.
If, at a later date, fair value of written down debt securities classified as available for sale increases, and this increase can be objectively attributed to an event after impairment recognition, the previously recognised impairment loss is reversed to the profit or loss for the current period. In the case of available-for-sale capital instruments, the reversal of the impairment write-down is recognised under other comprehensive income.

D. Tangible fixed assets

Tangible fixed assets, i.e. buildings, machinery and equipment used for manufacturing, delivery of products and provision of services or for management purposes were measured as at the balance sheet date at acquisition price or production cost, less accumulated depreciation and impairment write-downs.

Subsequent expenditures are recognised in the carrying value of the relevant asset or as a separate PP&E item (where applicable), only when probable that the Company will derive respective economic benefits and the cost of the relevant item can be reliably measured. Subsequent expenditures not increasing the initial use value of the individual asset are charged to the costs of the period in which they were incurred.

Lands owned by the Company are recognised at acquisition price and are not depreciated. Other property, plant & equipment items are depreciated on a straight-line basis in order to spread their initial value less the potential end value over the time of their use for the individual generic groups.
The periods of use applied for the individual generic groups of PP&E are as follows (in years):

• buildings and structures	25–40
• investments in third party facilities	10
• plant and machinery	3–20
• equiment, formwork systems and other PP&E	2–8

The residual value and the periods of use of the PP&E are checked as at every balance sheet date and adjusted, if necessary.

If the carrying value of a PP&E item exceeds the estimated recoverable amount, the carrying value is reduced to the recoverable amount (note 1H).

Profit and loss on the disposal of property, plant & equipment is determined by comparing the revenue from sale with the carrying value and recognised in the financial result.

E. Leasing – lessees (user's) accounting

Leasing of assets, at which a substantial part of the risk and benefits resulting from ownership actually continues to be borne or enjoyed by the lessor, is referred to as operational leasing. The lease payments charged to the Company in relation to operational leasing are charged to the financial result on a straight-line basis throughout the term of the lease agreement.

Leasing of tangible fixed assets, at which the Company assumes a substantial part of the risk and benefits derived from ownership, is referred to as financial leasing. Items under financial leasing are recognised in

assets as of the starting date of the lease at the lower of the following amounts: the fair value of the leased item or the present value of the minimum lease payments. Lease payments made in the reporting period in the part related to the principal instalments reduce the principal of the financial lease payable, while the remaining part, i.e. the interest, is charged to the financial costs of the period. Lease payments are divided into principal and interest in such a way as to obtain a fixed interest rate for each period with regard to the amount of the payable remaining to be repaid.
Tangible fixed assets under financial lease are disclosed in the statement of financial position on an equal basis with other tangible assets and are depreciated in accordance with the same principles. If there is no reliable assurance that after the termination of the lease agreement, the Company will acquire the ownership right, the relevant assets are depreciated over the lease period or the time corresponding to their economic useful life, whichever is shorter.

F. Leasing – lessor's (financing party's) accounting

Leasing is an agreement, under which the lessor (financing party) transfers, against a payment or a series of payments, to the lessee (user) the right to use a specific asset over a determined time. If the assets are given in operational lease, the relevant asset is disclosed in the statement of financial position according to its nature (type). Operational lease revenue is recognised over the lease period using the straight-line method.

G. Intangible fixed assets

Software

Acquired software licenses are capitalised at the amount of the costs incurred to purchase and to prepare specific software for use. Capitalised costs are written down over the estimate time of use of the software, ranging from 2 to 5 years.

H. Impairment on non-financial non-current assets

Fixed assets subject to depreciation/amortisation are analysed for impairment in the case of circumstances indicating potential failure to realise the carrying value of tangible or intangible fixed assets held. The amounts of revaluation write-downs determined during the analysis (impairment test) reduce the carrying value of the asset they concern and they are charged to the costs of the period. Loss due to impairment is recognised in the amount, by which the carrying value of the asset exceeds the recoverable amount. The recoverable amount is the higher one of the following two amounts: fair value less the costs to sell, and use value (reflected by the present value of cash flow connected with the relevant asset). For the purposes of analysis for potential impairment, assets are grouped at the lowest level in relation to which cash flows occur that can be separately identified (cash-generating units).
Taking into account assets other than goodwill, impairment write-downs recognised in previous periods are assessed at the end of every reporting period in view of grounds indicating reduction or reversal of the impairment in whole. The impairment write-down is reversed if estimates used to assess the recoverable value changed. The impairment write-down is reversed only up to the initial value of an asset less depreciation/amortisation charges that would have been disclosed if no impairment write-down had been recognised.

I. Investments

Available-for-sale financial assets

The investments of the Company cover the value of interests and shares in entities other than subsidiaries and associates. Investments in other entities are presented as financial assets available for sale, since the Management Board does not intend to dispose of such investments within the next 12 months. The investments are initially recognised at fair value plus additional transaction costs. Increases in the value of investments related to revaluation to fair value are taken to equity. Decreases in the value of investments, in relation to which increases were made at earlier date, reduce the revaluation reserve. All other decreases resulting from impairment are charged to the financial result. In the case of available-for-sale financial instruments whose fair value cannot be reliably measured (there is no active market for these instruments), they are measured at purchase cost of the financial instrument less revaluation write-downs.

Shares in subsidiaries and associates

Interest in related entities is measured at acquisition price less possible revaluation write-downs.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments which are not quoted on an active market. Such assets are initially recognised at fair value plus additional transaction costs that can be directly allocated thereto. At a later date, loans and receivables are valued at amortised cost with the application of the effective interest rate method, taking into account a reduction by potential impairment write-downs.

J. Inventories

Inventories of raw materials, other materials and purchased goods are measured as at the balance sheet date at the lower of the following amounts: the acquisition price or the realisable net selling price.

The net selling price is the price of sale performed during normal economic activity, less the estimated costs of completion of production and the variable costs which have to be incurred to perform the sale effectively.

Inventory depletion is measured in accordance with the “first in, first out” (FIFO) principle.
Revaluation write-downs are made on obsolete, unsellable and defective inventories in applicable cases.

K. Trade receivables and other receivables

Trade receivables are initially recognised at fair value and subsequently measured using the amortised cost method, applying the effective percentage rate, and reduced by impairment write-downs. Trade receivables regarded as uncollectible are charged to costs at the moment of stating them uncollectible. If the Management Board considers that the Company will not be able to recover the amounts due at their original value as probable, an impairment write-down is made. The write-down amount corresponds to the difference between the book value and the present value of the expected future cash flows, discounted by the original effective interest rate. Changes in the value of revaluation write-downs on trade receivables are recognised in the financial result, charged to sales and marketing costs, in the period in which the change took place.

