

20. Social assets and Social Fund Liabilities

The act of 4 March 1994 on the Company Social Fund states with later amendments states that the Company Social Fund is constituted by employers permanently employing over 20 employees. The company creates such Fund and makes periodic allocations to it in the basic amount. The Fund's purpose is to subsidize the operation of the company's social activity.

	31.12.2014	31.12.2013
Fixed assets contributed to the Fund		
Loans granted to the employees	5	4
Cash Social Fund Liabilities	48	101
The netted balance	(109)	(90)
Deduction for the Fund in accounting period	(56)	15
	731	916

21. Earnings per share

Basic earnings per share are computed by dividing net profit for the period attributable to holders of ordinary shares of the Company divided by the weighted average number of issued ordinary shares outstanding in such period. The tables below contain the net consolidated profit and the number of shares used for the calculation of basic earnings per share:

	01.01.2014- 31.12.2014	01.01.2013 - 31.12.2013
Net profit from continued operations	13 827	(22 441)
Net profit from discontinued operations		
Net profit	13 827	(22 441)
Interests from redeemable preference shares convertible into ordinary shares		
Net profit attributable to holders of ordinary shares used to calculate diluted earnings per share.	13 827	(22 441)
	01.01.2014- 31.12.2014	01.01.2013 - 31.12.2013
Weighted average of issued ordinary shares applied to the basic calculation of the profit per share.	41 180	26 180
Diluting impact: Subscription rights for shares Redeemable preference shares		
Adjusted weighted average number of ordinary shares applied to calculation of diluted earnings per share	41 180	26 180
		35 - 66

	01.01.2014 – 31.12.2014	01.01.2013 – 31.12.2013
Net loss on discontinued operation attributable to ordinary equity holders used to calculate basic loss per share	-	-
Net loss on ceased activity attributable to ordinary equity holders used to calculate diluted share	-	-
Basic earnings per share	01.01.2014 – 31.12.2014	01.01.2013 – 31.12.2013
Net profit	13 827	(22 441)
Weighted average number of shares	41 180	26 180
Basic earnings per share (PLN/share)	0,34	(0,86)
Diluted profit per share	01.01.2014 – 31.12.2014	01.01.2013 – 31.12.2013
Net profit attributable to the shareholders used to calculate diluted earnings per share	13 827	(22 441)
Adjusted weighted average number of ordinary shares used to calculate diluted earnings per share	41 180	26 180
Diluted profit per share (PLN/share)	0,34	(0,86)
	01.01.2014 – 31.12.2014	01.01.2013 – 31.12.2013
Net profit from continuing operation	13 827	(22 441)
Weighted average number of shares	41 180	26 180
Basic earnings per share (PLN/share)	0,34	(0,86)
Diluted profit per share from continuing operation	01.01.2014 – 31.12.2014	01.01.2013 – 31.12.2013
Net profit attributable to the equity holders used to calculate diluted profit per share from continuing operation	13 425	(22 441)
Adjusted weighted average number of ordinary shares used to calculate diluted profit per share	41 180	26 180
Diluted profit per share (PLN/share)	0,33	(0,86)

22. Dividends paid and declared

In 2014, there were no dividends paid.

