FINANCIAL STATEMENT OF CCC S.A.
FOR THE PERIOD OF 1 JANUARY 2014
TO 31 DECEMBER 2014

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amounts are denominated in PLN '000, unless indicated otherwise

STATEMENT OF FINANCIAL RESULTS AND OTHER COMPREHENSIVE INCOME

	Note no.	Period 2014-01-01 2014-12-31	Period 2013-01-01 2013-12-31
Sales revenues	5	1 695 891	1 511 592
Manufacturing cost of products, goods and services sold	6	(996 152)	(855 817)
Sales gross profit		**699 739**	**655 775**
Other operating revenues	21	11 822	9 742
Sales costs	6	(551 611)	(535 258)
General costs of management board	6	(10 209)	(4 672)
Other operating expenses	21	(17 181)	(19 518)
Profit of operating activity		**132 560**	**106 069**
Financial revenue	21	29 154	29 844
Financial costs	21	(20 684)	(20 046)
Profit before tax		**141 030**	**115 867**
Income tax	22	(25 205)	(17 471)
Net profit		**115 825**	**98 396**
Other total incomes:		-	99
1. Other total incomes that will be reclassified into profits or losses after meeting certain conditions:		-	-
- exchange differences from converting foreign units		-	-
2. Other total incomes that will not be reclassified into profits or losses:	20	-	99
- gains / actuarial losses		-	99
Total incomes		**115 825**	**98 495**
Earning per share			
basic and diluted	23	3,01 PLN	2,56 PLN

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STATEMENT OF FINANCIAL CONDITION

	Note no.	State on 31.12.2014	State on 31.12.2013
Fixed assets			
Intangible assets	8	5 736	6 414
Tangible assets	7	288 679	278 573
Non-current investments	9	107 175	55 932
Non-current receivables	10	47 308	829
Deferred tax assets	18	4 422	4 211
Fixed assets in total		**453 320**	**345 959**
Current assets			
Inventory	11	228 303	388 478
Trade receivables and other receivables	10	121 507	175 817
Current loans granted	10	106 346	29 950
Income tax receivables	10	-	527
Cash and cash equivalents	12	58 990	92 654
Current assets in total		**515 146**	**687 426**
Total assets		**968 466**	**1 033 385**
Equity capital			
Share capital	13	3 840	3 840
Share premium	13	74 586	74 586
Other capital	13	4 392	2 196
Retained profits	13	371 975	317 590
Equity capital in total		**454 793**	**398 212**
Non-current liabilities			
Non-current loans and bank borrowings	16	6 000	158 000
Long-term bonds	16	210 000	-
Long-term provisions	20	1 137	1 203
Received subsidies	26	28 696	31 307
Non-current liabilities in total		**245 833**	**190 510**
Current liabilities			
Trade and other liabilities	14	204 736	238 884
Income tax liabilities	14	12 756	-
Current loans and bank borrowings	16	44 311	200 748
Current provisions	19,20	3 426	2 420
Received subsidies	26	2 611	2 611
Current liabilities in total		**267 840**	**444 663**
Total equity and liabilities		**968 466**	**1 033 385**

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STATEMENT OF CHANGES IN EQUITY CAPITAL

	Share capital	Share premium	Other capital	Retained profit	Total equity capital
As of 1 January 2014	**3 840**	**74 586**	**2 196**	**317 590**	**398 212**
Results for the year	-	-	-	115 825	115 825
Total comprehensive income	**-**	**-**	**-**	**115 825**	**115 825**
Other adjustments	-	-	-	-	-
Dividend disbursement	-	-	-	(61 440)	(61 440)
Employee stock option plan – valuation of the program	-	-	2 196	-	2 196
As of 31 December 2014	**3 840**	**74 586**	**4 392**	**371 975**	**454 793**

	Share capital	Share premium	Other capital	Retained profit	Total equity capital
As of 1 January 2013	**3 840**	**74 586**	**-**	**280 634**	**359 060**
Results for the year	-	-	-	98 396	98 396
Total comprehensive income	**-**	**-**	**-**	**98 396**	**98 396**
Dividend disbursement	-	-	-	(61 440)	(61 440)
Employee stock option plan – formation of the program	-	-	2 097	-	2 097
Valuation of liabilities under benefits after employment period	-	-	99	-	99
As of 31 December 2013	**3 840**	**74 586**	**2 196**	**317 590**	**398 212**

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CASH FLOW STATEMENT

	from 01.01.2014 to 31.12.2014	from 01.01.2013 to 31.12.2013
Gross profit before tax	141 030	115 867
Adjustments:	(201 627)	(40 520)
Depreciation	31 631	27 443
Interest and share in profits (dividends)	(26 294)	(28 980)
Profit (loss) on investment activity	9 465	9 942
Cost of interest	14 081	15 343
Cost on bonds issue	630	
Changes in provisions state	940	1 933
Changes in inventory state	(240 467)	(31 982)
Changes in receivables	(24 306)	(85 758)
Changes in current liabilities, other than loans and borrowings	43 535	60 097
Income tax paid	(12 565)	(11 525)
Other adjustments	1 723	2 967
Net cash flow from operating activity	**(60 597)**	**75 347**
Cash flow from investment activity		
Received interest	1 667	299
Received dividends		28 681
Receipts from the sale of tangible fixed assets	8 302	5 460
Receipts from granted loans to third parties	12 879	3 112
Expenses for capital increase in subsidiaries	(10 353)	(3 032)
Purchase of intangible assets	(489)	(574)
Purchase of tangible fixed assets	(59 218)	(38 796)
Granted loans	(131 751)	(26 540)
Net cash flow from investment activity	**(178 963)**	**(31 390)**
Cash flow from financial activity		
Receipts from incurred borrowings and loans	126 553	149 130
Bonds issue	209 370	-
Dividends and other disbursements to owners	(61 440)	(61 440)
Repayment of loans and borrowings	(46 409)	(123 258)
Payment of liabilities under financial lease		(3)
Paid interest	(14 081)	(15 343)
Net cash flow from financial activity	**213 993**	**(50 914)**
Total cash flow	**(25 567)**	**(6 957)**
Net increase (decrease) in cash and cash equivalents including:	(25 567)	(6 957)
-change in cash due to separation of Organized Part of the Enterprise	*(8 097)*	-
Cash and cash equivalents at the beginning of the period	**92 654**	**99 611**
Cash and cash equivalents at the end of the period	**58 990**	**92 654**

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NOTES

1. GENERAL INFORMATION

Name of the Company:	CCC Spółka Akcyjna
Registered office of the Company:	Polkowice
Address:	ul. Strefowa 6, 59-101 Polkowice
Phone:	+48 (76) 845 84 00
Telefax:	+48 (76) 845 84 31
Email:	ccc@ccc.eu
Website:	www.ccc.eu
Registration:	District Court for Wrocław-Fabryczna in Wrocław, 9th Commercial Division of the National Court Register
KRS Number	(National Court Register): 0000211692
Regon (Statistical Number):	390716905
NIP (Tax Identification Number):	692-22-00-609
Corporate purpose:	The Company's primary corporate purpose according to the European Classification of Economic Activities is wholesale and retail trade of clothing and footwear (ECEA 5142).

For the purposes of this report, the Issuer uses the new name "CCC S.A." with respect to the company, and the name "the CCC S.A. Capital Group" with respect to the Capital Group.
CCC S.A. is the dominant entity in the CCC S.A. Capital Group.
CCC S.A. has been listed on Giełda Papierów Wartościowych S.A. in Warsaw (Warsaw Stock Exchange) since 2004. The organizational changes that took place in the Group during the financial year are described in point 18 "The Management Board's Report on operations".

2. APPLIED ACCOUNTING PRINCIPLES

The major accounting principles used in preparing this financial statements are set out below. The principles were continuously applied in all the years presented. In 2014 the Group has separated from the position Trade receivables and other receivables in the balance sheet the value of loans and started their presentation in a separate line.

2.1. Basis of preparation

The financial statements of CCC S.A. was prepared in accordance with the International Financial Reporting Standards approved by the European Union (IFRS approved by the EU), with IFRIC Interpretations and with the Accounting Act to the extent that applies to companies preparing their financial reports in accordance with the IFRS. The financial statements was prepared in accordance with the historical cost principle, with changes stemming from the revaluation of land and buildings, to a fair value level through the profit and loss statement.
Preparation of financial statements in accordance with the IFRS requires the use of certain considerable accounting estimates. It also requires that the Management Board make its own assessment as part of applying the accounting principles adopted by the Company. Material estimates of the Management Board are set out in note 4.

2. APPLIED ACCOUNTING PRINCIPLES (continued)

This statements was prepared on the assumption that the business activity will continue for at least twelve months. There is no indication of circumstances that would signify serious threats to the Company's continuation of its business activity.

In this financial statements, the following new and revised standards and interpretations that became effective as of 1 January 2014 were applied for the first time:

- **IFRS 10 "Consolidated Financial Statements"**

The new standard replaces the guidelines concerning control and consolidation contained in IAS 27 "Consolidated and separate financial statements" and in the interpretation SIC 12 "Consolidation - Special purpose entities". IFRS 10 amends the definition of control in a way that ensures that all entities are subject to the same control criteria.
This amendment did not have a crucial impact on the Company's financial statement.

- **IFRS 11 "Joint Arrangements"**

The new standard replaces IAS 31 "Interests in Joint Ventures" and the interpretation of SIC 13 "Jointly Controlled Entities - Non-Monetary Contributions by Venturers". Changes to the definitions reduced the number of types of joint arrangements to two: joint operations and joint ventures. Furthermore, the changes eliminated the option to select proportional consolidation for jointly controlled entities. All participants of joint ventures are currently required to recognise them using the equity method.
This amendment did not have a crucial impact on the Company's financial statement.

- **IFRS 12 "Disclosure of Interests in Other Entities"**

The new standard applies to entities holding interests in a subsidiary, joint venture, affiliate or in a non-consolidated entity governed under an agreement. The standard replaces the disclosure requirements currently contained in IAS 27 "Consolidated and separate financial statements", IAS 28 "Investments in Associates" and IAS 31 "Interests in Joint Ventures". IFRS 12 requires that entities disclose information that will help readers of financial statements to assess the nature, risk and financial consequences of investments in subsidiaries, affiliates, joint ventures and non-consolidated entities managed under agreements. To this end, the new standard introduces the requirement to make disclosures regarding various areas, including significant judgments and assumptions made when determining whether an entity controls, jointly controls or has significant influence over other entities; extensive disclosures about the importance of non-controlling shares in the group's business and cash flows; summary financial information about subsidiaries with material non-controlling shares, as well as detailed information about shares in non-consolidated entities managed under agreements.
This amendment did not have a crucial impact on the Company's financial statement.

- **Revised IAS 27 "Separate Financial Statements"**

The amendment to IAS 27 "Separate Financial Statements" was published by the International Accounting Standards Board in May 2011 and applies to year-long periods starting from 1 January 2014 or thereafter (mandatory adoption in the European Union from 1 January 2014).
IAS 27 was amended due to publishing IFRS 10 "Consolidated Financial Statements". The objective of the amended IAS 27 is to set the standards to be applied in accounting for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements. The guidelines regarding control and consolidated financial statements were replaced by IFRS 10.
This amendment did not have a crucial impact on the Company's financial statement.

2. APPLIED ACCOUNTING PRINCIPLES (continued)

- **IAS 28 (revised) "Investments in Associates and Joint Ventures"**

The amendment to IAS 28 stemmed from the IASB draft on joint ventures. The Board decided to incorporate in IAS 28 the standards to be applied in accounting for joint ventures in accordance with the equity method, as that method applies to both joint ventures and affiliates. Save for this exception, the remaining guidelines did not change.
This amendment did not have a crucial impact on the Company's financial statement.

- **Changes in the transitional provisions of IFRS 10, IFRS 11, IFRS 12**

The amendments clarify the transitional provisions for IFRS 10 "Consolidated Financial Statements". Entities adopting IFRS 10 should assess whether they have the control on the first day of the annual period for which IFRS 10 was first applied, and if the conclusions from this assessment differ from the conclusions of IAS 27 and SIC 12, then the comparative figures should be restated, unless this would be impractical. The changes also introduce additional transitional facilities when applying IFRS 10, IFRS 11 and IFRS 12, by limiting the obligation to present adjusted comparative data only to data for the immediately preceding reporting period. In addition, these changes dispense with the requirement to present comparative data for the disclosures relating to unconsolidated structural units for the periods preceding the adoption of IFRS 12 for the first time.
This change had no material impact on the financial statements of the Company.

- **Investment Entities - Amendments to IFRS 10, IFRS 12 and IAS 27**

The amendments introduce a definition of investment entity to IFRS 10. Such entities will be required to demonstrate their subsidiaries at fair value through financial result and consolidate only those subsidiaries that provide services on its behalf related to investment activities of the company. IFRS 12 was also changed, introducing new disclosures on investment entities.
This change had no material impact on the financial statements of the Company.

- **Offsetting Financial Assets and Financial Liabilities - Amendments to IAS 32**

The amendment introduces additional information on the application of IAS 32 to help clarify any inconsistencies encountered in applying some of the offsetting criteria. They clarify the meaning of "currently has a legally enforceable right to set off" and explain that certain gross settlement mechanisms may be treated as net settlement mechanisms if they meet certain net settlement criteria.

This change had no material impact on the financial statements of the Company.

- **Disclosure of recoverable value on non-financial assets - Amendments to IAS 36**

The changes remove the requirement for disclosure of recoverable value when the cash- generating unit includes the goodwill or intangible assets with indefinite usefulness and there was no impairment defined.

This change had no material impact on the financial statements of the Company.

2. APPLIED ACCOUNTING PRINCIPLES (continued)

- **Novation of Derivatives and Continuation of Hedge Accounting - Amendments to IAS 39**

The changes allow continuing hedge accounting when the derivative that was designated as a hedging instrument, is renewed (i.e. the parties agreed to replace the original counterparty with a new one) as a result of the settlement of the instrument with a central clearing house which is a consequence of the law regulations if strict conditions are met.
This change had no material impact on the financial statements of the Company.

Published standards and interpretations which are not yet effective and have not been early adopted by the Company

In these financial statements, the Company did not decide to prior use the following published standards, interpretations or amendments to existing standards prior to their date of entry into force:

- **IFRS 9: „Financial Instruments"**

IFRS 9 replaces IAS 39 This standard is effective for annual periods commencing on 1st January 2018 or thereafter.
The standard introduces one model with only two classification categories for financial assets: fair value and subsequently measured at amortized cost. The classification is made at initial recognition and depends on the entity's business model for managing financial instruments and the contractual cash flow characteristics of these instruments.
IFRS 9 introduces a new model for the setting of write-downs - a model of expected credit losses.
Most of the requirements in IAS 39 for classification and measurement of financial liabilities were transferred to IFRS 9 unchanged. The key change it is that individuals are imposed to be required to present in other total income effects of changes in own credit risk of financial liabilities designated as measured at fair value through its financial result.
In terms of hedge accounting changes were designed to more closely match hedge accounting to risk management.
The Company will apply IFRS 9 after its adoption by European Union.
The Management Board estimates that the change will not have a material impact on the financial statements of the Company.
At the date of preparation of these financial statements, IFRS 9 has not yet been approved by the European Union .