The Company adopted a policy according to which the amounts of VAT recovered due to non-repayment of an amount receivable within 150 days from the payment date are disclosed in the balance sheet under “Liabilities due to taxes and other charges.”

L. Cash and cash equivalents

Cash and cash equivalents are recognised in the statement of financial position at fair value corresponding to the nominal value. These include cash on hand and at banks, other short-term investments with a high degree of liquidity with original maturities not exceeding three months.
Balance of cash and cash equivalents disclosed in the cash flow statement includes cash referred to the above and its equivalents, less outstanding overdraft amounts.
Overdraft facilities are disclosed in the statement of financial position under liabilities – short-term loans and credits.

M. Equity

Share capital and reserves

Ordinary shares are classified as equity. Share capital is disclosed at the nominal value of the shares. Surplus from the issue of shares at premium less costs directly related to the issue of the new shares is disclosed as supplementary capital.

Retained earnings

In the statement of financial position, the retained earnings item includes accumulated retained profits and losses of the Company from the previous financial periods and the financial result of the current financial year.

N. Credits and loans

Credits and loans are initially recognised at fair value, less the transaction costs incurred. In the subsequent periods, loans and credits are measured at the adjusted acquisition price (amortised cost), applying the effective interest rate.
Credits and loans are recognised in short-term liabilities, unless the Company has an unconditional right to defer the repayment of a debt by at least 12 months following the balance sheet date.

O. Provisions

Provisions are created for the Company’s existing obligations (under statute or common law) resulting from past events, provided that the probability that the Company’s resources will have to be spent in order to fulfil that obligation occurs, and if its estimated value can be determined in a reliable manner.

All amounts are stated in PLN ‘000, unless indicated otherwise

P. Accruals and deferred income

The Company discloses the following under the item “Trade liabilities and other liabilities” in the statement of financial position:

- reliably estimated values of the costs incurred in the relevant reporting period, not invoiced by the suppliers until the balance sheet date. The time and manner of settlement depends on the nature of the accruals;
- deferred income, including in particular the equivalent of funds obtained or due from contracting parties in relation to performance taking place in subsequent reporting periods.

Q. Significant estimates and judgements

In the course of preparation of these financial statements in accordance with the International Financial Reporting Standards, the Management Board performs specific accounting estimates and takes into account its own knowledge and estimates in relation to expected changes in the analysed figures. The actual figures may differ from the estimates.

- The carrying value of tangible fixed assets is determined on the basis of estimates concerning the useful life of individual groups of property, plant & equipment. The useful life periods assumed for tangible fixed assets are subject to periodic review on the basis of analyses performed by the Company.
- Receivables are reviewed for impairment, provided the occurrence of circumstances suggesting that they may be uncollectible. In that case, the revaluation write-downs are determined on the basis of estimates prepared by the Company.
- Changes in the construction market may have significant impact on the assessment of recoverable amount of assets of the Company. In the event of identifying premises for impairment, the Company estimates the recoverable amount of its tangible fixed assets.
  The analysis of impairment of tangible fixed assets is usually performed by way of estimating the recoverable amount of cash-generating units. Such analysis is based on a number of significant assumptions, part of which is beyond the control of the Company. Significant changes in these assumptions may affect the results of impairment tests and, as a consequence, may lead to significant changes in the Company’s financial standing and financial results.

R. Revenues

Revenues include the fair value of revenues from the sale of products and services, less goods and services tax (VAT), discounts and reductions.
The Company recognises the revenues from sales in the cases in which: the amount of revenue can be reliably measured, it is likely that the entity will obtain economic benefits in the future, and the specific criteria described below have been met for all kinds of the Company’s activity.

Revenues from the sale of goods and construction materials

Revenues from the sale of goods and materials are recognised if the significant risk and benefits resulting from the right of ownership of goods and materials were transferred to the buyer and when the amount of revenue can be measured reliably, and collectability of receivables is sufficiently certain.
This category also includes revenues from the sale of formwork systems, recognised as tangible fixed assets. The results from sale of other tangible fixed assets is recognised in other operating income or other operating costs.
In the case of domestic sales, the moment of recognising revenues from the sale of materials or goods is the time of release of the materials or goods to the buyer from the Company’s warehouse. In the case of

export sale and intra-Community supply of goods, the moment of recognising revenues depends on the delivery conditions determined in accordance with Incoterms 2010, included in the performed contract.

Revenues from the sale of services

Revenues from the sale of services concern mainly construction formwork leasing services, settled based on daily rates.

Financial revenues and costs

Financial revenues include interest income related to funds invested by the Company (including on available-for-sale financial assets), dividends due, gains on sale of available-for-sale financial assets, gains due to changes of fair values of financial instruments at fair value through profit or loss, gains related to hedging instruments recognised in the profit or loss for the current period. Interest income is recognised in the profit or loss for the current period on an accrual basis, using the effective interest rate method.

The dividend is recognised in the profit or loss for the current period on the day on which the Company acquires the right to receive the dividend.

Financial costs include interest costs related to external financing, losses on sale of available-for-sale financial assets, losses due to changes of fair values of financial instruments at fair value through profit or loss, impairment write-downs on financial assets (other than trade receivables) and losses on hedging instruments recognised in the profit or loss for the current period.

Costs of external financing that cannot be directly allocated to the purchase, production or construction of certain assets are recognised in the profit or loss for the current period using the effective interest rate method.

Exchange gains and losses are disclosed in net amount as financial income or financial costs, depending on their total net amount.

S. Deferred income tax

Deferred income tax assets and liabilities resulting from temporary differences between the tax value of assets and liabilities and their carrying value in the financial statements are recognised using the balance sheet method. In the cases in which, however, the deferred income tax arose due to the initial recognition of an asset or liability within a transaction other than a merger of business entities, not affecting the financial result or the tax income (loss), such deferred income tax is not disclosed. Deferred income tax is determined using the tax rates (and in accordance with the tax regulations) legally or actually in force as at the balance sheet date, expected to be in force at the moment of realisation of the relevant deferred income tax assets or payment of the deferred income tax liabilities.

Deferred income tax assets are recognised if it is likely that taxable income will be achieved in the future which will make it possible to utilise the temporary differences.