23. Tangible fixed assets

31.12.2014								
THE TABLE OF CHANGES IN TANGIBLE FIXED ASSETS	Land	Buildings, premises and civil engineering facilities	Technical devices and machinery	Means of transport	Other fixed assets	Fixed assets under construction	Exclusions	All
		2889	34108	33691	4477	5878	4529	(433)
a) Gross tangible fixed assets at beginning of period								
b) increase (from)	-	7827	904	618	945	13008	(13)	2389
- purchase		5	711	618	945			2279
- adoption from investment								-
- modernization		322	193					515
- reference of liquidation costs on opening value								-
- investment on fixed assets under construction						13008		13008
- investment in foreign fixed assets								-
- transferred under the agreement of financial leasing								-
- external financial costs								-
- reallocation from tangible fixed assets of investment		7500						7500
- others								-
c) decrease (from)	-	33	747	380	169	5430	-	6759
- sale			281	380				661
- closure		33	466	-	169			668
- adoption to fixed assets						5430		5430
- reclassification to other generic group								-
- cash donations								-
- transfer to investment in real estate								-
- others								-
d) Gross value of fixed assets in the end of the period	2889	41902	38848	4715	6653	12107	(446)	106668
e) Accumulated depreciation (cancellation) in beginning of period	-	6276	20712	2549	3832	-	(43)	33376
f) Depreciation (from)	-	1069	2389	385	511	-	(30)	4324
- annual amortization		1078	2973	556	675			5292
- sale of fixed asset			(133)	(181)				(314)
- closure of fixed asset		(9)	(471)	-	(164)			(644)
- donation of fixed asset								-
- reclassification to other group								-
- other (decreases)								-
- transfer to the group of assets intended to resale - decrease			20					20
- transfer to investment in real estate								-
g) Accumulated amortization (cancellation) in the end of period	-	7345	23101	2934	4393	-	(73)	37700
h) Deduction due to permanent loss of value in the beginning of period								-
Increase (from)	-	-	-				-	-
- creation of deduction due to permanent loss of value in profit or loss								-
Decrease (from)	-	-	-				-	-
- sale of fixed asset								-
- closure of fixed assets								-
- reversal of deduction due to permanent loss of value compared to the financial result								-
- used revaluation								-
-others								-
i) write-offs of permanent loss of value in the end of the period	-	-	-				-	-
j) net value of fixed assets in the beginning of period 2883	2889	27832	17979	1927	1996	4529	(390)	56762
k) net value of fixed assets in the end of period 2889	2889	34557	15747	1781	2260	12107	(373)	68968

The carrying amount of plant and equipment held under finance lease and tenancy agreement with an option to purchase at 31 December 2014 is 6 308 PLN (31.12.2013 – 11 324 PLN). Land and buildings with investment property in total balance sheet of 48 310 PLN(31.12.2013 – 45 937 PLN) are covered by mortgage established in order to secure bank credit of the Company.

31.12.2013								
THE TABLE OF CHANGES IN TANGIBLE FIXED ASSETS	Land	Buildings, premises and civil engineering facilities	Technical devices and machinery	Means of transport	Other fixed assets	Fixed assets under construction	Exclusions	All
	2889	27573	38321	4327	5538	4166	(423)	82391
a) Gross tangible fixed assets at beginning of period								
b) Increase (from)	-	6582	977	375	789	5919	(10)	14632
- purchase		2535	937	375	789			4636
- adoption from investment		4047						4047
- modernization			40					40
- reference of liquidation costs on opening value								-
- investment on fixed assets under construction						5919		5919
- investment in foreign fixed assets								-
- transferred under the agreement of financial leasing								-
- external financial costs								-
- others								-
c) decrease (from)	-	47	607	225	450	5556	-	6885
- sale			426	211				637
- closure		47	181	14	450	12		704
- adoption to fixed assets						5544		5544
- reclassification to other generic group								-
- cash donations								-
- transfer to investment in real estate								-
- others								-
d) Gross value of fixed assets in the end of the period	2889	34108	38691	4477	5878	4529	(433)	90138
e) Accumulated depreciation (cancellation) in beginning of period	-	5404	17994	2049	3551	-	(13)	28985
f) Depreciation (from)	-	872	2718	500	331	-	(30)	4391
- annual amortization		873	3047	627	729			5275
- sale of fixed asset			(163)					(163)
- closure of fixed asset		(1)	(166)	(126)	(398)			(691)
- donation of fixed asset								-
- reclassification to other group								-
- other (decreases)								-
- transfer to the group of assets intended to resale - decrease								-
- transfer to investment in real estate								-
g) Accumulated amortization (cancellation) in the end of period	-	6276	20712	2549	3882	-	(43)	33376
h) Deduction due to permanent loss of value in the beginning of period								-
Increase (from)	-	-	-	-	-	-	-	-
- creation of deduction due to permanent loss of value in profit or loss								-
Decrease (from)	-	-	-	-	-	-	-	-
- sale of fixed asset								-
- closure of fixed assets								-
- reversal of deduction due to permanent loss of value compared to the financial result								-
- used revaluation								-
-others								-
i) write-offs of permanent loss of value in the end of the period	-	-	-	-	-	-	-	-
j) net value of fixed assets in the beginning of period 2883	2889	22169	20327	2278	1987	4166	(410)	53406
k) net value of fixed assets in the end of period	2889	27832	17979	1927	1996	4529	(390)	56762