- **Plans of specified benefits: Employee Contributions - Amendment to IAS 19**

The amendment to IAS 19 "Employee Benefits" was published by the International Accounting Standards Board in June 2013 and applies in European Union to year-long periods starting from 1 February 2015 or thereafter.
Changes allow for recognition of contributions paid by employees as a reduction in employment costs in the period in which the work is performed by the employee, instead of assigning contributions to the work periods, if the amount of the employee contribution is independent of the length of service.
The Company will apply the amendments to IAS 19 from 1 January 2016.
The Management estimates that the changes will have no material impact on the financial statements of the Company.

2. APPLIED ACCOUNTING PRINCIPLES (continued)

• Amendments to IFRS 2010-2012

The International Accounting Standards Board published in December 2013. "Amendments to IFRS 2010-2012" which amend 7 standards. The amendments include changes in presentation, recognition and valuation and they include terminology and editorial changes. The changes take effect in the European Union for annual periods beginning 1 February 2015.
The Company will apply these amendments to IFRS from 1 January 2016. The Management estimates that the changes will have no material impact on the financial statements of the Company.

• Amendments to IFRSs 2011-2013

The International Accounting Standards Board published in December 2013. "Amendments to IFRSs 2011-2013", which change 4 standards. The amendments include changes in presentation, recognition and valuation and include terminology and editorial changes. The changes take effect in the European Union for annual periods beginning on 1 January 2015.
The Company will apply these amendments to IFRS from 1 January 2015.
The Management estimates that the changes will have no material impact on the financial statements of the Company.

• IFRS 14 "Regulatory Deferral Accounts"

IFRS 14 is effective for annual periods beginning on 1 January 2016 or thereafter. This standard allows the units to draw up financial statements in accordance with IFRS for the first time, to recognize the amounts resulting from the activities of regulated prices, in accordance with the previously applied accounting principles. To improve comparability with units which already have applied IFRS and do not recognize such amounts, according to a published IFRS 14, the amounts resulting from the activities of regulated prices should be subject to the presentation in a separate line both in the statement of financial position as well as in the income statement and statement of other comprehensive income. The Company will apply these amendments to IFRS from 1 January 2016. The Management estimates that the changes will have no material impact on the financial statements of the Company.
At the date of these financial statements, IFRS 14 has not yet been approved by the European Union.

• IFRIC 21 "Levies"

IFRIC 21interpretation was published on May 20, 2013 and is effective for financial years beginning on 17 June 2014 or thereafter. The interpretation clarifies the accounting recognition of liabilities for payment of levies that are not income taxes. Obligating event is an event specified in the legislation giving rise to the obligation to pay a tax or fee. The mere fact that the unit will continue its operation in the next period, or draws up a report in accordance with the going concern basis, does not create a necessity to recognize the liability. The same principles apply to recognition of liabilities annual reports and interim reports. Application of the interpretation of the obligations arising from emission rights is optional. The Company will apply IFRIC 21 from 1 January 2015. The Management estimates that the changes will have no material impact on the financial statements of the Company.

• Amendments to IFRS 11 Accounting for Acquisitions of Interests in Joint Operations

This amendment to IFRS 11 requires the investor, when he acquires an interest in the joint operations being the business activity as defined in IFRS 3, to apply accounting principles to acquire its interest businesses joints in accordance with IFRS 3, and rules arising from other standards, unless they are contrary to the guidelines set out in IFRS 11.
This change is effective for annual periods beginning on or after 1 January 2016.
The Company will apply the change from 1 January 2016.

2. APPLIED ACCOUNTING PRINCIPLES (continued)

- **Amendments to IAS 16 and IAS 38 on depreciation**

The amendment clarifies that the use of the depreciation method based on revenues is not appropriate because the revenues generated in the business, which uses particular assets also reflect factors other than the consumption of the economic benefits of the given asset.
This change is effective for annual periods beginning on or after 1 January 2016.
The Company will apply the change from 1 January 2016.
The Management estimates that the changes will have no material impact on the financial statements of the Company. At the date of preparation of these financial statements, this change has not yet been approved by the European Union.

- **IFRS 15 "Revenue from Contracts with Customers"**

IFRS 15 "Revenue from Contracts with Customers" was published by the International Accounting Standards Board on 28 May 2014 and are effective for annual periods beginning on 1 January 2017 or thereafter.
The principles set out in IFRS 15 will cover all contracts resulting in revenue. The fundamental principle of this new standard to recognize revenue at the time of the transfer of goods or services to the client, in the amount of the transaction price. Any goods or services sold in packages that can be distinguished within the package, should be recognized separately, moreover all discounts and rebates on transaction prices must in principle be allocated to the particular elements of the package. In the case where the amount of revenue is variable, according to the new standard the variable amounts are classified as revenue unless there is a high probability that in the future there will be no reversal of the recognition of revenue as a result of revaluation. Furthermore, in accordance with IFRS 15, the costs incurred in obtaining and securing a contract with the customer it is necessary to activate and defer for a period of consumption of the benefits of this contract.
The Company will apply IFRS 15 from 1 January 2017.
Management estimates that the changes will have no material impact on the financial statements of the Company. At the date of these financial statements, IFRS 15 has not yet been approved by the European Union.

- **Amendments to IAS 27 on the equity method in the separate financial statements**

Amendment IAS 27 allows the use the equity method as one of the optional methods of accounting for investments in subsidiaries, jointly controlled entities and associates in the separate financial statements.
The amendments were published on 12 August 2014 and are effective for annual periods beginning on or after 1 January 2016.
The Company will apply the change from 1 January 2016.
The Management estimates that the changes will have no material impact on the financial statements of the Company. At the date of preparation of these financial statements, this change has not yet been approved by the European Union.

- **Amendments to IFRS 10 and IAS 28 on Sale or Contribution of Assets between an Investor and its Associate or Joint Venture**
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These changes solve the problem of the current inconsistencies between IFRS 10 and IAS 28. The accounting treatment depends on whether the non-monetary assets sold or contributed to an associate or joint venture are the "business".
If the non-monetary assets constitute the "business", the investor demonstrates the full gain or loss on the transaction. If the assets do not meet the definition of a business, an investor recognizes a gain or loss excluding the portion representing the interests of other investors.

2. APPLIED ACCOUNTING PRINCIPLES (continued)

The amendments were published on 11 September 2014 and are effective for annual periods beginning on or after 1 January 2016.
The Company will apply the change from 1 January 2016.
Management estimates that the changes will have no material impact on the financial statements of the Company. At the date of preparation of these financial statements, this change has not yet been approved by the European Union.

• Amendments to IFRSs 2012-2014

The International Accounting Standards Board published in September 2014. "Amendments to IFRS 2012-2014", which change 4 standards: IFRS 5, IFRS 7, IAS 19 and IAS 34. The amendments are effective for annual periods beginning on 1 January 2016.
The Company will apply these amendments to IFRS from 1 January 2016.
The Management estimates that the changes will have no material impact on the financial statements of the Company. At the date of preparation of these financial statements, amendments to IFRS has not yet been approved by the European Union.

• Amendments to IAS 1

On December 18, 2014 within the work related to the so-called initiative on information disclosure, the International Accounting Standards Board issued an amendment to IAS 1. The purpose of the published amendment is to clarify the concept of materiality and to clarify that if the entity considers that the information is irrelevant, then it should not disclose it even if such disclosure is generally required by another IFRS. The revised IAS 1 clarifies that the items presented in the statement of financial position and statement of result and other comprehensive income may be aggregated or disaggregated according to their materiality. The additional guidelines were also introduced relating to the presentation of subtotals in these statements. The amendments are effective for annual periods beginning on or after 1 January 2016.
The Company will apply the above change from 1 January 2016.
Management estimates that the changes will have no material impact on the financial statements of the Company. At the date of preparation of these financial statements, amendments to IFRS has not yet been approved by the European Union.

• Amendments to IFRS 10, IFRS 12 and IAS 28 on Investment Entities: Applying the Consolidation Exception

On December 18, 2014, The International Accounting Standards Board issued the so-called amendment limited in scope. Amendment to IFRS 10, IFRS 12 and IAS 28 published under the title Investment Entities: consolidation exception specifies requirements for investment entities and introduces some facilities.
The standard clarifies that an entity should measure at fair value through profit or loss all of its subsidiaries that are investment entities. In addition, it was refined that the exemption, from preparing consolidated financial statements if the parent company of a higher degree prepares financial statements available to the public, concerns regardless of whether the subsidiaries are consolidated or measured at fair value through profit or loss in accordance with IFRS 10 in the report of the ultimate parent or senior level. The amendments are effective for annual periods beginning on or after 1 January 2016.
The Company will apply these changes from 1 January 2016.
Management estimates that the changes will have no material impact on the financial statements of the Company. At the date of preparation of these financial statements, amendments to IFRS has not yet been approved by the European Union.

Other published but not yet in force standards and interpretations do not relate to the business of the Company.

2. APPLIED ACCOUNTING PRINCIPLES (continued)

2.2 Reporting for operating segments

Identifying operating segments

Operating segments are presented consistently with internal reporting supplied to the key operating body (KOB) - the Company's management board. Operating segments are divided into stores and franchise counterparts. The company distinguishes three operating markets: Poland, other European Union countries, others.

Identifying reporting segments

The identified operating segments (stores, franchise partners, wholesale partners) are grouped into reporting segments as they meet the grouping criteria set out in IFRS 8.CCC S.A. defines two reporting segments in its business ("retail business", "franchise and other business") in accordance with IFRS 8 "Operating Segments". In the segments above, CCC S.A. conducts business activity, generating certain revenue and incurring costs. The results on segment activity are regularly reviewed by the KOB (persons making key operating decisions). Financial Information about the identified segments is also available.

The "retail business" segment - "retail"

The "retail business" segment covers primarily the sale of footwear, shoe care products and small leather products. CCC S.A. carries out sales in its own locations in Poland, targeting retail customers. Retail sales are conducted via the chains: CCC, BOTI, LASOCKI. The operating segment is each individual store operating in one of the chains and analyzed individually by the KOB. Due to the similarity of the non-current average gross margins, and also due to the similar nature of the goods (among other things, footwear, shoe care products, small leather products), the method of distribution of goods and the types of customers (sale conducted in own stores and addressed to retail customers), the "retail business" segment covers financial information jointly for the CCC, BOTI, LASOCK chains, while the operating segments have been combined under IFRS 8, forming a reporting segment called "retail business" on geographical basis.

The "franchise and other business" segment - "franchise and other"

The "franchise and other business" segment includes primarily the sale of footwear, shoe care products, small leather products and services, as well as the value of production sold (e.g. shoes). Sale is carried out in Poland and it is addressed to Polish wholesale customers (primarily those conducting sale in the franchises of CCC and BOTI) as well as foreign wholesale customers. The operating segment is each individual customer operating in one of the chains and analyzed individually by the KOB. Due to the similarity of non-current average gross margins, and also due to the similar nature of the goods (among other things, footwear, shoe care products, small leather products) and the services provided (reinvoicing transportation services), the method of distribution of the goods and the type of customers (sale targeting wholesalers), the "franchise and other" segment covers financial information for all business partners combined under IFRS 8, forming a reporting segment called "franchise and other business" on geographical basis.

The accounting principles applicable to the operating segments are the same as the accounting policy principles under which CCC S.A. prepares its financial statements. The Company evaluates the operation of each segment on the basis of financial performance.

On September 30, 2014 the company CCC S.A. made as a contribution in kind to a subsidiary of CCC Shoes & Bags Sp. z o.o. the organized part of the enterprise and acquired shares in the increased share capital of the company. The aforementioned activities, associated with the process of organizational and process restructuring of the Issuer, made that the company CCC S.A. from 30 September has not been running current operations in the segment of " franchise and other selling ".

2. APPLIED ACCOUNTING PRINCIPLES (continued)

Other disclosures related to reporting segments

The following items do not apply: earnings on transactions with other business segments of the same entity, the entity's share in the profit or loss of affiliated entities and joint ventures and material noncash items other than depreciation.

CCC S.A. does not present in a report the information about major customers, as revenues from a single external customer does not exceed 10% of revenues of CCC SA.

2.3 Valuation of items denominated in foreign currencies

Functional currency and presentation currency

The items contained in the Company's financial statements are valued in the currency of the primary business environment in which the Company operates ("functional currency"). These financial statements are presented in PLN, which is the Company's functional currency and its presentation currency.

Transactions and balances

Profits and losses on currency exchange differences, pertaining to loans and cash and cash equivalents, are presented in the statement of comprehensive income under "revenue or financial cost". All other profits and losses on currency exchange differences are presented in the statement of comprehensive income under "other operating revenues and other operating costs" as a net amount.

2.4 Fixed assets

Fixed assets are presented at their purchase price or cost of manufacturing, less amortization and potential depreciation. Land is not subject to depreciation.
Fixed assets under construction are presented on the balance sheet at their cost of manufacturing less any depreciation. Subsequent expenses are included in the carrying amount of the given asset or recognized as a separate asset (where appropriate) only when it is probable that the asset will generate economic benefits for the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is removed from the balance sheet. All other expenses for repairs and maintenance are recognized in the financial result during the financial period in which they are incurred. Costs of external financing are capitalized and entered as appreciation of a fixed asset. Depreciation of a fixed asset begins once it is deemed ready for use. It is carried out in accordance with the applicable rules. Depreciation is calculated using the linear method by estimating the life cycle of an asset, presented below for the following groups:

- buildings - 10-40 years
- machines and equipment - 3-15 years
- means of transportation - 5-10 years
- other tangible assets - 5-10 years.

Fixed assets under finance lease were disclosed in the balance sheet in line with other fixed assets and are amortized on the same basis.
The depreciation method and the period relating thereto are updated as on each balance sheet date.

The Company establishes an impairment write-down on fixed assets. Write-downs apply to capital expenditures incurred for premises related to retail sales if the following requirements are met jointly:

1. The store has been in operation for at least 24 months,
2. The store incurs a gross loss, taking into account customs variations in each of the past two years of its operation,
3. Analysis of the current value of future cash flows indicates that the capital expenditures incurred will not be covered.

2. APPLIED ACCOUNTING PRINCIPLES (continued)

2.5 Intangible assets

For all components of the class the Company applies the cost model (historical): cost (initial) less accumulated depreciation write-off and impairment losses. Rules of amortization of intangible assets are the same as in the case of tangible fixed assets.
Amortization of intangible and legal assets begins at the very moment when they are identified as ready for use and is made in accordance with accepted principles. Depreciation is calculated on a linear basis by means of estimating utility period of an asset, which for selected groups is as follows:
- patents and licenses - from 5 to 10 years
- trademarks - from 5 to 10 years
- goodwill - from 5 to 10 years
- other tangible assets - from 5 to 10 years

In case when there were some events or changes that indicate that the carrying value of intangible assets may not be recoverable, they undergo a verification for possible impairment loss.
Depreciation begins at the moment of recognizing the component as ready-to-use and is made in accordance with accepted principles.
The Company recognizes and presents as part of this group of assets intangible assets under construction.
Change of recognition took place in 2012 and includes expenditures on software used in the Company's current operations.