Deferred income tax assets and liabilities are set off, provided the existence of a legally enforceable right to set off current tax assets against current tax liabilities.

T. Employee benefits

Retirement allowance

The benefits related to the retirement allowance are due, provided that the employee acquires a right to such retirement benefit pursuant to the Labour Code. The amount of the retirement allowance due to the employee acquiring retirement rights is calculated in the amount of additional remuneration for one month.
The Company makes a provision for post-employment benefits in order to allocate the costs of those allowances to the periods to which they relate. The provision raised is recognised as an operating expense in the amount corresponding with accrued future employees' benefits. The present value of these obligations is measured by an independent actuary.
Actuarial gains and losses arising from the change of actuarial assumptions (including change in discount rate) and ex post actuarial adjustments are presented as other comprehensive income.

2. Financial risk management

The activity of the Company is exposed to various kinds of financial risk: foreign exchange risk, risk of change in cash flows and fair value as a result of interest rate changes, credit risk and liquidity risk.

By the management programme, the Company seeks to minimise the effects of financial risks having a negative impact on the Company's financial results. The Company uses forward contracts in order to secure itself against certain risks.

Foreign exchange risk

The Company conducts international activity and is exposed to the risk of changing exchange rates of various currencies, including in particular euro. Foreign exchange risk concerns future commercial transactions (sale of goods and products and purchase of goods and services) as well as the assets and liabilities recognised. Foreign exchange risk arises when future commercial transactions and the assets and liabilities recognised are expressed in a currency different than the functional currency of the Company.

The Company hedges net positions using external forward currency contracts.

The table below contains a list of the Company's assets and liabilities expressed in EUR, exposed to foreign exchange risk. (in EUR '000)

	31 December 2015	31 December 2014
Trade receivables	424	796
Loans granted	2,721	3,531
Cash	132	172
Forward currency contracts	(221)	(561)
Total assets	**3,056**	**3,938**
Trade liabilities	1,285	564
Total liabilities	**1,285**	**564**

In addition to receivables from loans granted in EUR, the Company, as at 31 December 2015, has a receivable in the amount of USD 1,500 thousand due to a loan granted to ULMA Opałubka Ukraine.

The sensitivity analysis performed by the Company demonstrates that:

- as at 31 December 2015, if the Polish zloty depreciated/appreciated by 10% against EUR/USD, with the other parameters remaining unchanged, net profit for the period of 12 months ended on 31 December 2015 would be higher/lower by PLN 1,079 thousand in relation to the revaluation of cash, receivables, payables and currency contracts expressed in EUR/USD.

- as at 31 December 2014, if the Polish zloty depreciated/appreciated by 10% against EUR/USD, with the other parameters remaining unchanged, net profit for the period of 12 months ended on 31 December 2014 would be higher/lower by PLN 1,605 thousand in relation to the revaluation of cash, receivables, payables and currency contracts expressed in EUR/USD.

Risk of change in cash flows and fair value as a result of interest rate changes

Revenues and cash flows from the Company's operating activities and financial activities are not significantly exposed to the risk of interest rate change.

The Company pays its trade liabilities in due time and, consequently, revenues and cash flows from the Company's operating activities are not significantly exposed to the risk of interest rate change.

Credit risk

The item exposed to credit risk is the trade receivables item (Note 9).

The Company is not exposed to significant concentration of risk related to credit sale. There is no concentration of credit sales due to the relatively high number of recipients of the Company's services and goods. The Company also applies a policy which significantly reduces the sale of services and goods to customers with an inappropriate history of debt repayment. The internal control procedures in place which consist, among other things, in setting credit limits for individual customers depending on an assessment of their financial standing, and the procedures of acceptance of new customers allow the Company to significantly reduce the level of credit risk.

Trade receivables in whose case no impairment was found account for 55.9% of the gross value of that group of financial assets, with 53.2% of the value of that group corresponding to trade receivables which are not outstanding (in 2014, the rates were 61.0% and 45.6%, respectively).

No financial assets exist for which repayment conditions were renegotiated and with regard to which impairment would have to be determined if there were no renegotiations.

An ageing analysis of financial assets is as follows: (in PLN '000):

	31 December 2015	31 December 2014
Current receivables	23,812	27,223
Outstanding by up to 30 days	4,934	5,424
Outstanding by 31 to 90 days	2,272	1,988
Outstanding by 91 to 180 days	936	1,498
Outstanding by 181 to 360 days	2,181	13,101
Outstanding by more than 360 days	45,799	49,033
Total gross assets	**79,934**	**98,267**
Revaluation write-downs	(35,221)	(38,411)
Total assets	**44,713**	**59,856**

Revaluation write-down relates to receivables outstanding by more than 180 days.
Impairment was determined in the case of financial assets in the trade receivables and other receivables group with a value of PLN 35,221 thousand. These assets were written-down. During determination of impairment of individual financial assets, the Company evaluates each customer on an individual basis, looking mainly at their financial standing and the security they have in place. As a basic means used in order to secure debt recovery, the Company uses mainly blank promissory notes and insurance of receivables for eastern markets.
With regard to financial assets presented in the table above, outstanding by more than 180 days, the Company recovered PLN 5,014 thousand of VAT as of the balance sheet date, applying a so-called VAT relief on bad debts, which were disclosed in trade receivables and other receivables.

Liquidity risk

Liquidity risk management assumes that a suitable level of cash will be maintained, as well as availability of financing owing to a sufficient amount of credit instruments granted and the ability to close market positions. The Company holds sufficient cash resources to pay its liabilities which are due and guarantees potential financing on the basis of the credit facilities granted.
Over 90% of the Company's trade liabilities are due within 2 months of the balance sheet date.

Working capital management

The main goals of capital management are guaranteeing a suitable level of operational liquidity and the possibility of implementing investment plans of the Company in accordance with the approved budgets.

Dividend policy

The dividend policy adopted at the Company is also subordinated to the goals indicated above. Decisions on the payment of dividend are preceded each time by an analysis of the current needs and of needs related to development of each of the companies and of the Capital Group as a whole.

