



HOW TO READ FINANCIAL STATEMENTS IN ROMANIA

Starting with the fiscal year 2015 individual annual financial statements and consolidated annual financial statements are prepared in accordance Ministry of Public Finance Order no.1802/2014, which repeal previous regulations (Ministry of Public Finance Order no. 3055/2009)

Depending on the size criteria, entities are grouped into three categories:

- Micro-entities
- Small entities
- Medium and large entities

Micro-entities are entities that, on the balance sheet day, do not exceed at least two of the following three criteria:

- a) total assets: 1.500.000 lei (equivalent to 338.310 euros);
- b) net turnover: 3.000.000 lei (equivalent to 676.620 euros);
- c) average number of employees during the financial year: 10

Small entities are entities that, on the balance sheet day, do not fall into the category of micro-entities and do not exceed at least two of the following three criteria:

- a) total assets: 17.500.000 lei (equivalent to 3.946.953 euros);
- b) net turnover: 35.000.000 lei (equivalent to 7.893.906 euros);
- c) average number of employees during the financial year: 50

Medium and large entities are entities that, on the balance sheet day, exceed at least two of the following three criteria:

- a) total assets: 17.500.000 lei (equivalent to 3.946.953 euros);
- b) net turnover: 35.000.000 lei (equivalent to 7.893.906 euros);
- c) average number of employees during the financial year: 50

Micro-entities prepare annual financial statements consisting of:

- balance sheet – in short form;
- profit and loss account – in short form;
- explanatory notes to the annual financial statements.

Small entities prepare annual financial statements consisting of:

- balance sheet – in short form;
- profit and loss account
- explanatory notes to the annual financial statements.

Medium, large entities and entities of public interest prepare annual financial statements consisting of:

- balance sheet
- profit and loss account
- statement of changes in equity
- statement of cash flow
- explanatory notes to the annual financial statements

The balance sheet format for medium and large entities is as follows:



A. ACTIVE IMOBILIZATE	A. FIXED ASSETS
I. IMOBILIZĂRI NECORPORALE	I. INTANGIBLE FIXED ASSETS
1. Cheltuieli de constituire	1. Setup costs
2. Cheltuieli de dezvoltare	2. Development costs
3. Concesiuni, brevete, licențe, mărci comerciale, drepturi și active similare și alte immobilizări necorporale	3. Concessions, patents, licences, trademarks and similar rights and assets
4. Active necorporale de exploatare și evaluare a resurselor minerale	4. Intangible assets – exploitation and evaluation of mineral resources
5. Fond comercial, în măsura în care acesta a fost achiziționat cu titlu oneros	5. Goodwill, if it was purchased
6. Avansuri	6. Advance payments
II. IMOBILIZĂRI CORPORALE	II. TANGIBLE FIXED ASSETS
1. Terenuri și construcții	1. Land and buildings
2. Instalații tehnice și mașini	2. Plant and machinery
3. Alte instalații, utilaje și mobilier	3. Other tangible fixed assets
4. Investiții imobiliare	4. Real estate investments
5. Active corporale de exploatare și evaluare a resurselor minerale	5. Tangible assets – exploitation and evaluation of mineral resources
6. Active biologice productive	6. Biological assets
7. Avansuri și immobilizări corporale în curs de execuție	7. Advance payments and tangible assets in progress
III. IMOBILIZĂRI FINANCIARE	III. FINANCIAL ASSETS
1. Acțiuni deținute la entitățile afiliate	1. Shares in related parties
2. Împrumuturi acordate entităților afiliate	2. Loans to related parties
3. Interese de participare	3. Participating interests
4. Împrumuturi acordate entităților de care compania este legată în virtutea intereselor de participare	4. Loans to entities in which the company is linked by virtue of participating interests
5. Investiții deținute ca immobilizări	5. Investments held as financial assets
6. Alte împrumuturi	6. Other loans
B. ACTIVE CIRCULANTE	B. CURRENT ASSETS
I. STOCURI	I. INVENTORY
1. Materii prime și materiale consumabile	1. Raw materials and consumables
2. Producția în curs de execuție	2. Work in progress
3. Produse finite și mărfuri	3. Finished products and commodities
4. Avansuri	4. Advance payments
II. CREANȚE (Sumele care urmează să fie încasate după o perioadă mai mare de un an trebuie prezentate separat pentru fiecare element)	II. Accounts receivable (The amounts to be received after more than one year must be shown separately for each item)
1. Creanțe comerciale	1. Trade accounts receivable
2. Sume de încasat de la entitățile afiliate	2. Amounts receivable from affiliated entities