2.6 Revaluation of non-financial assets

Depreciable assets are reviewed in terms of depreciation whenever any occurrences or changes in circumstances indicate that their balance sheet value may not be recoverable. The loss on depreciation is entered in the amount by which the balance sheet value of an asset surpasses its recoverable value. Recoverable value is the higher of: fair value of assets, less cost of sale or value in use. For the purpose of analysing depreciation, assets are grouped at the lowest level with respect to which there are identifiable cash flows (centres generating cash flows). Non-financial assets, other than goodwill, with respect to which depreciation was previously declared, are assessed at each balance sheet date in terms of the occurrence of reasons to reverse the depreciation write-down.
As on each balance sheet date, the Company analyses assets related to its retail business for depreciation. The result on sales for each retail entity is also assessed by the Company. If an asset is found to be inefficient, the Company makes a depreciation adjustment in the amount of the investment outlays incurred, under operating costs.

2.7 Financial assets

The Company measures its shares in subsidiaries at acquisition cost after deducting depreciation write-downs.
In addition to shares in subsidiaries, the Company classifies the following as financial assets:
- financial assets at fair value through profit or loss,
- loans and receivables,
- financial assets available for sale
- investments held to maturity.

Profits and losses on financial assets included in assets recorded at fair value in the income statement are entered in the income statement in the period in which they arose. Loans and receivables and investments held to maturity are valued at amortised cost using an effective interest rate.
Profits and losses on financial assets included in assets “available for sale” are entered in shareholders’ equity, save for depreciation adjustments and those profits and losses on currency exchange differences that arise for cash assets. At the time of removing an asset included in assets “available for sale” from accounting records, the total profits and losses to date previously recorded under the capital are entered in the income statement as profits and losses on the exclusion of investments into financial assets available for sale.

2. APPLIED ACCOUNTING PRINCIPLES (continued)

2.8 Revaluation of financial assets

As on each balance sheet date, financial assets are assessed for depreciation. If there are reasons to expect a depreciation of the value of loans and receivables or investments held to maturity, valued at amortized cost, the adjustment amount is determined as the difference between the balance sheet value of the assets and the current value of estimated future cash flows discounted at the original effective interest rate for these assets (i.e. effective interest rate calculated as at the time of initial disclosure for assets based on a fixed interest rate and effective interest rate calculated as at the time of the most recent reassessment of assets based on a variable interest rate). Depreciation write-downs are included in the income statement. A reversal of a write-down is entered if in subsequent periods the depreciation lessens and the lessening may be attributed to occurrences taking place after entering the write-down. As a result of a write-down reversal, the balance sheet value of financial assets cannot exceed the value of the amortized cost that would have been determined had the depreciation write-down not been entered. Depreciation write-down reversals are included in the income statement.

2.9 Derivatives

Derivatives are initially recognized at fair value on the contract date and are subsequently their valuation is reviewed up to current fair value level. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument or not. The Company does not apply hedge accounting. Changes in fair value after initial recognition are recognized in financial statement.

2.10 Inventory

Inventory is disclosed at the cost of purchase (or cost of manufacturing) or the net sale price, whichever is lower. The net sale price it is the estimated selling price in the ordinary course of business less applicable variable selling expenses.
If the circumstances that resulted in a decrease in the value of inventory disappear, a reverse operation is carried out, i.e. a reinstatement of the value of the inventory.
The following items are included in the income statement.

- book value of inventory sold in the period in which revenue from sale was recognised,
- the amount of depreciation adjustment to the net sale price in the period in which the adjustment was made.

Inventory adjustments adjust the prime cost of sale.
The FIFO method is applied to the consumption of all inventory of a similar kind and purpose.

2.11 Trade receivables

Trade receivables are amounts payable by customers for goods sold or services rendered in the course of a company's ordinary business. If the receivables are expected to be collected within one year, receivables are classified as current assets. Otherwise, they are entered as non-current assets. Trade receivables are initially disclosed at fair value, and then assessed at the adjusted purchase price (amortized cost), using the effective interest rate method, and decreased by depreciation write-downs.

2. APPLIED ACCOUNTING PRINCIPLES (continued)

2.12 Cash

Cash and cash equivalents include cash in the petty cash fund, bank deposits payable on demand, other Current high-liquidity investments with an initial maturity date of up to three months and overdraft facilities. Overdraft facilities are presented in the balance sheet as part of Current loans under current liabilities.

2.13 Capital

Equity is entered in accounting records and categorized by type, in accordance with the applicable laws and the Provisions of the statute.
Types of equity:

- base (share) capital of the Company is entered at the value set out in the statute and registered in the court register,
- reserve capital established from the surplus remaining after the sale of shares above their nominal value, less the cost of their issue,
- retained earnings, established as a result of distribution of the financial result, undistributed financial result and net profit (loss) for the period covered by the financial statements,
- other capital - established on the basis of the introduced employee stock option plan and gain/loss from the valuation of benefits liabilities after the employment period.

2.14 Trade liabilities

Trade liabilities are liabilities to pay for goods and services acquired from suppliers in the course of normal business. Trade receivables are classified as current liabilities if the payment date falls within one year (or, in the course of normal business, if it is longer). Otherwise, such liabilities are entered as non-current.
Trade liabilities, in their initial disclosure, are entered at fair value, and at a later time, they are entered at the adjusted purchase price (amortized cost), using the effective interest rate method.

2.15 Loans and borrowings

Loans and borrowings are entered at their purchase price corresponding to the fair value of obtained cash, less the expenditures related to obtaining loans or borrowings. Interest and commissions on loans are entered in the income statement under debit, with the exception of interest and commissions pertaining to the financing of fixed assets. After initial recognition, financial liabilities are measured at amortized cost using the effective interest rate method.

2.16 Current and deferred income tax

Mandatory liabilities of the result comprise current tax (CIT) and deferred tax.
Current tax liability is calculated on the basis of the tax result for the reporting period. Tax burden is calculated on the basis of tax rates applicable in a given tax year.
Deferred tax is calculated as a tax payable or refundable in the future on the differences between the balance sheet values of assets and liabilities and their corresponding tax values used to calculate the taxable base.

If, however, a liability for deferred income tax arose from the initial recognition of goodwill or from the initial recognition of an asset or liability within a transaction other than merger of enterprises, which does affect at the time of the transaction the result or the taxable income (tax loss), then it is not disclosed.

2. APPLIED ACCOUNTING PRINCIPLES (continued)

Deferred income tax liabilities
Deferred tax liabilities are established in the amount of income tax to be paid in the future in connection with positive transitional differences, i.e. differences that will result in an increase in the taxable base in the future. The amount of such liabilities is determined taking into account income tax rates applicable in the year in which the tax obligation arises.

Deferred income tax assets
Deferred income tax assets are determined in the amount of the sum designated to be deducted from income tax in connection with negative transitional differences that will cause a reduction of the taxable base and deductible tax loss, determined taking into account the prudency principle.
The amount of this asset is determined using the income tax rates applicable in the year of tax liability.
The Company presents the net amount of the deferred tax assets and liability if IFRS does so.

2.17 Employee benefits

a) Retirement obligations

In the reporting period, the Company pays contributions for the mandatory public retirement plan, depending on the amount of gross remuneration disbursed, in accordance with the applicable laws. The public plan is financed on a pay-as-you-go basis, i.e. the Company is required to pay contributions in the amount defined as a percentage of the applicable remuneration and only when they are payable, and if it no longer employs the persons covered by the system, it will not be required to pay any additional benefits. The public plan is a defined retirement plan. The cost of contributions is entered in the income statement in the same period as the remuneration associated therewith, under item "Cost of remunerations and employee benefits".
The Company determines provision for future retirement benefits and service anniversary awards on the basis of actuarial valuation.

b) Premium programs

Under the terms of the collective bargaining agreement, a group of employees is entitled to service anniversary awards depending on the length of service. Eligible employees receive a one-off amount, which, after 10 years of service, is the equivalent of 100% of their monthly salary base, after 15 years of service, is the equivalent of 150 % of their monthly salary base, after 20 years of service, is the equivalent of 200 % of their monthly salary base, and after 25 years of service, is the equivalent of 250 % of their monthly salary base.
Retiring employees are entitled to a one-off benefit in the amount of a one-month salary.

The Company recognizes Provisions for unused employee holiday. The value of the Provisions is calculated as a product of the number of unused vacation days and the average pay per day in the Company for the relevant employee group.

The Company recognizes Provisions for bonuses due for the financial period and payable after the end of the financial year. The value is determined after the end of the financial year.

2. APPLIED ACCOUNTING PRINCIPLES (continued)

c) Share-based benefits

The Company operates a share-based benefits settled in capital instruments, in which the entity receives employee services in exchange for equity instruments (options) of the group. The fair value of employee services received in exchange for the grant of options is recognized as an expense. The total amount to be recognized at cost is determined by reference to the fair value of options granted:
- taking into account any market conditions (for example entity's share price);
- excluding the impact of any related work experience and non-market vesting conditions (for example profitability of sales, objectives related to growth in sales and specified period of compulsory employment of an employee in the entity); and
- taking into account the impact of any conditions unrelated to the acquisition of allowances (for example the requirement applicable to employees to maintain received instruments for a specified period).

At the end of each reporting period, the entity revises performed estimates of the expected number of options, the rights to which were acquired as a result of fulfillment of the conditions of vesting with non-market character. An entity presents the impact of a possible revision of the original estimates in the report with the result, together with a corresponding adjustment to equity.

In addition, in certain circumstances, employees may provide services before the date of being granted the stock options. In this case, the fair value of the grant of stock options is estimated in order to include the cost in the period from commencement of the provision of services by employees to the date of actual granting of the options.

Upon exercise of the option, an entity issues new shares. Funds obtained after deducting any costs that can be directly attributable to the transaction increase the share capital (nominal value) and the surplus of issue price of shares over their nominal value.

The granting of options by the company to its equity instruments to employees of subsidiaries the group is treated as a capital contribution. The fair value of employee services received, measured by reference to the fair value of the grant date, is subject to demonstration over the vesting period as an increase in the balance of investments in subsidiaries, together with a corresponding increase in equity in the books of the parent company.

Social security contributions payable in connection with the granting of stock options is considered an integral part of the benefit granted and the cost is treated as a transaction settled in cash.

2.18 Provisions

The Company establishes Provisions for anticipated returns and complaints.

The amount of the Provisions should be the most accurate possible estimate of the outlays required to fulfill the requirement as on the balance sheet date. Estimates of financial performance and result are made based on the judgment of the company's management, supported by previous experience in similar transactions and, in some cases, independent experts' reports. The amount of Provisions is verified as on each balance sheet date and adjusted to reflect the current most accurate estimate. If it is no longer likely that an outflow of funds carrying economic benefits will be necessary to meet the requirement, Provisions are eliminated.

Company also creates provisions for potential litigation and for costs related to the pending court proceedings.

2.19 Recognizing revenue

Revenue from sale is recognized at fair value of the payment for the sale of goods and services received or payable in a normal course of the Company’s business. Revenue is disclosed after deducting value-added tax, returns, rebates and discounts.

Revenue from sale includes revenue from the sale of goods, products and services generated as part of day-to-day business activity (i.e. revenue from the sale of goods, product, ready-made products after rebates, VAT and other sales taxes).

Dividend income is recognized upon gaining the right to receive payment.

2. APPLIED ACCOUNTING PRINCIPLES (continued)

Revenue from the sale of goods - franchise sale

The Company sold footwear and leather accessories on the wholesale market in Poland and abroad. In domestic market these products were sold on the basis of franchise agreements. Revenue from sale was disclosed once material risk factors and benefits of having the goods were transferred to the business partner. Activities related to organizational and restructuring process of the Issuer caused that the company CCC S.A. since 30 September has not achieved revenue from sales of goods to franchise recipients. Within the Group all the risks associated with product aging and after-sales service for retail customers was taken over by one of its subsidiaries. This entity is obliged to cover the costs incurred by the Group companies and accept goods resulting from the handling of complaints.

Revenue from the sale of goods - retail

The Company sells footwear and leather accessories through a chain of its own stores located in its country. Revenue from sale is disclosed at the time of selling goods to the customer. Retail sale is typically carried out in cash or using credit cards. The Company has a thirty-day return policy. In order to estimate the amount of returns and to establish Provisions therefore, current experience is used.

Revenue from the sale of services

The Company is a party to agreements concerning the lease and sublease of premises used for retail business. Sublease agreements are concluded with companies cooperating with the Company on the basis of franchise agreements. Therefore, the Company reinvoices the cost of lease to the business partner operating at a given location. In its financial statements, the Company discloses the value of revenue, less the value of costs related to the type of revenue. Revenue from sale is recognised for the period to which the lease or sublease pertains.

2.20 Income on interest

Income on interest is recognized using the effective interest rate method. When a loan or receivable loses in value, the Company reduces its carrying value to the recoverable amount equal to the estimated future cash flow discounted at the original effective interest rate and continues the settlement discount in correspondence with income on interest. Income on interest from loans and receivables which were impaired are recognized at the original effective interest rate.

2.19 Leasing

As on the date of commencement of leasing, the Company recognises financial leasing in the balance sheet as assets and liabilities in amounts equal to the fair value of the item, as calculated on the date of commencement of the leasing or in amounts equal to the current value of minimum leasing fees, as calculated on the date of commencement of the leasing, if it is lower than its fair value. When calculating the current value of minimum leasing fees, the discount rate is the leasing interest rate, if it can be calculated. Otherwise, the lessor's marginal interest rate is applied. The lessor's initial direct costs increase the amount recognised as an asset.

Operating lease - cost of lease. Operating lease is a type of lease where a significant portion of the risk and benefits of ownership is shared by the financing party. Payments made under operating lease are entered directly in the statement of comprehensive income using the linear method during the term of the lease agreement. The discounts received from the financing parties are recognised in the statement of comprehensive income in the same way as an integral part of all the leasing fees. Operating lease applies primarily to leasing commercial spaces. The costs are recognised in the statement of comprehensive income under "Cost of sale".

2. APPLIED ACCOUNTING PRINCIPLES (continued)

2.20 Dividend

Dividend payments to the Company's shareholders are recognised as a liability in the Company's financial statements in the period in which they were approved by the Company's shareholders.

2.21 Income from subsidies

If the Company receives a subsidy for the purchase or manufacture of property, plant and equipment, it is entered in the Company's accounting records at the time of receipt or substantiation of its receipt in the future (e.g. receiving a letter of intent) as a deferred revenue. Subsidies classified as deferred revenue gradually increase other revenue, in parallel to amortisation and depreciation on property, plant and equipment financed from these sources.

