



ȘANTIERUL NAVAL ORȘOVA S.A.  
Nr. RC J25/150/1991 CIF: RO 1614734  
Capital social: - subscris 28.557.297,5 lei  
- varsat 28.557.297,5 lei  
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Codul LEI (Legal Entity Identifier): 254900UAXJ8TPIKLXG79  
Cod IBAN: RO96RNCB0181022634120001- B.C.R. Orșova  
Cod IBAN: RO59BRDE260SV03176142600- B.R.D. Orșova



**REPORT REGARDING THE RESULT OF THE RE –ASSESSMENT OF THE  
CONSTRUCTIONS AND OF SHIP TRANSPORT MEANS ON 31.12.2020**

Dear shareholders,

According to the Accounting Regulations corresponding to the International Standards for Financial Reporting (IAS 16), and also with the accounting politics of the company from the GUIDE of accounting politics approved by the Management Board, the company proceeded with the

- Re-assessment of the group of ships existing at the branch in Agigea
- Execution of the depreciation test for the fixed assets which are in preservation at Agigea branch

The last assessment of these fixed assets took place in the year 2019.

The necessity of a re-assessment is imposed – as shown – by the accounting regulations corresponding to the international Standards of Financial Reporting (IAS 16) which stipulate that: “The re-assessments must take place with enough regularity to ensure that the accounting value is not much different from the determination through the usage of the fair value at the end of the reporting period”.

As well, the parts from a group of tangible assets is re-assessed simultaneously to avoid the selective re-assessment and the reporting under the annual fiscal reports of some values which represent a combination of costs and values calculated at different dates. Besides this, during the year 2017, repair works and modernization works have been carried out to the ships enlisted to the branch, and this re-assessment work was by far most necessary, to acknowledge that the new values resulted are reliable in what the accounting reporting is concerned.

In order to carry out the above works, the company contracted a special firm for this – which has been certified ANEVAR – S.C. Darian DRS Cluj Napoca, with which a contract agreement has been concluded.

According to the Assessment report, the following differences to be recorded resulted to the group of ships:

- Total differences from re-assessment (decrease), out of which: 519.762,97 lei
- Growth: 7.200,10 lei
- Decrease 526.963,07 lei

In what the accounting treatment of the differences from re-assessment is concerned, the legal norms (IAS16 point 39 and 40), stipulate the following:

(39) If the accounting value of an asset is increased as a result of the re-assessment, then the growth must be found in other elements, as well, of the global result and cumulated in the Equity capital, as revaluation surplus. Thus, the increase must be acknowledged also in the profit or loss to the extent to which it compensates a deduction from the revaluation of the same assets, previously found in the profit or loss.

(40) If the carrying value of an asset is decreased subsequently to a revaluation, then this decrease must be found in the profit or loss. Thus, the reduction must be found also in other elements of the global result to the extent to which the revaluation surplus shows a credit balance for that asset. The reduction acknowledged in other elements of the global result decreases the amount cumulated to the equity capitals as revaluation surplus.

In accordance with the above, both the increase and decrease in revaluation was recorded at the expense of capital , namely in the account 105 “Revaluation Reserves”.

Based on the Valuation Report, the company also recorded operations related to the other categories of fixed assets subject to valuation, as shown at the beginning of this report, namely the depreciation of other fixed assets in conservation, except for buildings, in the amount of 406,522.02. On 31.12.2020, the company's costs were affected by the value of 40,994.79 lei depreciation of the other fixed assets in conservation, except for the buildings, the company having already constituted, from the previous years, a depreciation of 365,527.23 lei.

General manager,  
Mircea Ion Sperdea

Economic manager,  
Marilena Visescu