3. New accounting standards and interpretations of the International Financial Reporting Interpretations Committee (IFRIC)

The following standards, changes in already effective standards and interpretations are not endorsed by the European Union or are not effective as at 1 January 2015:

Standard	Description of changes	Effective date
IFRS 9 Financial Instruments (along with amendments)	Changes to the classification and measurement requirements – replacement of the existing categories of financial instruments with the two following categories: measured at amortised cost and at fair value. Changes to hedge accounting.	1 January 2018
IFRS 14 Regulatory Deferral Accounts	Accounting and disclosure principles for regulatory deferral accounts.	1 January 2016
IFRS 15 Revenue from Contracts with Customers	The standard applies to all contracts with customers, except for those within the scope of other IFRS (i.e. leasing contracts, insurance contracts and contracts relating to financial instruments). IFRS 15 clarifies principles of revenue recognition.	1 January 2018
IFRS 16 Leasing	The standard eliminates the classification of leases as either operating or finance leases. All agreements meeting the definition of a lease will be recognised, as a rule, in the same way as finance leases at present.	1 January 2019
Amendments to IAS 12	Clarification of the method of settlement of deferred tax assets on unrealised losses.	1 January 2017
Amendments to IAS 7	Initiative pertaining to disclosure changes.	1 January 2017
Amendments to IFRS 11	Additional accounting guidance for the acquisition of an interest in a joint operation.	1 January 2016
Amendments to IFRS 10 and IAS 28	Deals with the sale or contribution of assets between an investor and its joint venture or associate.	Undetermined
Amendments to IFRS 10 IFRS 12 and IAS 28	Clarification of the provisions on recognition of investment units in consolidation.	1 January 2016
Amendments to IAS 1	Changes regarding disclosures required in the financial statements	1 January 2016
Amendments to IAS 16 and IAS 38	Clarifies that a method of depreciation/amortisation that is based on the revenue expected to be generated from using the asset is not allowed.	1 January 2016
Amendments to IAS 16 and IAS 41	Accounting for bearer plants.	1 January 2016
Amendments to IAS 19	Simplifies the accounting for contributions by employees or third parties to defined-benefit plans.	1 January, 2015
Amendments to IAS 27	Use of the equity method in individual financial statements.	1 January 2016
Annual improvements to IFRS (cycle 2010-2012)	A collection of amendments dealing with: - IFRS 2 – matter of vesting conditions; - IFRS 3 – matter of conditional consideration; - IFRS 8 – matter of presentation of operating segments; - IFRS 13 – short-term receivables and liabilities; - IAS 16 / IAS 38 – disproportionate change in gross amount and accumulated depreciation/amortisation in the revaluation method; - IAS 24 – definition of key management personnel.	1 January, 2015
Annual improvements to IFRS (cycle 2012-2014)	A collection of amendments dealing with: - IFRS 5 – changes in the methods of disposal;	1 January 2016

All amounts are stated in PLN '000, unless indicated otherwise

	- IFRS 7 – regulations regarding servicing contracts and applicability of the amendments to IFRS 7 to interim statements; - IAS 19 – discount rate: regional market issue; - IAS 34 – additional guidance relating to disclosures in interim financial statements.	

The Company intends to adopt the above mentioned new standards, amendments to standards and interpretations of IFRS published by the International Accounting Standards Board but not effective until the date of approving these publication, when they become effective.

The influence of new regulations on future financial statements of the Company

The new IFRS 9 *Financial Instruments* introduces fundamental changes in respect of classifying, presenting and measuring of financial instruments. The standard introduces, i.a., a new model for measurement of impairment that would require more timely recognition of expected losses, and updated rules for hedge accounting. These changes are aimed primarily at aligning with risk management requirements, enabling entities preparing financial statements to better reflect their activities. These changes will possibly have material influence on future financial statements of the Group. As at the date of preparation of these financial statements not all phases of IFRS 9 have been published and the standard has not yet been approved by the European Union. As a result analysis of its impact on the future financial statements of the Group has not been finished yet.

The new IFRS 15 *Revenue from contracts with customers* aims to standardise the revenue recognition rules (except for these within the scope of other IFRS) and indicate the extent of disclosure required. The application of the standard may change the way of recognising revenues of the Company. The analysis of its impact has not been finished yet.

The new IFRS 16 *Leasing* changes the way of recognising agreements meeting the definition of a lease. The main change is the elimination of the classification of leases as either operating or finance leases. All agreements meeting the definition of a lease will be recognised, as a rule, in the same way as finance leases at present. The implementation of the standard will have the following consequences:

- in the statement of financial position: increase in the value of non-financial non-current assets and financial liabilities;
- in the statement of comprehensive income: decrease of operating costs (other than depreciation/amortisation), increase of depreciation/amortisation costs and financial costs.

The standard was published in January 2016 and the Company has not yet analysed the impact of the application thereof on the future financial statements.

Other standards and their changes should have no significant impact on future financial statements of the Company.

Amendments to standards and IFRS interpretations that entered into force in the period from 1 January 2015 to the date of approval of these individual financial statements for publication did not have significant influence on these financial statements.

4. Tangible fixed assets

Table of movements in tangible fixed assets between 1 January 2014 and 31 December 2015

	Lands, buildings and structures	Plant, machinery and means of transport	Formwork systems	Other property, plant & equipment	PP&E under construction	Total tangible fixed assets
GROSS VALUE						
As at 1 January 2014	**105,517**	**9,554**	**505,318**	**2,604**	**870**	**623,863**
Increase due to purchase	-	384	23,452	142	-	23,978
Increase – inventory surplus, reclassification	410	-	4,011	-	-	4,421
Decrease – sale	(1,592)	(730)	(43,826)	(17)	-	(46,165)
Decrease – liquidation, inventory shortage	(520)	(24)	(16,774)	(48)	(724)	(18,090)
As at 1 January 2015	**103,815**	**9,184**	**472,181**	**2,681**	**146**	**588,007**
Increase due to purchase	44	968	34,593	191	131	35,927
Increase – inventory surplus, reclassification	-	-	12,707	-	(146)	12,561
Decrease – sale	-	(887)	(25,603)	(189)	-	(26,679)
Decrease – liquidation, inventory shortage	(134)	62	(25,897)	(62)	-	(26,031)
As at 31 December 2015	**103,725**	**9,327**	**467,981**	**2,621**	**131**	**583,785**
ACCUMULATED DEPRECIATION						
As at 1 January 2014	**11,172**	**5,490**	**341,084**	**2,250**	**-**	**359,996**
Depreciation for the period	2,800	934	63,862	192	-	67,788
Decrease – sale	(603)	(730)	(37,967)	(17)	-	(39,317)
Decrease – liquidation, inventory shortage	(36)	(25)	(15,658)	(46)	-	(15,765)
As at 1 January 2015	**13,333**	**5,669**	**351,321**	**2,379**	**-**	**372,702**
Depreciation for the period	2,777	881	48,539	240	-	52,437
Decrease – sale	(59)	(868)	(20,184)	(186)	-	(21,297)
Decrease – liquidation, inventory shortage	-	56	(14,837)	(56)	-	(14,837)
As at 31 December 2015	**16,051**	**5,738**	**364,839**	**2,377**	**-**	**389,005**
NET VALUE:						
As at 31 December 2015	**87,674**	**3,589**	**103,142**	**244**	**131**	**194,780**
As at 1 January 2015	**90,482**	**3,515**	**120,860**	**302**	**146**	**215,305**
As at 1 January 2014	**94,345**	**4,064**	**164,234**	**354**	**870**	**263,867**