3. MANAGEMENT OF FINANCIAL RISK

The type of activity conducted by CCC S.A. carries various risks. The Management Board finds the main risks to be:

a) *Currency exchange rate risk.*

Due to the fact that CCC S.A. generates the majority of its revenue in PLN, and the majority of their costs is incurred in foreign currencies, the exchange rates of USD and EUR (practically all imports are denominated in these currencies, as is a considerable portion of leases) will affect the cost structure, and the potential change of supply sources and recording currency exchange differences in the income statement. As the Chinese market is the primary supply market for CCC S.A., the exchange rate of the Chinese currency to world's major currencies is also very important. Its appreciation may affect import terms. Some of the cost of exchange rate fluctuations may be transferred to customers, but the Company does not use other hedging instruments to protect itself against exchange rate fluctuations. In the long term, consistent exchange rate fluctuations would have a material effect on the Company's performance.

b) *Change of interest rate risk.*

CCC S.A. is exposed to the risk of interest rate changes in relation to the loan agreements concluded. The loans are subject to a variable interest rate based on WIBOR. Interest rate increases will affect the amount of interest the Company pays on loans and interest on liabilities under lease and term deposits, where the effect is insignificant.
The Company does not use hedging instruments that would mitigate the effect of changes in cash flows resulting from interest rate fluctuations on the Company's financial performance.
The Company is exposed to the following types of interest rate risk:
- Cash flow risk (variable interest rate) – loans and borrowings.

c) *Financial liquidity risk.*

Prudent management of financial liquidity presumes maintaining sufficient resources of cash and cash equivalents as well as availability of continued funding through guaranteed credit line funds.

d) *Credit risk.*

The source of this risk is uncertainty regarding whether and when the debts are settled. Until 30.09.2014 as part of wholesale sales a deferred payment was also conducted which made CCC S.A. exposed to the risk of funding recipients. The age structure of receivables is presented in note 10. Other sale is carried out in cash. Hence, the credit risk in this regard is negligible. Available cash is deposited only in bank accounts and term deposits of renowned Polish banks. The Company held term deposits in highly-rated established banks.

Details are set out in details in note 25.

amounts are denominated in PLN '000, unless indicated otherwise

2. APPLIED ACCOUNTING PRINCIPLES (continued)

Managing capital risk
The Company's objective in managing capital risk is to protect the Company's ability to continue its activity so that shareholder return and benefits for other stakeholders may be generated and so that the best possible capital structure may be maintained for the purpose of reducing its cost. To maintain or adjust capital structure, the Company may change the amount of dividends declared to be disbursed to shareholders, return equity to shareholders, issue new shares or sell assets to reduce debt.
Like other companies in the industry, the Company monitors its equity using the debt ratio. The ratio is calculated as a proportion of net debt to the total value of equity. Net debt is calculated as a sum of loans (including current and Non-current loans disclosed in the statement of financial position), less cash and cash equivalents. The total value of equity is calculated as shareholders' equity disclosed in the statement of financial position together with net debt.

The Company's debt ratios as on 31 December 2014 and 31 December 2013 are as follows:

	31.12.2014	31.12.2013
Total loans (note 16)	260 311	358 748
Less: cash and cash equivalents	58 990	92 654
Net debt	201 321	266 094
Total equity capital	454 793	398 212
Invested capital	656 114	664 306
Debt ratio	0,307	0,401

The change in the ratio is in line with the efforts made by the Management Board, and the ratio is at a level anticipated by the Company, i.e. in the range of 0.2-0.4.

4. MATERIAL ESTIMATES OF THE MANAGEMENT BOARD

Employee benefits
The Company prepares valuations of liabilities under retirement and pension benefits as well as service anniversary awards. The valuations are prepared using actuarial methods on the basis of a number of assumptions. The assumptions used when determining the net cost (income) for the benefits include the discount rate. Any changes to the assumptions will affect the budget value of the liabilities under employee benefits. Details are set out in note 20.

Operating segments
Details of the analysis and assessment of the operating segments are set out in note 2.2.

Depreciation of non-financial assets
Once a year, the Company examines its property, plant and equipment for depreciation in accordance with the accounting policy set out in note 2.4. For assets pertaining to each store, as cash-generating centres, operating for at least two years and showing negative results, an analysis of the current value of future cash flows is carried out on the basis of current budgets. Thus-obtained value is compared to the value of assets and if a shortage is identified, impairment is entered. In 2014, an impairment write-off was made on non-financial assets in the amount of 5,158,000 PLN.

Impairment loss of inventories
The Company calculates the impairment of the value of inventories. To determine the provision on the balance sheet date inventory that were purchased at least two years in advance and meet two conditions: is taken into account: (1) the selling price of the goods is less than the purchase price, and (2) the goods were not being rotated in the past 12 months. "

4. MATERIAL ESTIMATES OF THE MANAGEMENT BOARD

Impairment of receivables revaluation

The Company calculates impairment loss on revaluation of receivables. To determine the impairment value on the balance sheet date the overdue receivables are taken into account for which the deadline for payment was exceeded by at least 180 days and in respect of which the Company recognizes the unrecoverability risk. The unrecoverability risk is determined on the basis of historical cooperation with the counterparty and the expected cash flows possible to be executed by the debtor.

Employee stock options

The Company prepares a valuation of the benefits due to employees participating in the "Incentive Scheme" concerning employee stock options.
In 2010-2012, an incentive scheme was functioning which objectives were not met and, therefore, the subscription right was not exercised. By the decision of the Extraordinary General Meeting of Shareholders of 19 December 2012, the 2013-2015 incentive scheme was launched.
The Scheme will be carried out after the end of 2015, and the value of payments to employees will depend on the number of participants. Details are set out in note 17.

Functional currency

These financial statements of the Company are presented in the Polish zloty, which is the Company's functional currency and its presentation currency. It is the currency with primary influence over the prices of goods and services and the currency in which the Company maintains proceeds from operating activities. It is also the currency of the primary business environment in which the Company operates. In the revenue from the sales structure, the Company generates at least 80 per cent of the revenue in the functional currency. The cost of purchasing merchandise and leasing retail stores is largely borne by the Company in foreign currency. Changes in currency exchange rates may significantly affect the value of costs incurred.

Income tax

If the actual final settlement of the expected cash flows (in matters of judgment) had differed by 10% from estimates of the Management Board, the Company would have had to to:
- increase its obligation in respect of income tax by 2 280 000 PLN, and the liability for deferred income tax - about 144 000 PLN, in the case of an unfavorable change; or
- to reduce their liability to income tax of PLN 2 680 000, and a liability for deferred income tax - about 586 000 PLN, in the case of favourable change.

amounts are denominated in PLN '000, unless indicated otherwise

5. INFORMATION ON BUSINESS SEGMENTS

Period from 01.01.2014 to 31.12.2014	Retail business	Franchise and other business			Unassigned items	Total
	Poland	Poland	EU	Other		
Sales revenue	1 398 829	88	261 722	24 532	10 720	1 695 891
Prime cost of sale	(757 432)	1 105	(219 196)	(20 629)	-	(996 152)
Sales Gross profit	**641 397**	**1 193**	**42 526**	**3 903**	**10 720**	**699 739**
Cost of sales and management	(518 935)	(696)	(25 022)	(2 240)	(14 927)	(561 820)
Balance of other revenues and operating costs	(6 419)	182	537	341	-	(5 359)
Operating profit	**116 043**	**679**	**18 041**	**2 004**	**(4 207)**	**132 560**
Balance of earnings and financial costs	(11 570)	(107)	(4 012)	303	23 856	8 470
Profit before tax	**104 473**	**572**	**14 029**	**2 307**	**19 649**	**141 030**
Income tax					(25 205)	(25 205)
Net profit						**115 825**
Net profit disclosed in the statements of the financial results and other comprehensive income						**115 825**

Assets, including:	624 057	18 332	232 462	16 605	77 010	968 466
- Fixed assets	294 415	15 000	77 890	89	61 504	448 898
- Deferred tax assets	4 422	-	-	-	-	4 422
Cost of interest	(12 596)	(84)	(4 933)	(463)	-	(18 076)
Depreciation	(28 610)	(30)	(2 789)	(202)	-	(31 631)

amounts are denominated in PLN '000, unless indicated otherwise

5. INFORMATION ON BUSINESS SEGMENTS (continued)

Period from 01.01.2013 to 31.12.2013	Retail business	Franchise and other business			Unassigned items	Total
	Poland	Poland	EU	Other		
Sales revenue	1 256 134	19 503	210 562	22 439	2 954	1 511 592
Prime cost of sale	(635 791)	(14 207)	(185 867)	(19 952)	-	(855 817)
Sales Gross profit	**620 343**	**5 296**	**24 695**	**2 487**	**2 954**	**655 775**
Cost of sales and management	(516 541)	(2 877)	(16 485)	(4 027)	-	(539 930)
Balance of other revenues and operating costs	(9 747)	270	(679)	380	-	(9 776)
Operating profit	**94 055**	**2 689**	**7 531**	**(1 160)**	**2 954**	**106 069**
Balance of earnings and financial costs	(14 108)	(309)	(3 260)	(435)	27 910	9 798
Profit before tax	**79 947**	**2 380**	**4 271**	**(1 595)**	**30 864**	**115 867**
Income tax					(17 471)	(17 471)
Net profit						**98 396**
Net profit disclosed in the statements of the financial results and other comprehensive income						**98 396**

Assets, including:	670 122	19 474	290 575	27 063	26 151	1 033 385
- Fixed assets	244 009	2 623	69 622	3 818	21 676	341 748
- Deferred tax assets	3 937	97	177	-	-	4 211
Cost of interest	(11 548)	(250)	(3 194)	(351)	-	(15 343)
Depreciation	(25 152)	(147)	(1 936)	(208)	-	(27 443)

amounts are denominated in PLN '000, unless indicated otherwise

5. INFORMATION ON BUSINESS SEGMENTS (continued)

	2014	2013
Revenue for sale from external clients:	1 695 891	1 511 592
- attributed from the country being the seat of the Issuer	1 409 637	1 278 591
- attributed from other countries, including:	286 254	233 001
- Austria	26 430	5 992
- Croatia	9 964	2 492
- Germany	25 475	1 866
- The Czech Republic	61 338	62 212
- Slovakia	39 439	42 317
- Slovenia	7 249	1 235
- Turkey	2 500	-
- Hungary	56 834	63 051
- Romania	23 037	18 039
- Latvia	9 636	10 478
	1 695 891	**1 511 592**

	2014	2013
Fixed assets other than financial instruments:	448 898	341 748
- attributed from the country being the seat of the Issuer	370 027	305 771
- attributed from other countries, including:	78 871	35 977
- Austria	32 293	628
- Croatia	2 926	211
- Germany	1 268	850
- The Czech Republic	37 664	31 893
- Slovakia	875	852
- Slovenia	2 074	208
- Switzerland	892	892
- Turkey	89	89
- Hungary	564	355
	448 898	**341 748**

	2014	2013
Deferred Tax assets:		
- located in the country being the seat of the Issuer	4 422	4 211
	4 422	**4 211**

amounts are denominated in PLN '000, unless indicated otherwise

6. COSTS BY TYPE

	31.12.2014	31.12.2013
Depreciation of fixed assets and intangible assets	34 439	27 443
Consumption of materials and energy	37 484	37 900
Cost of lease	161 953	180 467
Cost of outsourced services	130 495	105 512
Taxes and fees	2 086	1 687
Cost of salaries	143 994	133 989
Cost of employee benefits	31 150	28 991
Cost of promotion and advertising	14 424	17 089
Other costs	5 795	5 512
Changes in prepayments and accruals	-	1 340
Prime cost of sale of goods	996 152	855 817
Total	**1 557 972**	**1 395 747**

7. TANGIBLE ASSETS

	Land, buildings and structures	Machines and equipment	Means of transportations	Other	Fixed assets under construction	Spare parts	Total
GROSS VALUE							
As of 1 January 2014	**267 381**	**82 817**	**32 852**	**10 362**	**1231**	**977**	**395 620**
Increases due to:	**45 508**	**6 538**	**5 524**	**740**	**45 720**	**28**	**104 058**
- investments in third-party facilities	41 701	-	-	-	45 653	-	87 354
- own investment outlays	42	-	-	-	67	-	109
- purchase	3 765	6 538	1 070	740	-	28	12 141
- disclosures	-	-	4 454	-	-	-	4 454
Decreases due to:	**16 843**	**3 906**	**4 360**	**897**	**45 371**	**37**	**71 414**
- liquidation	15 868	1 092	-	182	-	37	17 179
- sales	975	2 814	4 360	715	3 628	-	12 492
- completed investments	-	-	-	-	41 743	-	41 743
As of 31 December 2014	**296 046**	**85 449**	**34 016**	**10 205**	**1 580**	**968**	**428 264**
AMORTISATION AND DEPRECIATION							
As of 1 January 2014	**75 722**	**23 498**	**9 489**	**8 338**	-	-	**117 047**
Depreciation for the period of 1.01-31.12	20 827	8 738	2 773	738	-	-	33 076
Write-downs	2 808	-	-	-	-	-	2 808
Decreases due to sales or liquidation	7 921	2 566	2 435	424	-	-	13 346
As of 31 December 2014	**91 436**	**29 670**	**9 827**	**8 652**	**-**	**-**	**139 585**
NET VALUE							
As of 1 January 2014	**191 659**	**59 319**	**23 363**	**2 024**	**1 231**	**977**	**278 573**
As of 31 December 2014	**204 610**	**55 779**	**24 189**	**1 553**	**1 580**	**968**	**288 679**

amounts are denominated in PLN '000, unless indicated otherwise

7. TANGIBLE ASSETS (continued)

	Land, buildings and structures	Machines and equipment	Means of transportations	Other	Fixed assets under construction	Total
GROSS VALUE						
As of 1 January 2013	**262 582**	**80 886**	**32 951**	**9 946**	**546**	**-**
Increases due to:	**30 658**	**3 601**	**1 811**	**1 149**	**31 343**	**977**
- investments in third-party facilities	29 061	-	-	-	29 717	-
- own investment outlays	1 597	-	-	-	1 626	-
- purchase	-	3 601	1 811	1 149	-	-
Decreases due to:	-	-	-	-	-	977
- liquidation	**25 859**	**1 670**	**1 910**	**733**	**30 658**	**-**
- sale	24 771	615	51	362	-	-
- completed investments	1 088	1 055	1 859	371	-	-
As of 31 December 2013	**267 381**	**82 817**	**32 852**	**10 362**	**1 231**	**977**
AMORTISATION AND DEPRECIATION						
As of 1 January 2013	**69 679**	**14 984**	**8 548**	**7 580**	**-**	**-**
Depreciation for the period of 1.01-31.12	19 073	8 697	2 804	1 102	-	-
Write-downs	(2 750)	-	-	-	-	-
Decreases due to sales or liquidation	10 280	183	1 863	344	-	-
As of 31 December 2013	**75 722**	**23 498**	**9 489**	**8 338**	**-**	**-**
NET VALUE						
As of 1 January 2013	**192 903**	**65 902**	**24 403**	**2 366**	**546**	**-**
As of 31 December 2013	**191 659**	**59 319**	**23 363**	**2 024**	**1 231**	**977**

The value of depreciation is presented in the full amount under cost of sale and management

Tangible assets representing collateral for loans and guarantees	31.12.2014	31.12.2013
Ordinary mortgage over property up to the value of	45 000	530 000

Machines and technical equipment used under finance lease agreements where the Company is the lessee	31.12.2014	31.12.2013
Outlays on fixed assets under finance lease	150	423
Accumulated depreciation	(150)	(368)
Net book value	**-**	**55**

amounts are denominated in PLN '000, unless indicated otherwise

7. TANGIBLE ASSETS (continued)

Changes in impairment write-downs on fixed assets	31.12.2014	31.12.2013
As at the beginning of the period	3 424	6 174
a) increase	5 158	974
b) decrease	2 350	3 724
- use	2 350	3 724
Write-downs on inventory as of the end of the period	**6 232**	**3 424**

The value of write-downs for impairment of fixed assets was recognized as a correction of other operating expenses for the current period and refers to the investment outlays in outside objects in stores of low profitability.