24. Investment property

INVESTMENT PROPERTY	31.12.2014	31.12.2013
Gross value in beginning of period	18 437	22 520
- purchase		
- transfer from/to tangible fixed assets	(7 500)	(4 047)
- closure		
- revaluation to fair values		
- expansion of the Capital Group	4 034	
- sale of real property		
- exchange rate differences		
- dedicated for sale		
Gross value in the end of period	15 007	18 473
Accumulated amortization and write-offs due to permanent loss of value in beginning of period	-	-
- depreciation for period		
- write-off due to loss of value		
- transfer from/to tangible fixed assets	-	-
- sale of real estate		
- closure		
- expansion of Capital Group		
- others (adjustment of cancellation)		
Accumulated amortization and write-offs due to permanent loss of value in the end of period	-	-
Net value in beginning of period	18 473	22 520
Net value in the end of period	15 007	18 473

On the day of preparation of financial statement the Company had no limitations in disposal of investment properties, gaining economic benefits due to rent and sale above mentioned properties. Investment properties secure credit commitments. Revenue gained by the Company due to lease of investment properties for 2014 is 534.000PLN. Costs of current maintenance, supply of utilities are covered by lessees.

In accordance with MSR 40 the Company updated the valuation of investment properties for the day of 31 December 2014 for properties located in Zakroczym, Opalenica and Lublin. Fair values established by qualified valuers indicate that the value of properties in Zakroczym and Opalenica in 2014 is higher than in the year 2012/2013. The valuation of investment property in Lublin indicated that the value of the property in documents reflects its fair value. Modernization expenditures regarding the properties are entered into accounts by the Company on fixed assets under construction until the investment shall be put into service.

The effects of valuations were entered into the books of 2014 and the influence of the value of investment properties on the result was 4.034PLN.

Balance sheet valuation of investment properties, according to the fair value, is reproducible and is conducted on the third level of hierarchy of fair value. Relocations between levels of the hierarchy had no place in the accounting period. Fair value of the investment properties that are parcels of land was valued with use of estimation procedure based on comparative transactions and was calculated by independent qualified valuers. In the estimation of fair value of the property was used the best and most convenient used assets that does not differ from the actual use.

In the hierarchy of the valuation of fair value the investment properties were classified to the third level where:

- 1.Values from quoting of assets/financial liabilities without any adjustments
- 2.Inputs other than quoting, that are observed directly or not directly
- 3.Inputs which cannot be observed

The hierarchy is established on the basis of the lowest level of inputs.

Localization of the property	1 level	2 level	3 level	Fair value of the property in the balance sheet at 31.12.2014
Opalenica	0	0	1 162	1 162
Lublin	0	0	8 975	8 975
Lands in Zakroczym	0	0	1 789	1 789
PWUG Lublin	0	0	1 456	1 456
Mircze			815	815
Perespa			811	811
				15007

In the property records presented by qualified valuers used in accounting records by URSUS S.A. the following methods of determination of market value of the property were used:

- profitable method
- comparison method

In the valuation with use of the profitable method the following premises were assumed:

KEY ASSUMPTIONS	Worth
Achievable real interest rate from the minimal-risk investment	1,38 %
Premium for risk in investments in properties	5,00 %

The fair value of investment properties as at 31.12.2014 located in Mircze and Perespa was estimated by the consolidated Company. The value of investment property does not differ from the fair value presented in the Financial Statement.