All amounts are stated in PLN ‘000, unless indicated otherwise

The depreciation charge on tangible fixed assets increased by:

Specification	12 months of 2015	12 months of 2014
Costs of sold goods, products and materials	51,781	67,122
Sales and marketing costs	2	4
General administrative costs	654	662
Total	**52,437**	**67,788**

The Management Board has not identified any grounds for impairment of tangible fixed assets.

5. Intangible fixed assets

Table of movements in intangible fixed assets between 1 January 2014 and 31 December 2015

	Licenses and software	**Other**	**Total intangible assets**
GROSS VALUE			
As at 1 January 2014	**4,596**	**37**	**4,633**
Increase	19	-	19
Decrease – disposal	(266)	-	(266)
As at 1 January 2015	**4,349**	**37**	**4,386**
Increase	90	-	90
Decrease – disposal, liquidation	-	-	-
As at 31 December 2015	**4,439**	**37**	**4,476**
ACCUMULATED DEPRECIATION			
As at 1 January 2014	**4,105**	**37**	**4,142**
Depreciation for the period	338	-	338
Decrease – disposal	(266)	-	(266)
As at 1 January 2015	**4,177**	**37**	**4,214**
Depreciation for the period	115	-	115
Decrease – disposal, liquidation	-	-	-
As at 31 December 2015	**4,292**	**37**	**4,329**
NET VALUE:			
As at 31 December 2015	**147**	**-**	**147**
As at 1 January 2015	**172**	**-**	**172**
As at 1 January 2014	**491**	**-**	**491**

The amortisation charge on intangible fixed assets increased:

Specification	12 months of 2015	12 months of 2014
Costs of sold goods, products and materials	1	10
General administrative costs	114	328
Total	**115**	**338**

All amounts are stated in PLN '000, unless indicated otherwise

6. Financial instruments

	Carrying amount		Fair value		Fair value hierarchy
	31 December 2015	31 December 2014	31 December 2015	31 December 2014	
Cash	31,061	28,315	*	*	
Receivables and loans granted					
Trade receivables and other receivables	45,222	60,454	*	*	
Loans granted	50,005	20,462	*	*	
Financial liabilities					
Loans with variable interest rates	-	10,625	*	*	
Liabilities due to factoring of trade liabilities	3,545	-	*	*	
Trade liabilities and other liabilities	24,765	12,352	*	*	
Derivative instruments					
Financial instruments measured at fair value through profit or loss	8	76	8	76	Level 2

Level 2: Derivative instruments recognised in the statement of financial position concern the contracts for defined period of time for purchase/sale of currency. Fair value of instruments as at the balance sheet date is determined on the basis of the exchange rate on the maturity specified by the bank, in which the instrument was purchased individually for each concluded contract.

* Fair value approximates carrying amount.

All amounts are stated in PLN '000, unless indicated otherwise

7. Investments in subsidiaries and associates

As at 31 December 2015

No.	Name of the entity	Seat	Scope of business	Nature of relation	Date of taking-over the control	Value of shares at acquisition price	Revaluation write-downs	Carrying value of shares/interests	% of share capital held	Votes at the General Meeting of Shareholders
1.	ULMA Opalubka Ukraine	Ukraine	sale and lease of formwork, sale of construction materials	subsidiary	18.07.2001	5,818	-	5,818	100	100
2.	ULMA Cofraje	Romania	sale and lease of formwork, sale of construction materials	associate	02.11.2007	2,917	(762)	2,155	30	30
3.	ULMA Opalubka Kazakhstan	Kazakhstan	sale and lease of formwork, sale of construction materials	Subsidiary	27.08.2010	83	-	83	100	100
4.	ULMA Construcction BALTIC	Lithuania	sale and lease of formwork, sale of construction materials	subsidiary	27.04.2012	142	-	142	100	100
						8,960	**(762)**	**8,198**		

All amounts are stated in PLN ‘000, unless indicated otherwise

8. Other non-current assets

Other non-current assets include the carrying amount of the right of perpetual usufruct of land of PLN 4,068 thousand. The right of perpetual usufruct of land purchased by the Company in 2007 expires on 5 December 2089.

9. Trade receivables and other receivables

	As at:	
	31 December 2015	31 December 2014
Trade receivables from unrelated entities	78,140	95,754
Revaluation write-down on trade receivables	(35,221)	(38,411)
Trade receivables – net	*42,919*	*57,343*
Other receivables	41	27
Prepayments and accrued income	469	571
Trade receivables from related entities	1,794	2,513
Loans granted	50,005	20,462
Total trade receivables and other receivables	**95,228**	**80,916**
including:		
Long-term portion	17,590	20,462
Short-term portion	77,638	60,454

On the basis of analyses performed the Company determined that the carrying value of individual receivables presented in these financial statements was similar to the fair value of those receivables.

There is no concentration of credit risk related to trade receivables due to large number of customers hold by the Company.

The net value of revaluation write-downs on receivables increased by the amounts of receivables written off in the total amount of PLN 8,496 thousand (PLN 9,184 thousand in 2014) was recognised in sales and marketing costs.
Changes in revaluation write-downs on trade receivables and other receivables were as follows:

	12 months of 2015	12 months of 2014
As at the beginning of the period	**38,411**	**32,050**
Increase – revaluation write-downs on trade receivables	8,381	11,393
Increase – revaluation write-downs on late payments interest	-	-
Utilisation	(10,880)	(3,844)
Adjustment to earlier write-down	(691)	(1,188)
As at the end of the period	**35,221**	**38,411**

All revaluation write-downs on receivables concern short-term receivables.