3. Sume de încasat de la entitățile de care compania este legată în virtutea intereselor de participare	3. Amounts receivable from entities in which the company is linked by virtue of participating interests
4. Alte creanțe	4. Other accounts receivable
5. Capital subscris și nevărsat	5. Subscribed and not paid in capital
III. INVESTIȚII PE TERMEN SCURT	III. SHORT TERM INVESTMENTS
1. Acțiuni deținute la entitățile afiliate	1. Shares in affiliates
2. Alte investiții pe termen scurt	2. Other short term investments
IV. CASA ȘI CONTURI LA BĂNCI	IV. CASH AND BANK ACCOUNTS
C. CHELTUIELI ÎN AVANS	C. PREPAYMENTS
D. DATORII: SUMELE CARE TREBUIE PLĂTITE ÎNTR-O PERIOADĂ DE PÂNĂ LA 1 AN	D. DEBTS TO BE PAID IN A PERIOD UP TO 1 YEAR
1. Împrumuturi din emisiunea de obligațiuni, prezentându-se separat împrumuturile din emisiunea de obligațiuni convertibile	1. Debenture loans, convertible debenture loans are presented separately
2. Sumele datorate instituțiilor de credit	2. Amounts owed to credit institutions
3. Avansuri încasate în contul comenzilor	3. Advance payments from customers
4. Datorii comerciale – furnizori	4. Trade payables – suppliers
5. Efecte de comerț de plătit	5. Bills of exchange payable
6. Sume datorate entităților afiliate	6. Payables to affiliated entities
7. Sume datorate entităților de care compania este legată în virtutea intereselor de participare	7. Payables to entities in which the company is linked by virtue of participating interests
8. Alte datorii, inclusiv datoriile fiscale și datoriile privind asigurările sociale	8. Other debts, including tax and social security debts
E. ACTIVE CIRCULANTE NETE/ DATORII CURENTE NETE	E. NET CURRENT ASSETS/ NET CURRENT LIABILITIES
F. TOTAL ACTIVE MINUS DATORII CURENTE	F. ASSETS LESS CURRENT LIABILITIES
G. DATORII: SUMELE CARE TREBUIE PLĂTITE ÎNTR-O PERIOADĂ MAI MARE DE 1 AN	G. DEBTS TO BE PAID IN A PERIOD OF MORE THAN 1 YEAR
1. Împrumuturi din emisiunea de obligațiuni, prezentându-se separat împrumuturile din emisiunea de obligațiuni convertibile	1. Debenture loans, convertible debenture loans are presented separately
2. Sumele datorate instituțiilor de credit	2. Amounts owed to credit institutions
3. Avansuri încasate în contul comenzilor	3. Advance payments from customers
4. Datorii comerciale – furnizori	4. Trade payables – suppliers
5. Efecte de comerț de plătit	5. Bills of exchange payable
6. Sume datorate entităților afiliate	6. Payables to affiliated entities
7. Sume datorate entităților de care compania este legată în virtutea intereselor de participare	7. Payables to entities in which the company is linked by virtue of participating interests
8. Alte datorii, inclusiv datoriile fiscale și datoriile privind asigurările sociale	8. Other debts, including tax and social security debts