8. INTANGIBLE ASSETS

	Patents and licences	Intangible assets under construction	Total
GROSS VALUE			
As of 1 January 2014	**6 318**	**3 105**	**9 423**
Increases in the period of 01.01. - 31.12.	230	396	626
Decreases in the period of 01.01. - 31.12.	514	68	582
As of 31 December 2014	**6 034**	**3 433**	**9 467**
AMORTISATION			
As of 1 January 2014	**3 009**	**-**	**3 009**
Amortisation in the period of 01.01. - 31.12.	1 167	-	1 167
Correction of depreciation in the period of 01.01. - 31.12.	445	-	445
As of 31 December 2014	**3 731**	**-**	**3 731**
NET VALUE			
As of 1 January 2014	**3 309**	**3 105**	**6 414**
As of 31 December 2014	**2 303**	**3 433**	**5 736**

	Patents and licences	Intangible assets under construction	Total
GROSS VALUE			
As of 1 January 2013	**5 942**	**2 907**	**8 849**
Increases in the period of 01.01. - 31.12.	398	198	596
Decreases in the period of 01.01. - 31.12.	22	-	22
As of 31 December 2013	**6 318**	**3 105**	**9 423**
AMORTISATION			
As of 1 January 2013	**1 882**	**-**	**1 882**
Amortisation in the period of 01.01. - 31.12.	1 127	-	1 127
As of 31 December 2013	**3 009**	**-**	**3 009**
NET VALUE			
As of 1 January 2013	**4 060**	**2 907**	**6 967**
As of 31 December 2013	**3 309**	**3 105**	**6 414**

amounts are denominated in PLN '000, unless indicated otherwise

9. NON-CURRENT INVESTMENTS

Non-current investments	31.12.2014	31.12.2013
Shares in non-listed companies	107 175	55 932

Non-current financial investments include shares in subsidiaries:

Company name	Registered office of the company	Country	31.12.2014	31.12.2013
CCC Factory Sp. z o.o.	Polkowice	Poland	16 082	15 559
CCC Czech s.r.o.	Prague	The Czech Republic	37 664	31 893
CCC Slovakia s.r.o.	Bratislava	Slovakia	22	22
CCC Hungary Shoes Kft.	Budapest	Hungary	564	355
CCC Austria Ges.m.b.H.	Graz	Austria	837	628
CCC Shoes Ayakkabicilik Ticaret Limited Sirketi	Istambul	Turkey	89	89
CCC Obutev d.o.o.	Maribor	Slovenia	2 074	208
CCC Hrvatska d.o.o.	Zagreb	Croatia	2 926	211
CCC Germany GmbH	Frankfurt am Mein	Germany	1 268	850
NG2 Suisse s.a.r.l	Zug	Switzerland	892	892
CCC Shoes Bulgaria EOOD	Sofia	Bulgaria	225	-
CCC Isle of Man Ltd.	Isle of Man	Isle of Man	1	-
CCC.eu sp. z o.o.	Polkowice	Polska	5	-
CCC Shoes & Bags sp. z o.o.	Polkowice	Polska	44 526	-
Continental Trust Fund No. 968	USA	USA	-	5 225
Total			**107 175**	**55 932**

On September 30, 2014 the Company CCC S.A. made as a contribution in kind to a subsidiary of CCC Shoes & Bags Sp. z o.o. the organized part of the enterprise and acquired shares in the increased share capital of the company. However, from 1 October, the Company CCC Shoes & Bags Sp. z o.o. realized the sale of organized part of the company to its subsidiary CCC.eu Sp. z o.o. and acquired shares in the increased share capital of the company. These effects are associated with the organizational and restructuring process of the Issuer. Investment in shares in the company CCC Shoes & Bags Sp. z o.o. it is a transaction which made no changes in within cash flow in relation to which these shares were presented in the book values of the assets transferred.

Share in CCC Shoes and Bags sp. z o.o.	44 526
Fixed assets	
Other intangible assets	135
Tangible fixed assets	2 286
long-term investments	100
Total fixed assets	**2 521**
Current assets	
Inventory	400 641
Trade receivables	74 407
Cash and cash equivalents	8 097
Total current assets	**483 145**
Total assets	**485 666**
Liabilities	
Trade liabilities	76 740
Bank loans and borrowings	364 400
Total liabilities	**441 140**
Liabilities in total	**441 140**

amounts are denominated in PLN '000, unless indicated otherwise

9. NON-CURRENT INVESTMENTS (continued)

The Company's shares in subsidiaries of which none is listed on the stock exchange, basic information on the subsidiaries and the value of the shares in 2014 were as follows:

	Book value of shares	Assets	Liabilities	Revenues	Profit/ Loss	Shares held (%)
CCC Factory Sp. z o.o.	16 082	244 227	30 600	281 361	55 877	100%
CCC Czech s.r.o.	37 664	92 196	44 168	170 500	12 776	100%
CCC Slovakia s.r.o.	22	31 716	19 333	100 759	8 178	100%
CCC Hungary Shoes Kft.	564	78 282	72 474	129 043	1 777	100%
CCC Austria Ges. m.b.H.	837	35 086	52 930	48 828	(12 824)	100%
CCC Shoes Ayakkabicilik Ticaret Limited Sirketi	89	6 458	13 822	5 341	(7 435)	100%
CCC Obutev d.o.o.	2 074	11 078	10 266	13 211	(541)	100%
CCC Hrvatska d.o.o.	2 926	15 556	12 676	17 657	(593)	100%
CCC Germany GmbH	1 268	60 552	76 507	45 959	(13 570)	100%
NG2 Suisse s.a.r.l	892	280 579	7 113	28 553	51 591	100%
CCC Shoes Bulgaria EOOD	225	390	242	-	(66)	100%
CCC Isle of Man	1	2 709	1 382	6 050	1 296	100%
CCC.eu sp. z o.o.	5	2 967 497	804 755	469 070	37 746	0,25%*
CCC Shoes&Bags sp. z o.o.	44 526	2 125 573	319	68	233	100%

*Company CCC.eu. Sp. z o.o. is a subsidiary of CCC Shoes & Bags Sp. z o.o. (99.75%) and a subsidiary of the Issuer (0.25%).

The Company's shares in subsidiaries of which none is listed, basic information on the subsidiaries and the value of the shares in 2013 were as follows:

	Book value of shares	Assets	Liabilities	Revenues	Profit/ Loss	Shares held (%)
CCC Factory Sp. z o.o.	15 559	183 723	26 239	189 667	23 894	100%
CCC Czech s.r.o.	31 893	59 781	31 150	136 281	7 446	100%
CCC Slovakia s.r.o.	22	25 898	21 945	67 764	3 148	100%
CCC Hungary Shoes Kft.	355	69 808	65 743	85 683	3 271	100%
CCC Austria Ges. m.b.H.	628	12 595	17 262	9 898	(5 170)	100%
CCC Shoes Ayakkabicilik Ticaret Limited Sirketi	89	4 660	4 755	1 094	(189)	100%
CCC Obutev d.o.o.	208	2 141	2 464	1 995	(541)	100%
CCC Hrvatska d.o.o.	211	5 564	5 710	4 122	(363)	100%
CCC Germany GmbH	850	7 433	9 523	2 885	(2 542)	100%
Continental Trust Fund no. 968	5 225	5 225	-	-	-	100%
NG2 Suisse s.a.r.l	892	254 082	7 580	34 733	24 627	100%

amounts are denominated in PLN '000, unless indicated otherwise

10. TRADE AND OTHER RECEIVABLES

	31.12.2014	31.12.2013
Trade receivables, of which:	120 195	114 822
- affiliates	100 919	99 807
- other entities	19 276	15 015
Prepayments for deliveries	889	31 142
Receivables from taxes	283	-
Prepayments and accruals	-	743
Loans granted, of which:	140	29 637
from affiliates	152 366	30 482
-Non-current	137 366	25 660
- Current	32 308	829
from other entities	105 058	24 831
- Non-current	15 000	4 822
- Current	15 000	-
Interest on loans	-	4 822
Total	**275 161**	**207 123**

The average time for payment of amounts due is 35 days. After the deadline elapses, statutory interest is charged. The Company made write-downs on the receivables in the amount of 519,000 PLN. Write-downs on receivables are recognised under cost of sales.

Current receivables on trade receivables and the advances (currency structure):

	31.12.2014	31.12.2013
a) in Polish currency	24 196	12 071
b) in foreign currency (according to currencies and after converting to PLN)	96 888	133 893
- USD	854	9 256
- converted to PLN	2 969	29 809
- EUR	9 468	8 030
- converted to PLN	40 340	33 607
- CZK	15 909	145 344
- converted to PLN	2 445	21 990
- HUF	3 221 112	4 026 667
- converted to PLN	43 607	56 249
- RON	2 835	(15 302)
- converted to PLN	2 699	(14 173)
- LVL	-	776
- converted to PLN	-	4 580
- HRK	8 672	3 377
- converted to PLN	4 827	1 839
- TRY	1	(6)
- converted to PLN	1	(8)
Current receivables on trade receivables and the advances in total	**121 084**	**145 964**

amounts are denominated in PLN '000, unless indicated otherwise

10. TRADE AND OTHER RECEIVABLES (continued)

Past-due trade receivables by receivables outstanding for:

	31.12.2014	31.12.2013
a) up to 1 month	49 013	13 788
b) 1-3 months	16 647	8 324
c) 3-6 months	15 166	5 977
d) more than 6 months	2 650	4 202
(Gross) trade, total, past-due receivables	**83 476**	**32 291**
e) write-downs on the value of past-due trade receivables	590	619
(Net) trade, total, past-due receivables	**82 886**	**31 672**

Changes in write-downs on current receivables:

	01.01.2014 31.12.2014	01.01.2013 31.12.2013
As of the beginning of the period	619	609
a) increase	7	79
b) decrease (due to)	36	69
liquidation	*36*	*69*
Write-downs on the receivables as of the end of the period	**590**	**619**

Write-downs on receivables are established on the basis of an age analysis.
The value of significantly past-due trade receivables is recoverable. The value of the write-down was the basis of the Company's previous experience.
The Company believes that the past-due receivables not covered by the write-down will be repaid by its business partners. Current cooperation with business partners has been based on a franchise, therefore, the Company does perceive a risk of a default on these receivables.

Non-current liabilities

	31.12.2014	31.12.2013
Loans granted	47 308	829
Loans grantem in total	**47 308**	**829**

Granted loans

The fair value of granted loans does not differ materially from its carrying value.

As of 31 December 2014

Entity name	Amount	Amount utilised	Interest PLN (in thousand)	Payment due date	Interest rate	Collaterals
3S Retail sp. z o.o	500 000 USD	-	48	31.12.2014	5,0%	none
CCC Austria Ges.m.bH	9 000 000 EUR	7 380 000 EUR (31 456 000 PLN)	132	31.12.2016	1,5%	none
CCC Germany GmbH	11 200 000 EUR	7 051 000 EUR (30 053 000 PLN)	282	31.12.2015	1,5%	none
CCC Hrvatska d.o.o.	2 000 000 EUR	200 000 EUR (852 000 PLN)	23	31.12.2015	1,5%	none
CCC Hungary Shoes Kft.*	512 501 000 HUF	-	176	31.12.2014	7,5%	none
CCC Obutev d.o.o.	500 000 EUR	200 000 EUR (852 000 PLN)	15	31.12.2015	1,5%	none
CCC Shoes&Bags sp. z o.o.	300 000 PLN	300 000 PLN	2	31.12.2015	WIBOR 3M+margin	none
CCC Shoes Ayakkabicilik Ticaret Limited Sirketi	10 000 000 EUR	8 740 000 TRY (13 171 000 PLN)	266	31.12.2015	9%	none
CCC Shoes Bulgaria EOOD	4 000 000 PLN	100 000 BGN (218 000 PLN)	1	31.12.2015	9%	none
CCC Slovakia s.r.o.	1 000 000 PLN	200 000 EUR (852 000 PLN)	-	01.03.2017	LIBOR 6M+margin	none
CCC.EU Sp. z o.o.	38 000 000 PLN	38 000 000 PLN		31.12.2015	WIBOR 3M+margin	none
CCC.EU Sp. z o.o.	7 000 000 EUR	4 000 000 EUR (17 049 000 PLN)	338	31.12.2015	1.50%	none
CCC.EU Sp. z o.o.	1 510 000 USD	1 300 000 USD (4 559 000 PLN)		31.12.2015	1.50%	none
ADLER INTERNATIONAL Sp. z o.o. Sp.k	15 000 000 PLN	15 000 000 PLN	-	31.12.2016	WIBOR 3M+margin	none
(Professional Cycling Team)	2 200 000PLN	-	5	28.02.2014	WIBOR 1M+margin	blank promissory note

** The loan was repaid after the balance sheet date up to the amount of 63 000 PLN; ** interest paid after balance sheet date*

amounts are denominated in PLN '000, unless indicated otherwise

10. TRADE AND OTHER RECEIVABLES (continued)

Granted loans

As of 31 December 2013

Entity name	Amount	Amoount uitilised	Interest	Payment due date	Interest rate	Collaterals
3S Retail sp. z o.o	500 000 USD	150 000 USD (452 000 PLN)	-	31.12.2014	5,00%	none
CCC Austria Ges.m.bH	2 000 000 EUR	1 950 000 EUR (8 088 000 PLN)	24	31.12.2014	1,50%	none
CCC Germany GmbH	2 000 000 EUR	1 200 000 EUR (4 977 000 PLN)	11	31.12.2014	1,50%	none
CCC Hrvatska d.o.o.	2 000 000 EUR	200 000 EUR (829 000 PLN)	8	31.12.2014	1,50%	none
CCC Hungary Shoes Kft.	500 000 000 HUF	390 000 000 HUF (5 448 000 PLN)	106	31.12.2014	7,50%	none
CCC Obutev d.o.o.	500 000 EUR	200 000 EUR (829 000 PLN)	7	31.12.2014	1,50%	none
CCC Shoes Ayakkabicilik Ticaret Limited Sirketi	4 000 000 TRY	3 300 000 TRY (4 660 000 PLN)	8	31.12.2014	9,00%	none
CCC Slovakia s.r.o.	1 000 000 EUR	200 000 EUR (829 000 PLN)	7	01.03.2017	LIBOR 6M+margin	none
Miejski Klub Sportowy Polkowice*	3 000 000 PLN	500 000 PLN	68	31.12.2013	WIBOR 1M+margin	blank promissory note
Miejski Klub Sportowy Polkowice (Polkowice Sport Club)	1 500 000 PLN	1 500 000 PLN	24	nieokreślony	WIBOR 1M+margin	blank promissory note
Miejski Klub Sportowy Polkowice (Polkowice Sport Club)	170 000 PLN	170 000 PLN	3	nieokreślony	WIBOR 1M+margin	blank promissory note
(Professional Cycling Team)	2 200 000 PLN	2 200 000 PLN	31	28.02.2014*	WIBOR 1M+margin	blank promissory note

amounts are denominated in PLN '000, unless indicated otherwise

10. TRADE AND OTHER RECEIVABLES (continued)

Current trade receivables and in foreign currencies were converted according to currency exchange rates included in the table below:

	31.12.2014	31.12.2013
- USD	3.5072	3.0120
- EUR	4.2623	4.1472
- CZK	0.1537	0.1513
- 100 HUF	1.3538	1.3969
- RON	0.9510	0.9262
- LVL	-	5.9009
- HRK	0.5566	0.5444
- TRY	1.5070	1.4122

11. INVENTORY

	31.12.2014	31.12.2013
Goods	228 303	392 921
Capitalised cost of packaging	-	681
Write-down on the value of inventory	-	(5 124)
Total	**228 303**	**388 478**

Changes in write-downs on inventory	01.01.2014 to 31.12.2014	01.01.2013 to 31.12.2013
As of the beginning of the period	5 124	4 162
a) increases	7 336	3 104
b) decreases	12 460	2 142
Write-downs on inventory as of the end of the period	**-**	**5 124**

The value of established and released inventory write-downs was recognized as an adjustment to cost of own sales for the current period.
Due to changes in the business structure of the entire Capital Group CCC S.A. which took place 1 October 2014, the Company currently owns primarily goods warehoused in retail outlets. This reduced the value of inventory that meet the conditions to recognize the impairment during the year. Therefore, the impairment loss decreased compared to previous years.
At the balance sheet date inventory were not subject to collateral loan agreements.