All amounts are stated in PLN '000, unless indicated otherwise

10. Inventories

	As at:	
	31 December 2015	31 December 2014
Materials	1,296	1,465
Goods	1,427	1,152
Gross value of inventories	**2,723**	**2,617**
Revaluation write-down on inventories	(340)	(340)
Net value of inventories	**2,383**	**2,277**

11. Cash and cash equivalents

	As at:	
	31 December 2015	31 December 2014
Cash in hand and at bank	31,061	28,315
Total cash, including:	**31,061**	**28,315**
Restricted cash	185	92

For the purposes of the cash flow statement, cash and overdraft facilities include the following:

	As at:	
	31 December 2015	31 December 2014
Cash and cash equivalents	31,061	28,315
Overdraft facility (note 14)	-	-
Cash and cash equivalents disclosed in the cash flow statement	**31,061**	**28,315**

All amounts are stated in PLN '000, unless indicated otherwise

12. Share capital and reserves

	Number of shares	Nominal value of share	Surplus from the issue of shares at premium	Total
As at 1 January 2014	**5,255,632**	**10,511**	**114,990**	**125,501**
- increase	-	-	-	-
- decrease	-	-	-	-
As at 31 December 2014	**5,255,632**	**10,511**	**114,990**	**125,501**
- increase	-	-	-	-
- decrease	-	-	-	-
As at 31 December 2015	**5,255,632**	**10,511**	**114,990**	**125,501**

All shares are ordinary bearer shares with the nominal value of PLN 2.00 PLN. All shares are paid up.

As at 31 December 2015, the shareholding structure of the Company is as follows:

	Share capital		**Votes at the General**	
	Number of	**%**	**Number of**	**%**
ULMA CyE, S. Coop	3,967,290	75.49	3,967,290	75.49
OFE Aviva BZ WBK	466,679	8.88	466,679	8.88
Free float	821,663	15.63	821,663	15.63

13. Trade liabilities and other liabilities

	As at:	
	31 December 2015	31 December 2014
Trade liabilities towards unrelated entities	16,980	7,918
Liabilities towards related entities	4,107	1,681
Liabilities due to taxes and other charges	6,737	12,048
Accruals	3,652	2,713
Deferred income	10	-
Other liabilities	16	40
Total trade liabilities and other liabilities	**31,502**	**24,400**
including:		
Long-term portion	-	-
Short-term portion	31,502	24,400

All amounts are stated in PLN ‘000, unless indicated otherwise

In 2015, the Company concluded a factoring agreement with mBank, based on which trade liabilities of the Company to selected suppliers are paid by the bank within 14 days of the date of issuing the invoice by a supplier. The due date for liabilities to the bank is 75 days from the date of settling the liability to the supplier by the bank. As at 31 December 2015, liabilities of the Company to the bank due to this title amounted to PLN 3,545 thousand. This amount was recognised in the statement of financial position under Liabilities due to factoring of trade liabilities.

14. Credits and loans

	As at:	
	31 December 2015	31 December 2014
Overdraft facility (note 11)	-	-
Bank loans	-	10,625
Total short-term credits	**-**	**10,625**

In 2015, the Company settled all liabilities due to bank loans incurred in previous years.

The Company has the following unused credit limits available, which were granted to the Company:

	31 December 2015	31 December 2014
With variable interest rate:		
- expiring within one year	3,000	9,000
- expiring after one year	-	-
Total unused credit limits	**3,000**	**9,000**

15. Leases

15 a) Financial leasing

As at 31 December 2015, the Company did not hold any tangible fixed assets used under finance leases.

15 b) Operational leasing

Right of perpetual usufruct of land acquired by way of purchase was included in operational leasing agreements.

All amounts are stated in PLN '000, unless indicated otherwise

Total amount of minimum future payments related to the right of perpetual usufruct of land is as follows:

	As at:	
	31 December 2015	31 December 2014
Less than one year	9	9
1 to 5 years	35	35
Over 5 years	610	619
Total	**654**	**663**

The right of perpetual usufruct of land expires, pursuant to the agreement, on 5 December 2089.

16. Deferred tax

	As at:	
	31 December 2015	31 December 2014
Deferred income tax assets:	3,112	3,777
Deferred income tax liabilities:	(7,859)	(11,349)
Carrying value of deferred income tax assets (liabilities)	**(4,747)**	**(7,572)**

Movements in deferred income tax assets and liabilities during the year (before their set-off within a single jurisdiction) are as follows:

Deferred income tax liabilities

Reason for temporary differences	Valuation of tangible fixed assets	Unrealised foreign exchange differences	Other	Total
As at 01.01.2014	**14,598**	**24**	**23**	**14,645**
Credited to profit/loss	(3,479)	(175)	(85)	**(3,739)**
Debited to profit/loss		352	91	**443**
As at 31.12.2014	**11,119**	**201**	**29**	**11,349**
Credited to profit/loss	(3,677)	(305)	(122)	**(4,104)**
Debited to profit/loss	-	415	199	**614**
As at 31.12.2015	**7,442**	**311**	**106**	**7,859**

All amounts are stated in PLN '000, unless indicated otherwise

Deferred income tax assets

Reason for temporary differences	Tax losses	Provisions for costs	Unrealised foreign exchange differences	Total
As at 01.01.2014	**-**	**2,973**	**160**	**3,133**
Credited to profit/loss	-	1,892	123	**2,015**
Debited to profit/loss	-	(1,188)	(183)	**(1,371)**
As at 31.12.2014	**-**	**3,677**	**100**	**3,777**
Credited to profit/loss	-	1,533	84	**1,617**
Debited to profit/loss	-	(2,099)	(183)	**(2,282)**
As at 31.12.2015	**-**	**3,111**	**1**	**3,112**

17. Liabilities related to retirement benefits

	31 December 2015	31 December 2014
Liabilities recognised in the statement of financial position, related to:		
Retirement benefits	207	179
	207	**179**

The Company performs actuarial measurement of the provision for retirement benefits at the end of each financial year.