H. PROVIZIOANE	H. PROVISIONS
1. Provizioane pentru litigii	1. Provisions for litigations
2. Provizioane pentru garantii acordate clientilor	2. Provisions for customer warrantees
3. Provizioane pentru pensii și obligații similare	3. Provisions for pensions and similar obligations
4. Provizioane pentru impozite	4. Provisions for taxes
5. Alte provizioane	5. Other provisions
I. VENITURI IN AVANS	I. ACCRUED INCOME
J. CAPITALURI PROPRII	J. NET EQUITY
I. CAPITAL SUBSCRIS	I. SUBSCRIBED CAPITAL
1. Capital subscris vărsat	1. Subscribed and paid in capital
2. Capital subscris nevărsat	2. Subscribed and not paid in capital
II. PRIME DE CAPITAL	II. SHARE PREMIUMS
III. REZERVE DIN REEVALUARE	III. REVALUATION RESERVES
IV. REZERVE	IV. RESERVES
1. Rezerve legale	1. Legal reserves
2. Rezerve statutare sau contractuale	2. Statutory or contractual reserves
3. Alte rezerve	3. Other reserves
V. PROFITUL SAU PIERDEREA REPORTATA	V. PROFIT / LOSS BROUGHT FORWARD
VI. PROFITUL SAU PIERDEREA EXERCİIULUI FINANCIAR	VI. RESULT FOR THE YEAR (PROFIT OR LOSS)



The balance sheet format for micro-entities and small entities include all elements of balance sheet for medium and large entities, as shown above, but more centralized. The main active and passive items which are found in the balance sheet of these entities are:

- fixed assets
- current assets
- prepayments
- debts to be paid in a period up to 1 year
- debts to be paid in a period of more than 1 year
- provisions
- accrued incom
- net equity

The format of the profit and loss account prepared by small and medium-sized and large entities is as follows:



1. Cifra de afaceri neta	1.Net turnover
2. Variatia stocurilor de produse finite si a productiei in curs de executie	2.Changes in inventories of finished products and production in progress
3. Productia realizata de entitate pentru scopurile sale proprii si capitalizata	3.Production achieved by the entity for its own purposes and capitalized
4. Alte venituri din exploatare	4.Other operating incomes
5. a) Cheltuieli cu materiile prime si materialele consumabile	5. a) Raw materials and consumables expenses
b) Alte cheltuieli externe	b) Other external expenses
6. Cheltuieli cu personalul:	6. Staff expenses
a) Salarii si indemnizatii	a) Salary and allowances
b) Cheltuieli cu asigurarile sociale	b) Social security contributions
7. a) Ajustari de valoare privind imobiliarile corporale si imobiliarile necorporale	7. a) Adjustment on tangible and intangible assets
b) Ajustari de valoare privind activele circulante, in cazul in care acestea depasesc suma ajustarilor de valoare care sunt normale in entitatea in cauza	b) Adjustment for current assets, if they exceed the amount of adjustments value which are normal in the entity concerned
8. Alte cheltuieli de exploatare	8.Other operating expenses
9. Venituri din interese de participare, cu indicarea distincta a celor obtinute de la entitatile afiliate	9.Incomes from participating interests, with distinct indication of that derived from affiliated entities
10. Venituri din alte investitii si imprumuturi care fac parte din activele imobilizate, cu indicarea distincta a celor obtinute de la entitatile afiliate	10.Income from other investments and loans forming part of the assets, with a separate indication of that derived from affiliated entities
11. Alte dobanzi de incasat si venituri similare, cu indicarea distincta a celor obtinute de la entitatile afiliate	11.Other interest receivable and similar income, with separate indication of that derived from affiliated entities
12. Ajustari de valoare privind imobiliarile financiare si investitiile detinute ca active circulante	12. Adjustments value on financial assets and investments held as current assets
13. Dobanzi de platit si cheltuieli similare, cu indicarea distincta a celor de platit entitatilor afiliate	13.Interest payable and similar charges, with a separate indication of those paid to affiliated entities
14. Impozitul pe profit	14.Profit tax expenses
15. Profitul sau pierderea dupa impozitare	15. Profit or loss after tax
16. Alte impozite neprezentate la elementele de mai sus	16. Other taxes not shown on the above items
17. Profitul sau pierderea exercitiului financiar	17. Profit or Loss for the year



Micro-entities prepare a profit and loss account comprising following items:

- net turnover
- other income
- the cost of raw materials and consumables
- salary expenses
- value adjustments
- other expenses
- taxes
- profit or loss