12. CASH

	31.12.2014	31.12.2013
Cash in the bank and petty cash fund	14 181	80 155
Short-term deposits	44 809	12 499
Total	**58 990**	**92 654**

Funds in bank accounts and cash comprise cash held by the Company and short-term bank deposits with a maturity date of up to three months. The book value of these assets corresponds to their fair value.

amounts are denominated in PLN '000, unless indicated otherwise

13. CAPITAL

Share capital	Number of shares	(of which ordinary shares)	Nominal value	Share capital
As of 31 December 2013	38 400 000	31 750 000	0.10 PLN	3 840
As of 31 December 2014	38 400 000	31 750 000	0.10 PLN	3 840

All issued shares were paid for in full. The number of preferred registered shares is 6,650,000. The preference pertains to voting rights, in that each preferred share carries two votes. Shareholders have the right of first purchase of registered preferred shares intended for sale.

As of the date of submitting the annual report, pursuant to Article 69 of the Act on the Offering, the list of shareholders holding at least 5 per cent of the overall number of votes at the Issuer's General Meeting is set out in the table below.

Shareholder	Number of shares (quantity)	percentage share in the share capital (%)	number of votes at the General Meeting (quantity)	share in the overall number of votes at the General Meeting (%)
ULTRO S.A. *(an entity controlled by Dariusz Miłek)*	13 360 000	34.79	18 110 000	40.20
Leszek Gaczorek	2 710 000	7.06	4 460 000	9.90
Aviva OFE *	3 174 451	8.27	3 174 451	7.05

* data derived from the annual structure of assets of the Funds ING OFE and Aviva OFE as of 31.12.2014 r.

On 20.02.2015, the Issuer received a notice from ING OFE on reduction of the number of shares of the Issuer less than 5% of the total number of votes at the General Meeting of Shareholders (CR 6/2015).
On 27.02.2015, the Issuer received a notice from Mr. Leszek Gaczorek on sale transactions of 300,000 shares of CCC SA (CR 8/2015).

As on the date of preparing the 2014 statements, CCC S.A. did not have any information about any other shareholders holding at least 5 per cent of the votes at the General Meeting.

The list of shareholders, pursuant to Article 69 of the Act on the Offering, holding at least 5 per cent of the overall number of votes at the Issuer's General Meeting as of 31.12.2014 r.:

Shareholder	Number of shares (quantity)	percentage share in the share capital (%)	number of votes at the General Meeting (quantity)	share in the overall number of votes at the General Meeting (%)
ULTRO S.A. *(an entity controlled by Dariusz Miłek)*	13 360 000	34.79	18 110 000	40.20
Leszek Gaczorek	3 010 000	7.84	4 760 000	10.57
ING OFE *	2 259 991	5.89	2 259 991	5.02
Aviva OFE *	3 140 375	8.18	3 140 375	6.97

* data stem from the annual structure of assets of the Funds ING OFE and Aviva OFE as of 31.12.2014 r.

amounts are denominated in PLN '000, unless indicated otherwise

13. CAPITAL (continued)

The list of shareholders, pursuant to Article 69 of the Act on the Offering, holding at least 5 per cent of the overall number of votes at the Issuer's General Meeting as of 31.12.2013 r.:

Shareholder	Number of shares (quantity)	percentage share in the share capital (%)	number of votes at the General Meeting (quantity)	share in the overall number of votes at the General Meeting (%)
Luxprofi s.a.r.l. *(an entity controlled by Dariusz Miłek)*	13 360 000	34,79	18 110 000	40,20
Leszek Gaczorek	3 010 000	7.84	4 760 000	10.57
ING OFE	2 718 693	7.08	2 718 693	6,03
Aviva OFE	3 174 451	8.27	3 174 451	7.05

* data stem from the annual structure of assets of the Funds ING OFE and Aviva OFE as of 31.12.2013 r.

Share premium	Value
As of 31 December 2013	74 586
As of 31 December 2014	74 586

Other capitals	Value
As of 31 December 2013	2 196
As of 31 December 2014	4 392

Retained profits	Value
As of 31 December 2013	317 590
Dividend disbursement	(61 440)
Net profit for the period	115 825
As of 31 December 2014	**371 975**

14. TRADE AND OTHER LIABILITIES

Current liabilities	31.12.2014	31.12.2013
Trade liabilities, of which:	167 325	189 468
- affiliates	130 897	127 979
- other entities	36 428	61 489
Liabilities under customs duty and taxes, of which:	10 922	17 100
- liabilities under VAT	10 922	15 725
- liabilities under customs duty	-	1 375
Liabilities towards employees	16 611	16 570
Other liabilities	9 878	15 746
TOTAL	**204 736**	**238 884**

amounts are denominated in PLN '000, unless indicated otherwise

14. TRADE AND OTHER LIABILITIES (continued)

Liabilities denominated in foreign currencies are valued as on the balance sheet date in accordance with the average exchange rate for each currency announced by the National Bank of Poland as on the balance sheet date. Currency exchange differences on balance sheet valuation are entered under other costs or operating revenue, respectively.

a. Current trade receivables (currency structure):

	31.12.2014	31.12.2013
a) in Polish currency	164 654	182 467
b) in foreign currencies (by currency and upon conversion to PLN)	2 671	7 001
- USD	128	871
- converted to PLN	449	2 623
- EUR	519	1 053
- converted to PLN	2 214	4 367
- CZK	39	39
- converted to PLN	6	6
- HUF	136	331
- converted to PLN	2	5
Total current trade receivables:	**167 325**	**189 468**

Current trade liabilities in foreign currencies were converted according to the currency exchange rates included in the table below:

	31.12.2014	31.12.2013
- USD	3.5072	3.0120
- EUR	4.2623	4.1472
- CZK	0.1537	0.1513
- 100 HUF	1.3538	1.3969

15. MINIMUM VALUE OF FUTURE PAYMENTS UNDER OPERATING LEASE

The anticipated payments under operating lease without the option of early termination are as follows:

	31.12.2014	31.12.2013
- up to 1 year	128 741	128 468
- one to five years	514 962	513 873
- more than 5 years	257 481	256 938
TOTAL	**901 184**	**899 279**

In the case of many stores (especially those located at shopping centres), lease fees have two components: a fixed fee and a conditional fee based on the store's revenue. The conditional fee usually corresponds to 5-7 per cent of the store's revenue.

The costs of the lease are disclosed in Note 6.

The Company is also a party of subleasing agreements, which follow the principles of operating lease. Revenue from subleasing fees on the terms of operating lease for the period of twelve months of 2014 and 2013 is as follows:

	01.01.2014 to 31.12.2014	01.01.2013 to 31.12.2013
Revenue from operating subleases	12 574	12 454

amounts are denominated in PLN '000, unless indicated otherwise

16. LOANS AND BORROWINGS

In connection with existing loans, the Company is burdened with external capital requirements (covenants). The Company is obliged to maintain financial ratios at a level specified in the contracts. At the balance sheet date, no covenants were broken.

Long-term loans	31.12.2014	31.12.2013
Long-term bank loan	6 000 000	158 000
Long-term bonds	210 000 000	-

Short-term loans and borrowings	31.12.2014	31.12.2013
Overdraft facility	-	169 809
Investment loan (short-term part)	6 000	-
Borrowings	38 311	30 939
Total short-term loans and borrowings	**44 311**	**200 748**

Total loans and borrowings	**260 311**	**358 748**

As of 31 December 2014

Bank name/entity	Type of loan	Limit amount	Amount utilised	Date of expiry	Financial terms	Collaterals
mBank SA	Investment	18 000 000	12 000 000	30.12.2016	WIBOR + margin	Capped mortgage
mBank SA	Bonds	210 000 000	210 000 000	10.06.2019	WIBOR + margin	Surety
Bank Millennium SA	Overdraft facility	25 000 000	-	30.09.2015	WIBOR + margin	Surety
NG2 Suisse	Loan	6 000 000 CZK	6 000 000 CZK (922 000 PLN)	31.12.2015	Fixed interest rate	None
NG2 Suisse	Loan	36 943 000	36 943 000	31.12.2015	Fixed interest rate	None

As of 31 December 2014

Name of the bank/entity	Type	Limit amount	Amount utilised	Date of expiry	Financial terms	Collaterals
mBank SA	Guarantee cap	15 000 000	14 818 000	29.09.2017	Commission	None
Societe Generale SA	Guarantee cap	12 000 000	8 022 000	04.2015	Commission	None
PKO BP SA	Guarantee cap*	20 000 000	19 565 000	26.10.2015	Commission	Of main agreement
Raiffeisen Bank Polska SA	Guarantee cap	15 000 000	8 967 000	17.08.2015	Commission	none
Bank Pekao SA	Guarantee cap*	5 000 000	775 000	31.10.2016	Commission	Of main agreement
BZ WBK SA	Guarantee cap	45 000 000	9 634 000	18.08.2020	Commission	Pledge on inventory

**Guarantee cap in Bank PKO BP SA is a part of the Multi-purpose overdraft limit*

amounts are denominated in PLN '000, unless indicated otherwise

16. LOANS AND BORROWINGS (continued)

As of 31 December 2013

	Type	Limit amount	Amount utilised	Date of expiry	Financial terms	Collaterals
Bank Handlowy w Warszawie SA	Revolving	86 000 000	56 000 000	26.02.2015	WIBOR + margin	Capped mortgage; Pledge on inventory
Bank Handlowy w Warszawie SA	Overdraft facility	64 000 000	-	26.02.2015	WIBOR + margin	
mBank SA	Overdraft facility	55 000 000	14 322 000	30.12.2015	WIBOR + margin	Capped mortgage
mBank SA	Investment	18 000 000	18 000 000	30.12.2016	WIBOR + margin	Capped mortgage
mBank SA	Revolving	30 000 000	30 000 000	27.03.2014	WIBOR + margin	Capped mortgage
ING Bank Śląski SA	Revolving	100 000 000	70 000 000	29.01.2015	WIBOR + margin	Capped mortgage; Pledge on inventory
PKO BP SA	Multi-purpose overdraft limit	120 000 000	40 357 000	26.10.2015	WIBOR + margin	Pledge on inventory
PKO BP SA	Overdraft facility	Up to 75 000 000	20 357 000	26.10.2015	WIBOR + margin	Capped mortgage; Pledge on inventory
PKO BP SA	Revolving	Up to 100 000 000	20 000 000	26.10.2015	WIBOR + margin	Capped mortgage; Pledge on inventory
Bank Pekao SA	Overdraft facility	100 000 000	99 113 000	08.10.2014	WIBOR + margin	Capped mortgage
Bank Millennium SA	Overdraft facility	25 000 000	17 000	03.12.2014	WIBOR + margin	None
NG2 Suisse	Loan	-	30 939 000	31.12.2014	Fixed interest rate	None

Name of the bank/entity	Type	Limit amount	Amount utilised	Date of expiry	Financial terms	Collaterals
mBank SA	Guarantee cap	15 000 000	10 959 000	30.09.2016	Commission	None
Societe Generale SA	Guarantee cap	12 000 000	7 216 000	04.2014	Commission	None
BZ WBK SA	Guarantee cap	40 000 000 PLN and 12 000 000 EUR	6.577 000 PLN and 4 421 000 EUR (18 336 000 PLN)	29.04.2015	Commission	Pledge on inventory
PKO BP SA	Guarantee cap *	20 000 000	4 838 000	26.10.2015	Commission	Of main agreement
Raiffeisen Bank Polska SA	Guarantee cap	3 000 000 USD	1 860 000 USD (5 603 000 PLN)	17.08.2015	Commission	None
Bank Pekao SA	Guarantee cap *	5 000 000	201 000	08.10.2015	Commission	Of main agreement

***Guarantee cap in Bank PKO BP SA is a part of the Multi-purpose overdraft limit*

17. SHARE-BASED PAYMENTS

The 2013-2015 incentive scheme

With the aim of creating incentive mechanisms in the Company motivating the Management Board members, members of the management board of subsidiaries, key employees and associates of the Company to take action to ensure both long-term growth of the Company as well as the steady growth of net profit, as well as guided by the need to stabilize the managerial staff, the Company decided to start the incentive scheme based on subscription warrants. This program is based on offering participants the possibility of acquiring the Company's shares in the future.
On 19.12.2012 The Extraordinary General Meeting of CCC S.A. adopted the following resolutions, among others, on the conditional increase of the share capital and the issuance of subscription warrants with the exclusion of shareholders' pre-emptive rights in relation to shares issued within the conditional capital and warrants in connection with the launch of an incentive scheme for present and future members of the Management Board, present and future members of the management boards of the subsidiaries and the Company's management. The resolution provides for a conditional increase of share capital by not more than PLN 76 800 (seventy-six thousand eight hundred zlotys) by issuing no more than 768 000 (seven hundred sixty-eight thousand) ordinary bearer series of E shares with a nominal value of PLN 0.10 (ten groszy) each ("Shares of series E " or the "Incentive Shares") and the issuance of a total of no more than 768 000 (seven hundred sixty-eight thousand) registered subscription warrants of series A ("Subscription Warrants"), each of which entitles to subscribe for 1 (one) Share of Series E ("Subscription Warrants") excluding shareholders' pre-emptive rights in respect of the Shares of Series E and Subscription Warrants.
The right to subscribe for Shares of Series E will be exercised by Eligible Persons under the condition that the total consolidated net profit of the Company for the financial years 2013, 2014 and 2015 will amount to no less than PLN 620 000 000 (six hundred twenty million zloty).
According to §3 point 8 of the resolution, the Supervisory Board was authorized to decide by resolution, to establish the list of Eligible Persons and to establish detailed rules on the issue of Subscription Warrants and their implementation.
On the day of signing the financial statements, the Supervisory Board approved the list of Eligible Persons and set specific rules referred to above.
The incentive program is a program accounted by capital. The value of the program adopted at the date of granting rights, i.e. 19.12.2012 amounted to 6 586 000 PLN and was determined on the basis of the valuation of 210,000 allocated from all 768 000 warrants in the amount of PLN 31.36 per warrant. Valuation of warrant to fair value was made in accordance with the requirements of International Financial Reporting Standards, in particular IFRS 2 using the model Monte-Carlo simulation. Significant parameters adopted in the valuation model were: (1) share price at grant date of 73.80 PLN, and (2) the expected volatility of the share price 35%, (3) the value of the expected dividend, (4) the average duration of life of option 5.9 years . When accounting for vesting the following assumptions: (1) the achievement of conditions on the profit described above, (2) maintenance service relationship on the date 31.12.2015. (3) positive evaluation of the performance of the entitled person. At the balance sheet date, the amount of allocated instruments for which employees have not yet acquired entitlements amounted to 558,000 warrants (2013: 558 000).
According to the Board, having regard to the results achieved by the Company in 2013-2014, the implementation of the program is highly probable. The measurement value of the program recognised in the cost of the financial result in 2014 amounted to 523 000 PLN, and in 2013 523 000 PLN.