	31 December 2015	31 December 2014
Deduction for retirement benefit provision	11	17
Interest expense	4	7
Actuarial profit and loss, net	16	16
Benefits paid	(3)	-
Total recognised in employee benefit costs	**28**	**40**

Movement in balance sheet liability:

	31 December 2015	31 December 2014
Retirement benefit provision at the beginning of the period	179	139
Deduction for retirement benefit provision	11	17
Interest expense	4	7
Actuarial profit and loss, net	16	16
Benefits paid	(3)	-
Retirement benefit provision at the end of the period	**207**	**179**

All amounts are stated in PLN ‘000, unless indicated otherwise

18. Revenues from sales

	12 months of 2015	12 months of 2014
Revenues from sales related to construction site services	136,852	128,606
Revenues from the sale of goods and construction materials	24,920	42,825
Total revenues from sales	**161,772**	**171,431**

- construction site services – a segment comprising lease of formwork systems and scaffolding along with widely understood logistic services and settlement of the construction site at the end of the contract,
- sale of construction materials – a segment comprising the sale of formwork systems, constituting tangible fixed assets (property, plant and equipment) and current assets (products and services) of the Group as well as of other construction materials.

19. Costs by type

	12 months of 2015	12 months of 2014
Depreciation of tangible and amortisation of intangible fixed assets	52,552	68,126
Employee benefit costs (note 19 a)	25,582	25,987
Consumption of raw materials, other materials and energy	11,499	12,011
Transport services	11,880	10,769
Lease and rental services	9,541	9,998
Repair and maintenance	9,562	3,667
Installation services	5,376	5,875
Other third party services	12,374	17,521
Other costs	13,241	13,656
Value of sold goods, materials and formwork (fixed assets)	16,331	22,616
Total costs by type	**167,938**	**190,226**
Costs of performance for the entity's own purposes	-	-
Sales and marketing costs (including revaluation write-downs on receivables)	(11,089)	(12,136)
General administrative costs	(12,285)	(10,681)
Costs of sold goods, products and materials	**144,564**	**167,409**

19 a) Employee benefit costs		
Costs of remuneration and costs of termination benefits	21,057	21,389
Costs of social insurance and other benefits for the employees	4,525	4,598
Total costs of employee benefits	**25,582**	**25,987**

All amounts are stated in PLN '000, unless indicated otherwise

Other operating revenues and costs

20 a) Other operating revenues	12 months of 2015	12 months of 2014
Inventory surplus	328	1,132
Profit on the change in fair value of forward contracts	92	66
Compensation obtained – lost current and non-current assets	91	632
Liabilities written off	-	8
Sale and recovery of tangible fixed assets	2,146	1,100
Re-invoicing	583	385
Provisions for expected losses – released	114	-
Other revenues	115	274
Total other operating revenues	**3,469**	**3,597**

20 b) Other operating costs	12 months of 2015	12 months of 2014
Inventory shortage	(2)	(446)
Loss on the change in fair value of forward contracts	-	(84)
Lost current and non-current assets	(7)	(15)
Liquidation of tangible fixed assets	(1,853)	(1,299)
Revaluation write-down on tangible fixed assets	-	(2)
Other costs	(92)	(71)
Total other operating costs	**(1,954)**	**(1,917)**

All amounts are stated in PLN '000, unless indicated otherwise

21. Financial revenues and costs

21 a) Financial revenues	12 months of 2015	12 months of 2014
Interest income:		
- loans granted	1,950	1,583
- on cash in bank account	189	229
Profit on the change in fair value of forward contracts – financial activity	-	-
Dividends received	2,068	1,664
Total financial revenues	**4,207**	**3,476**

21 b) Financial costs	12 months of 2015	12 months of 2014
Interest expenses:		
- bank credits	(131)	(1,288)
- leasing	-	(4)
- related to late payment of liabilities	-	(2)
	(131)	**(1,294)**
Foreign exchange differences	499	1,335
Revaluation of investments	-	-
Losses on the change in fair value of forward contracts – financial activity	-	(47)
Credit acquisition costs	(54)	(73)
Bank Guarantee Fund	-	(31)
Total financial costs	**314**	**(110)**

All amounts are stated in PLN '000, unless indicated otherwise

22. Income tax

	12 months of 2015	12 months of 2014
Current tax	(2,663)	(2,091)
Deferred tax (note 16)	2,825	3,939
Total income tax	**162**	**1,848**

The income tax on the Company's profit before taxation differs in the following manner from the theoretical amount, which would be obtained by applying the tax rate to profit before taxes in force:

	12 months of 2015	12 months of 2014
Profit (loss) before tax	**(130)**	**(13,749)**
Tax calculated in accordance with the applicable rates (19%)	(25)	(2,612)
Non-taxable income	(2,059)	(316)
Non-deductible costs	1,922	1,080
Income tax charged to profit/loss	**(162)**	**(1,848)**

Tax authorities may audit the books of account and tax settlements within 5 years of the end of the year, in which tax declarations were filed and charge additional tax to the Company, along with penalty interest. In the Management Board's opinion, there are no circumstances suggesting that significant liabilities might arise in relation to the above.

23. Measurement of financial instruments at fair value

On the basis of analyses performed, the Company determined that the carrying value of individual financial instruments presented in these financial statements was similar to the fair value of those instruments.

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24. Profit (loss) per share

The basic profit per share is calculated as the quotient of dividing the profit attributable to the Company's shareholders by the weighted average number of ordinary shares during the year.

	12 months of 2015	12 months of 2014
Profit (loss) attributable to the shareholders of the parent entity	32	(11,901)
Number of ordinary shares as at the balance sheet date	5,255,632	5,255,632
Weighted average number of ordinary shares	5,255,632	5,255,632
Basic profit (loss) per share (in PLN per share)	0.01	(2.26)
Diluted profit (loss) per share (in PLN per share)	0.01	(2.26)

25. Contingent items

On request of ULMA Construccion Polska S.A. mBANK granted one of the clients of the Company performance bond for rental agreement. The performance bond expires on 16 October 2016 and its amount will fluctuate thorough the term. The bond is related to the construction of a Logistics Centre in Gdańsk. The investment project was commissioned in Q1 2015. The Company uses the Logistics Centre in Gdańsk under a long-term rental agreement.
As at the balance sheet date, the amount of granted performance bond is PLN 3,199 thousand.

26. Post-balance-sheet events

No events occurred after the balance sheet date having a significant impact on the presented financial statements presented.

27. Related party transactions

Control over the Group is exercised by ULMA C y E, S. Coop. with its registered office in Spain, which holds 75.49% of the Company's shares. The remaining 24.51% of the shares are held by more than one shareholder.