18. DEFERRED TAX

The items below are the main items under deferred tax liabilities and assets entered by the Company and the changes thereof in the current and preceding reporting period. The asset was created from transitional differences according to the anticipated rate of 19%.

According to IAS 12, the Company in its financial statement discloses the net deferred tax liabilities and assets.

amounts are denominated in PLN '000, unless indicated otherwise

Deferred tax liabilities	31.12.2014	31.12.2013
Accelerated tax depreciation	1 082	-
Computed interest	356	213
Other	-	257
Deferred tax liabilities	**1 438**	**470**
Liability up to 1 year	1 438	470
Liability over 1 year	**-**	**-**

Deferred tax assets	31.12.2014	31.12.2013
Costs after the balance sheet date	1 014	353
Provisions for liabilities	1 390	1 249
Depreciation of assets	2 376	2 775
Other	1 080	304
Deferred tax assets	**5 860**	**4 681**
Asset up to 1 year	5 860	4 681
Asset over 1 year	**-**	**-**

The Company has identified all the assets on which deferred income tax should be recognised.

19. PROVISIONS

	Provision for legal claims	Provision for jubilee and retirement benefits	Provision for warranty repairs	Other provisions	Total
As of 1 January 2014	-	**1 604**	**2 019**	-	**3 623**
Setting of provisions during the year	3 000	25	1 324	-	**4 349**
Liquidation of the provision	-	**66**	**3 343**	-	**3 409**
Utilisation of the provisions	-	-	-	-	**-**
State as of 31 December 2014	**3 000**	**1 563**	**-**	**-**	**4 563**
Provisions up to 1 year	3 000	426	-	-	**3 426**
Provisions over 1 year	-	1 137	-	-	**1 137**

	Provision for legal claims	Provision for jubilee and retirement benefits	Provision for warranty repairs	Other provisions	Total
As of 1 January 2013	-	**2 060**	**2 379**	-	**4 439**
Setting of provisions during the year	-	278	245	-	**523**
Liquidation of the provision	-	**734**	**-**	-	**734**
Utilisation of the provisions	-	-	605	-	**605**
State as of 31 December 2013	**-**	**1 604**	**2 019**	**-**	**3 623**
Provisions up to 1 year	-	401	2 019	-	**2 420**
Provisions over 1 year	-	1 203	-	-	**1 203**

Due to restructuring, the Company carried out until 30.09.2014 created a provision for expected warranty of goods sold during the last fiscal year, based on the level of repairs and returns recorded in previous years.

amounts are denominated in PLN '000, unless indicated otherwise

20. EMPLOYMENT AND EMPLOYEE BENEFITS

The table below presents information about employment (including the Management Board):

Number of employees	31.12.2014	31.12.2013
Administrative employees	214	382
Employees at stores	5 125	4 797
Employees in warehouses	410	379
Total	**5 749**	**5 558**

Cost of employment	01.01.2014 to 31.12.2014	01.01.2013 to 31.12.2013
Remuneration	143 994	133 989
Social security contributions	26 831	24 166
Other employee benefits	4 319	4 825
Total	**175 144**	**162 980**

Provisions for employee benefits

The actuarial assumptions adopted in the valuation presume a discount rate of 2.6% (4.5% in 2013) and the expected employee turnover rate of 30,94% per year (31.18% in 2013) and a 2.0 per cent rate of salary base growth (2% per cent in 2013).

Balance sheet as of 31 December 2014

Description	Retirement severance payments	Disability benefits	The jubilee bonuses	Death benefits	The total amount of provisions
Obligation at beginning of period	**19**	**10**	**1 507**	**68**	**1 604**
Correction of undepreciated gains (-) and losses (+) actuarial BO - other comprehensive income	-	-	-	-	-
Opening balance after adjustments	**19**	**10**	**1 507**	**68**	**1 604**
Write-off provision	3	-	166	2	171
Interest expense	1	1	71	3	76
(Gains) and losses actuarial recognized in other comprehensive income	(8)	(3)	-	(20)	(31)
(Gains) and losses actuarial recognized in the income statement	-	-	(185)	-	(185)
The cost of past employment	-	-	-	-	-
Paid benefits	-	-	(72)	-	(72)
Obligation at the end of period	**15**	**8**	**1 487**	**53**	**1 563**

Description	Retirement severance payments	Disability benefits	The jubilee bonuses	Death benefits	The total amount of provisions
Current provision	2	1	417	6	426
Non-current provision	13	7	1 070	47	1 137
The total amount of provisions	**15**	**8**	**1 487**	**53**	**1 563**

amounts are denominated in PLN '000, unless indicated otherwise

20. EMPLOYMENT AND EMPLOYEE BENEFITS (continued)

Income statement for the 12 months ended 31 December 2014

Description	Retirement severance payments	Disability benefits	The jubilee bonuses	Death benefits	The total amount of provisions
Write-off provision	(3)	-	(166)	(2)	(171)
Interest expense	(1)	(1)	(71)	(3)	(76)
Return on assets (expected)	-	-	-	-	-
Actuarial gains and (losses) recognized in the income statement	-	-	185	-	185
Depreciation of write-off provisions of the previous year	-	-	-	-	-
Reduction / Plan liquidation	-	-	-	-	-
Net	**(4)**	**(1)**	**(52)**	**(5)**	**(62)**

Other comprehensive income for 12 months ended 31 December 2014

Description	Retirement severance payments	Disability benefits	The jubilee bonuses	Death benefits	The total amount of provisions
Opening balance of other comprehensive income	**65**	**34**	**-**	**-**	**99**
Adjustment of opening balance	-	-	-	-	-
Actuarial gains and (losses) recognized in other comprehensive income in the current period	8	3	-	20	31
Closing balance of other comprehensive income	**73**	**37**	**-**	**20**	**130**

Division of actuarial gains and losses

Description	Retirement severance payments	Disability benefits	The jubilee bonuses	Death benefits	The total amount of provisions
Change in financial assumptions	2	1	85	5	**93**
Change in demographic assumptions	1	-	24	-	**25**
Other changes (experience adjustment)	(11)	(4)	(294)	(25)	(334)
Total actuarial gains and losses	**(8)**	**(3)**	**(185)**	**(20)**	**(216)**

amounts are denominated in PLN '000, unless indicated otherwise

21. REVENUES AND OPERATING AND FINANCIAL COSTS

Other operating revenue	01.01.2014 to 31.12.2014	01.01.2013 to 31.12.2013
Profit on currency exchange differences	1 745	1 994
Received interest	759	711
Liquidated provisions	2 086	816
Inventory surplus	3 588	3 987
Received compensation	260	917
Other operating revenue	3 384	1 317
Total	**11 822**	**9 742**

Other operating cost	01.01.2014 to 31.12.2014	01.01.2013 to 31.12.2013
Loss on sale of fixed assets	5 138	10 733
Establishment of provisions	3 025	-
Interest	730	139
Inventory shortages	5 019	5 575
Paid licenses and copyrights	1 625	1 663
Other operating expenses	1 644	1 408
Total	**17 181**	**19 518**

Financial revenue	01.01.2014 to 31.12.2014	01.01.2013 to 31.12.2013
Revenue from interest on the current account and other	2 565	903
Result on currency exchange rates	1 724	-
Received dividends	24 627	28 681
Other financial revenue	238	260
Total	**29 154**	**29 844**

Financial costs	01.01.2014 to 31.12.2014	01.01.2013 to 31.12.2013
Interest on loans and borrowings	18 076	15 343
Surplus of negative exchange rate differences over positive ones	-	2 483
Impairment write-offs on financial assets	771	771
Commission paid	519	560
Other financial costs	1 318	889
Total	**20 684**	**20 046**

Interest on loans and borrowings	01.01.2014 to 31.12.2014	01.01.2013 to 31.12.2013
Value of interest charged, of which:	18 076	15 343
Interest recognised in costs	18 076	15 343

amounts are denominated in PLN '000, unless indicated otherwise

22. INCOME TAX

Income tax	01.01.2014 to 31.12.2014	01.01.2013 to 31.12.2013
Profit before tax	141 030	115 867
Tax at the 19 per cent rate	26 796	22 015
Tax effect of revenue not constituting tax revenues	(8 842)	(5 449)
Tax effect of non-deductible costs	6 758	330
Other adjustments	704	-
Current income tax	25 416	16 896
Deferred tax	(211)	575
Income tax	**25 205**	**17 471**

Under the applicable laws, the Tax Office may audit the Company's tax filings for a period of five years. Therefore, the Company may incur an additional tax burden together with penalties and interest.

23. EARNINGS PER SHARE

Earnings	01.01.2014 to 31.12.2014	01.01.2013 to 31.12.2013
Net profit for the year for the purpose of calculating earnings per share to be distributed among the Company's shareholders	115 825	98 396
Effect of dilution of number of equity shares:		
Interest on convertible bonds (after taxation)	-	-
Earnings disclosed for the purpose of calculating the value of diluted earnings per share	**115 825**	**98 396**

Number of shares issued	31.12.2014	31.12.2013
Average weighted number of shares disclosed for the purpose of calculating the value of ordinary earnings per share	38 400 000	38 400 000
Effect of dilution of potential number of equity shares:	-	-
Stock option	-	-
Convertible bonds to shares	-	-
Average weighted number of ordinary shares disclosed for the purpose of calculating the value of diluted earnings per share	**38 400 000**	**38 400 000**

Earnings per share	2014	2013
Ordinary	3.01 PLN	2.56 PLN
Diluted	3.01 PLN	2.56 PLN

In the reporting period, there were no events affecting the value of diluted earnings.

amounts are denominated in PLN '000, unless indicated otherwise

24. DIVIDEND

	Year 2014	Year 2013
Value of dividend disbursements	61 440	61 440
Value per 1 share	1.60 PLN	1.60 PLN

25. FINANCIAL INSTRUMENTS

Financial instruments by type:
Assets according to the balance sheet

Loans and receivables	Value
31 December 2014	
Non-current	**154 483**
Investments in subsidiaries	107 175
Loans and receivables	47 308
Current	**285 813**
Receivables other than prepayments	120 477
Short-term loans granted	106 346
Cash and cash equivalents	58 990
TOTAL	**440 296**
31 December 2013	
Non-current	**56 761**
Investments in subsidiaries	55 932
Long-term loans granted	829
Current	**237 425**
Receivables other than prepayments	114 821
Short-term loans granted	29 950
Cash and cash equivalents	92 654
TOTAL	**294 186**

Liabilities according to the balance sheet

The fair value does not differ materially from its carrying value.

Other financial liabilities	Value
31 December 2014	
Non-current	**216 000**
Loans and borrowings	6 000
Bonds	210 000
Current	**221 514**
Loans and borrowings	44 311
Liabilities under finance lease	-
Trade liabilities and other non-tax liabilities	177 203
Total	**437 514**

amounts are denominated in PLN '000, unless indicated otherwise

25. FINANCIAL INSTRUMENTS (continued)

Other financial liabilities	Value
31 December 2013	
Non-current	**158 000**
Loans and borrowings	158 000
Bonds	-
Current	**405 962**
Loans and borrowings	200 748
Liabilities under finance lease	-
Trade liabilities and other non-tax liabilities	205 214
Total	**563 962**

Offsetting financial assets and liabilities

(a) Financial assets

The following financial assets are covered by enforceable framework agreements and similar offsetting.

As of 31 December 2014	The gross value of recognized financial assets	The gross value of recognized financial liabilities offset in the balance sheet	The net value of financial assets in the balance sheet	Related value not offset in the balance sheet		Net value
				Financial instruments	Received cash collateral	
Trade receivables	274 131	-	274 131	-	-	274 131
Total	**274 131**	**-**	**274 131**	**-**	**-**	**274 131**

As of 31 December 2013	The gross value of recognized financial assets	The gross value of recognized financial liabilities offset in the balance sheet	The net value of financial assets in the balance sheet	Related value not offset in the balance sheet		Net value
				Financial instruments	Received cash collateral	
Trade receivables	224 282	(78 681)	145 601	-	-	145 601
Total	**224 282**	**(78 681)**	**145 601**	**-**	**-**	**145 601**

amounts are denominated in PLN '000, unless indicated otherwise

25. FINANCIAL INSTRUMENTS (continued)

Financial liabilities

The following financial liabilities are covered by enforceable framework agreements and similar offsetting arrangements.

As of 31 December 2014	The gross value of recognized financial liabilities	The gross value of recognized financial liabilities offset in the balance sheet	The net value of financial liabilities in the balance sheet	Related value not offset in the balance sheet		Net value
				Financial instruments	Received cash collateral	
Trade liabilities	177 203	-	177 203	-	-	177 203
Total	**177 203**	**-**	**177 203**	**-**	**-**	**177 203**

As of 31 December 2013	The gross value of recognized financial liabilities	The gross value of recognized financial liabilities offset in the balance sheet	The net value of financial liabilities in the balance sheet	Related value not offset in the balance sheet		Net value
				Financial instruments	Received cash collateral	
Trade liabilities	283 895	(78 681)	205 214	-	-	205 214
Total	**283 895**	**(78 681)**	**205 214**	**-**	**-**	**205 214**

Currency risk

If foreign currency exchange rates denominated in the twelve-month period ended on 31 December 2014 had been 5 per cent higher/lower, the profit for that period would have been PLN 13 294 000 lower/higher (in the twelve-month period ended 31 December 2013: PLN 14 177 000).

Interest rate risk

Exposure to the interest rate risk applies financial instruments as set out below:

Variable interest rate instruments	31.12.2014	31.12.2013
Financial liabilities		
Loans and borrowings	50 311	358 748
Bonds	210 000	-
Total	**260 311**	**358 748**

If foreign currency exchange rates of loans denominated in the Polish zloty in the twelve-month period ended on 31 December 2014 had been 1 percentage point higher/lower, the profit for that period would have been PLN 1 801 000 lower/higher (in the twelve-month period ended 31 December 2013: PLN 3 345 000).

amounts are denominated in PLN '000, unless indicated otherwise

25. FINANCIAL INSTRUMENTS (continued)

Financial liquidity risk

The table below contains an analysis of the Company's financial and business liabilities that will be settled in the net amount in the appropriate age brackets, based on the time remaining until the lapse of the contractual maturity date as on the balance sheet date. The amounts set out in the table are contractual, non-discounted cash flows.

The maturity structure of trade liabilities, short- and long-term loans and borrowings as at 31 December 2014 and 31 December 2013 is presented in the tables below:

31.12.2014	Trade liabilities	Loan payments	Interest and other charges	Total
up to 1 year	92 041	43 865	2 449	138 355
1-2 years	-	4 004	2 449	6 453
2-5 years	-	1 996	365	2 361
more than 5 years	-	-	-	-
Total	**92 041**	**49 865**	**5 263**	**147 169**

31.12.2013	Trade liabilities	Loan payments	Interest and other charges	Total
up to 1 year	189 468	200 748	11 466	401 682
1-2 years	-	155 005	5 014	160 019
2-5 years	-	2 995	657	3 652
more than 5 years	-	-	-	-
Total	**189 468**	**358 748**	**17 137**	**565 353**

Credit risk

The maximum credit risk exposure is set out in the table below:

	31.12.2014	31.12.2013
Shares in subsidiaries	107 175	55 932
Trade receivables and other receivables	274 272	175 238
Cash and cash equivalents	58 990	92 654
Total	**440 437**	**323 824**

The age structure of receivables by maturity date together with information about write-downs on receivables is set out in note 10.

The Company's main financial asset are funds in bank accounts, cash, trade receivables and other receivables, which represent the maximum credit risk exposure in relation to financial assets. The Company's credit risk is primarily attributed to trade receivables.

25. FINANCIAL INSTRUMENTS (continued)

The amounts disclosed in the statement of financial position are net amounts, taking into account write-downs on the value of questionable receivables, estimated by the Management Board of the Company on the basis of previous experience and their assessment of the current business environment. These receivables concern customers working long-term with the Company and, in the Company's opinion, the risk in this regard is negligible.
Credit risk associated with financial instruments in the form of funds in bank accounts and cash is limited due to the fact that the parties to the transactions are banks with high credit scores received from international rating agencies. The Company does not have a significant concentration of credit risk. The risk is distributed among a large number of partners and customers.
The ratings of credit institutions in 2014 were as follows: PKO BP SA (A- S&P), BZ WBK SA (BBB, Fitch), ING Bank Slaski SA (BAA1, Moody's), mBank SA (BBB + S&P), Bank Handlowy in Warsaw SA (BAA3, Moody's), Pekao SA (BBB + S&P), Millennium Bank SA (BAA2, Fitch), Societe Generale SA (A; Fitch).

26. SUBSIDY

On 23 December 2009, CCC S.A. concluded an agreement on the financing of its investment into non-current assets with the Polish Agency for Enterprise Development. The Company requested a subsidy under the Innovative Economy Programme in connection with the project of constructing a high storage warehouse located in Polkowice. The final amount of the subsidy was set at PLN 38,484,000.
For the duration of the project, the following performance bond was established:
-blank promissory note with a blank promissory note agreement,
-security for the amount of the subsidy, corresponding to the amount of the highest tranche of the advance in the form of a bank guarantee.
Under the financing agreement, the Beneficiary is required to ensure the durability of the results of the Project and maintain the investment in the Lower Silesia Province for a period of five years from the date of completion of the Project. In the above period, the Beneficiary is also required not to make substantial modifications to the Project. The Company does not breach the financing of its investment agreement.
In 2013, the amount of PLN 2 611 000 was recognised in the statement of comprehensive income.
In 2014, the amount of PLN 2 611 000 was recognised in the statement of comprehensive income.

27. EVENTS AFTER THE BALANCE SHEET DATE

On March 27, 2015, the Company CCC S.A. the company received A notification from Centrum Handlowe Polska 6 sp. z o.o. Sigma (Polish Shopping Centre 6 limited liability company Sigma limited partnership with its registered office in Warsaw at 5 Fabryczna Street, 00-446 Warsaw, represented by ECE Project Management Poland Sp. z o.o. about countersigning on 27 March 2015 years lease agreement between CCC S.A. and Centrum Handlowe Polska 6 sp Sigma sp. K. (Agreement with an entity of the Group ECE). The contract covers the lease of sales area located in Zielone Arkady in Bydgoszcz. The agreement was concluded for a period of 10 years. The contract value for the period will amount to PLN 11,500,000.00.

amounts are denominated in PLN '000, unless indicated otherwise

28. TRANSACTIONS WITH RELATED PARTIES

	01.01.2014 to 31.12.2014*	01.01.2013 to 31.12.2013*
Subsidiaries:		
CCC Factory Sp. z o.o.:		
Sale to an affiliate	356	176
Purchase from an affiliate	208 999	189 262
Receivables from an affiliate	26	1
Liabilities towards an affiliate	10	104 227
CCC Czech s.r.o.:		
Sale to an affiliate	63 707	64 918
Purchase from an affiliate	186	16
Receivables from an affiliate	2 445	21 990
Liabilities towards an affiliate	-	-
CCC Slovakia s.r.o.:		
Sale to an affiliate	40 485	42 276
Purchase from an affiliate	19	6
Receivables from an affiliate	(337)	14 376
Receivables from loans	852	829
Receivables from interest on loans	-	7
Liabilities towards an affiliate	9	-
CCC Hungary Shoes Kft:		
Sale to an affiliate	62 545	77 148
Purchase from an affiliate	-	-
Trade receivables from an affiliate	43 607	56 248
Receivables from loans	-	5 448
Receivables from interest on loans	176	106
Liabilities towards an affiliate	-	-
NG2 Suisse s.a.r.l.:		
Sale to an affiliate	18	76
Purchase from an affiliate	28 584	31 615
Receivables from an affiliate	11	43
Liabilities towards an affiliate	16 847	19 946
Liabilities from loans from an affiliate	32 795	29 408
Liabilities from interest on loans	5 070	1 531
Receivables from a dividend	-	4 431
CCC Austria Ges. m.b.H.:		
Sale to an affiliate	27 909	6 236
Purchase from an affiliate	20	-
Trade receivables from an affiliate	9 039	5 781
Receivables from loans	31 456	8 087
Receivables from interest on loans	132	24
Liabilities towards an affiliate	-	-

amounts are denominated in PLN '000, unless indicated otherwise

28. TRANSACTIONS WITH RELATED PARTIES (continued)

CCC Shoes Ayakkabicilik Ticaret Limited Sirketi:		
Sale to an affiliate	3 327	54
Purchase from an affiliate	-	-
Trade receivables from an affiliate	1	(8)
Receivables from loans	13 171	4 660
Receivables from interest on loans	266	8
Liabilities towards an affiliate	-	-
CCC Obutev d.o.o.:		
Sale to an affiliate	7 391	1 469
Purchase from an affiliate	22	-
Trade receivables from an affiliate	2 487	1 271
Receivables from loans	852	829
Receivables from interest on loans	15	7
Liabilities towards an affiliate	-	-
CCC Hrvatska d.o.o.:		
Sale to an affiliate	10 253	2 804
Purchase from an affiliate	34	-
Trade receivables from an affiliate	4 827	2 496
Receivables from loans	852	829
Receivables from interest on loans	23	8
Liabilities towards an affiliate	-	-
CCC Germany GmbH:		
Sale to an affiliate	28 169	1 845
Purchase from an affiliate	-	-
Receivables from an affiliate	22 970	2 477
Receivables from loans	30 055	4 977
Receivables from interest on loans	282	11
Liabilities towards an affiliate	-	-

CCC Isle of Man Ltd:		
Sale to an affiliate	1 872	-
Purchase from an affiliate	5 465	-
Trade receivables from an affiliate	1 206	-
Receivables from loans	-	-
Receivables from interest on loans	-	-
Liabilities towards an affiliate	-	-
CCC.eu Sp. z o.o.		
Sale to an affiliate	12 993	-
Purchase from an affiliate	259 889	-
Trade receivables from an affiliate	16 098	-
Receivables from loans	59 609	-
Receivables from interest on loans	338	-
Liabilities towards an affiliate	55 594	-

amounts are denominated in PLN ‘000, unless indicated otherwise

28. TRANSACTIONS WITH RELATED PARTIES (continued)

CCC Shoes&Bags Sp. z o.o.		
Sale to an affiliate	2	-
Purchase from an affiliate	60	-
Trade receivables from an affiliate	-	-
Receivables from loans	300	-
Receivables from interest on loans	2	-
Liabilities towards an affiliate	-	-
CCC Shoes Bulgaria EOOD		
Sale to an affiliate	1	-
Purchase from an affiliate	-	-
Trade receivables from an affiliate	-	-
Receivables from loans	218	-
Receivables from interest on loans	1	-
Liabilities towards an affiliate	-	-

* for receivables and liabilities are presented as at the balance sheet date

Transactions with related parties have been concluded on market terms. Income from recharges are netted.

Gross remuneration of the management

Name and surname	Job title	2014	2013
Dariusz Miłek *	President of the Management Board	840	690
Mariusz Gnych**	Wiceprezes Zarządu	780	510
Piotr Nowjalis ***	Wiceprezes Zarządu	1 020	728
Total		**2 640**	**1 928**

* For 2014, Mr. Dariusz Miłek additionally received under the contract of employment remuneration in the amount of PLN 30 000 in the subsidiary CCC Factory Sp. z o.o (in 2013 – 10 000 PLN);
** For the 2014 Mr. Mariusz Gnych additionally received remuneration in the amount of PLN 90 000 for performing functions in the governing bodies of the subsidiary CCC Factory Sp. z o.o (in 2013 - PLN 105 000);
*** For the 2014 Mr. Piotr Nowjalis additionally received under the contract of employment remuneration in the amount of PLN 30 000 in the subsidiary CCC Factory Sp. z o.o (in 2013 – 10 000 PLN).

Gross salary supervising persons

Name and surname	Job title	2014	2013
Henryk Chojnacki	Chairman of Supervisory Board	24	24
Wojciech Fenrich	Member of Supervisory Board	18	18
Martyna Kupiecka	Member of Supervisory Board	18	18
Marcin Murawski	Member of Supervisory Board	18	18
Piotr Nadolski	Member of Supervisory Board	-	14
Jan Rosochowicz	Member of Supervisory Board	18	4
Total		**96**	**96**

amounts are denominated in PLN '000, unless indicated otherwise

28. TRANSACTIONS WITH RELATED PARTIES (continued)

On June 26, 2013, the Annual General Meeting of Shareholders CCC S.A. appointed Mr. Jan Rosochowicz a member of the supervisory board. The term of office of Mr. Piotr Nadolski in the Supervisory Board expired on 26 June 2013.
In 2014 there were no changes in the supervisory board.
Managing and supervising persons do not receive remuneration due to their functions in the CCC S.A. other than those listed above.

29. CONTINGENT ASSETS AND LIABILITIES

Contingent assets and liabilities	31.12.2014	31.12.2013
I. Contingent assets	**848 500**	**31 500**
From affiliates (on account of)	801 000	31 500
- guarantees and warranties received	801 000	31 500
From other entities (on account of)	47 500	31 500
- guarantees and warranties received	47 500	31 500
II. Contingent liabilities	**857 434**	**76 269**
To affiliates (on account of)	780 611	4 539
- collaterals provided	780 611	4 539
To other entities (on account of)	76 823	71 730
- customs bonds	15 000	11 000
- other forms of warranties	61 780	53 730
- collaterals provided	43	7 000

Customs bonds provide a security for the repayment of customs receivables due to the Company's operation of customs warehouses, and their maturity date is 17.06.2015.
Other guarantees secure property leases and their maturity date is 18.08.2020.
The collaterals granted are related to the Paylink overdraft facility opened with Bank Handlowy for franchise customers and the loan collateral for subsidiaries. Their maturity dates are unspecified.

30. EXPLANATION OF THE DIFFERENCES IN THE POSITIONS OF CERTAIN ASSETSANDLIABILITIES DISCLOSED IN THE STATEMENT OF FINANCIAL POSITION AND THE CASH FLOW STATEMENT

	As of 31.12.2014	As of 31.12.2013	Balance sheet change	CF change	difference
Receivables and granted loans	**275 161**	**206 596**	**(68 565)**	**(24 306)**	**44 259**
- adjustment of loans granted	-	-	-	122 875	-
-adjustment of receivables located to OPE	-	-	-	(74 406)	-
-adjustment of accrued interest on loans	-	-	-	(4 210)	-
Liabilities	**204 736**	**238 884**	**(34 148)**	**43 535**	**77 683**
- adjustment of a change in investment liabilities	(3 637)	(3 940)	303	303	-
-adjustment of liabilities located to OPE	-	-	-	76 948	-
- other adjustments				432	
Provisions	**4 563**	**3 623**	**940**	**940**	-
Other adjustments	**1 723**	**2 967**	-	-	-
- impairment write-offs on financial assets	771	771	-	-	-
- valuation of the employee stock option plan	2 196	2 196	-	-	-
- acquisition of saleable investments	(1 690)	-			
-provision for bonds interest	446	-			

amounts are denominated in PLN '000, unless indicated otherwise

31. INFORMATION ABOUT THE FEE OF THE ENTITY AUTHORISED TO AUDIT FINANCIAL STATEMENTS

On 3 July 2014, CCC S.A. and PricewaterhouseCoopers Sp. z o.o. concluded an annex to the agreement as of 1 July 2013 on the review of the separate and consolidated financial statements for the period of from 1 January to 31 December 2014, and the audit of the financial statements and consolidated financial statements for the period from 1 January to 31 December 2014. The net fee for the above services is PLN 240 000.
In addition, in 2014, PricewaterhouseCoopers Sp. z o.o. provided advisory services to the dominant entity. The net fee for these services was 84 000 PLN.
On 1 July 2013, CCC S.A. and PricewaterhouseCoopers Sp. z o.o. concluded an agreement on the review of the separate and consolidated financial statements for the first half-year of 2013 and 2014 and the audit of the annual individual and consolidated financial statements prepared as on 31 December 2013 and 31 December 2014. The net fee for the above services was PLN 176 000 for each audited financial year (of which: PLN 81 000 - for the review of the financial statements, PLN 95 000 - for the audit of the financial statements).
In addition, in 2013, PricewaterhouseCoopers Sp. z o.o. provided advisory services to the dominant entity. The net fee for these services was EUR 34,000 and EUR 35,000.

The financial statements were approved for publication by the Management Board of the Company on 30 April 2015 and signed on behalf of the Management Board by:

SIGNATURES OF THE PERSON RESPONSIBLE FOR KEEPING ACCOUNTING RECORDS		
Edyta Banaś	Chief Accountant	
SIGNATURES OF ALL MANAGEMENT BOARD MEMBERS		
Dariusz Miłek	President of the Management Board	
Mariusz Gnych	Vice-President of the Management Board	
Piotr Nowjalis	Vice-President of the Management Board	

Polkowice, 30 April 2015 r.