The ULMA Construccion Polska S.A. Capital Group is composed of the following companies:

Parent company:

- ULMA Construccion Polska S.A. with its registered seat in Warsaw

Subsidiaries:

- ULMA Opalubka Ukraina with its registered seat in Kiev, at the address: Gnata Yury 9, established on 18 July 2001, registered at the Sviatoshyn State Administration Division for the City of Kiev under No. 5878/01, ID code 31563803. The company's business comprises of the sale and lease of formwork and sale of construction materials. The issuer holds 100% of the share capital and of the total number of votes.

- ULMA Opalubka Kazakhstan, a limited liability company with its registered seat in Astana, at the address Tashenova 25, established on 27 August 2010. The strategic objective of the company is developing the

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core business of the Capital Group, i.e. the lease of formwork systems and scaffolding, and dissemination of knowledge related to the application of the formwork technology in the construction process in the area of Kazakhstan. The issuer holds 100% of the share capital and of the total number of votes.

- ULMA Construccion BALTIC with its registered seat in Vilnius, at the address Pylimo 41-12, established on 27 April 2012. The Company's business consists in: lease of scaffolding and formwork for construction, wholesale and retail sale of scaffolding and formwork for construction, sale and lease of other construction equipment and other commercial activity. The issuer holds 100% of the share capital and of the total number of votes.

The Company also holds shares in an associate:

ULMA Cofraje SRL with its registered seat in Bragadiru, at the address: Soseaua de Centura No. 2-8 Corp C20 (Romania), established on 9 October 2007. Entered in the State Office of the Commercial Register in Bucharest, under No. 22679140. The Company's business consists in the lease and sale of scaffolding and formwork for construction, including on the basis of leasing agreements. The issuer holds 30% of the share capital and of the total number of votes. The remaining 70% of the Company's share capital is held by the entity controlling the Group, i.e. ULMA C y E, S. Coop. with its registered seat in Spain.

Transactions concluded by ULMA Construccion Polska S.A. with related entities were typical and routine transactions, concluded on an arm's length basis, and their nature and conditions resulted from the carrying out of on-going operational activities.

Figures related to transactions between entities from ULMA Construccion Polska S.A. and related entities:

Settlements as at the balance sheet date	**As at:**	
	31 December 2015	31 December 2014
Trade receivables	1,794	2,513
Trade liabilities	4,107	1,681

Sales and purchases from Group entities	12 months of 2015	12 months of 2014
Sales	18,756	25,567
Purchases	30,412	30,918

Loans, interest, dividends	12 months of 2015	12 months of 2014
Loans granted – in EUR '000	300	700
Loans repaid – in EUR '000	1,110	290
Loans granted – in USD '000	450	1,500
Loans repaid – in USD '000	450	-
Loans granted – in PLN '000	82,001	38,161
Loans repaid – in PLN '000	50,001	38,161
Loan interest income – in EUR '000	149	223
Loan interest revenue – in USD '000	143	116
Loan interest income – in PLN '000	770	271

Dividend received from ULMA Kazakhstan – in PLN '000	2,068	1,664

ULMA Construccion Polska S.A. granted its subsidiary – ULMA Opalubka Ukraina sp. z o.o. – an investment loan in the amount of EUR 3,100 thousand of fixed interest rate at the market level. As at the balance sheet date, i.e. 31 December 2015, receivables of the Company due to the loan are EUR 0 thousand.

ULMA Construccion Polska S.A. granted its subsidiary – ULMA Opalubka Ukraina sp. z o.o. – an investment loan in the amount of USD 1,500 thousand of fixed interest rate at the market level, maturing on 31 December 2016. As at 31 December 2015, the loan balance was USD 1,500 thousand. The Management Board intends to extend the deadline for the repayment of the loan.

ULMA Construccion Polska S.A. granted its associate - ULMA Cofraje srl Romania - a loan in the amount of EUR 241,000. The loan was granted on an arm's length basis, and expires on 31 May 2017.
As at 31 December 2015, the loan balance was EUR 221.9 thousand.

ULMA Construccion Polska S.A., by way of an annex of 3 November 2014, increased the amount the investment loan granted to a subsidiary, ULMA Construccion BALTIC, up to EUR 2,500 thousand. The loan was granted on market terms and conditions and expires on 30 June 2018 (annex dated 15 July 2014).
As at 31 December 2015, the loan balance was EUR 2,500 thousand.

ULMA Construccion Polska S.A. granted to its parent entity, ULMA CyE, S. Coop, several short-term loans in the total amount of PLN 82,001 thousand. All loans were granted on an arm's length basis, and the last loan matures on 20 September 2016. The loans were repaid in a timely manner and as at 31 December 2015 the balance of the loans amounted to PLN 32,000 thousand.

Transactions with members of the Management Board, Supervisory Board of the Company, their spouses, siblings, ascendants, descendants and their other relatives, as well as key management personnel of the Company and companies of the ULMA Group with related entities.

It is considered that the key management personnel of the Company and companies of the ULMA Group include members of the Management and Supervisory Board of the Company, as well as members of the Management and Supervisory Boards of subsidiaries and associates. In 2015 and in 2014 the Company or the Group companies did not grant to managing and supervising persons and their relatives any advances, borrowings, loans, guarantees and sureties, or concluded other agreements obliging to render services to the Company and its related parties.
As at 31 December 2015 and as at 31 December 2014 there were no loans granted by the Group companies to the managing and supervising persons or their relatives.

28. Remuneration of Management Board and Supervisory Board Members

	12 months of 2015	12 months of 2014
Management Board of ULMA Construccion Polska S.A.		
Andrzej Kozłowski	1,008	1,008
Andrzej Sterczyński	441	443
Krzysztof Orzełowski	386	385
Rodolfo Carlos Muñiz Urdampilleta	407	
Supervisory Board of ULMA Construccion Polska S.A		
Rafał Alwasiak	24	39

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The remaining Members of the Management Board and the Supervisory Board received no remuneration in the above periods.

29. Proposed profit distribution

The Management Board of ULMA Construccion Polska S.A. proposes to allocate the net profit for 2015 of PLN 31,662.69 to increase the supplementary capital of the Company.

On behalf of the Management Board of ULMA Construccion Polska S.A.

Andrzej Kozłowski,
President of the Management Board ....

Andrzej Sterczyński,
Member of the Management Board ....

Krzysztof Orzełowski,
Member of the Management Board ....

Rodolfo Carlos Muñiz Urdampilleta,
Member of the Management Board ....

Ander Ollo Odriozola,
Member of the Management Board ....

Signature of the person entrusted with keeping the books of account

Henryka Padzik,
Chief Accountant ....

Koszajec, 17 March 2016

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