CONSOLIDATED FINANCIAL STATEMENTS OF

CCC S.A. CAPITAL GROUP

FOR THE PERIOD OF

1 JANUARY 2014 TO 31 DECEMBER 2014

Table of Contents

amounts are denominated in PLN '000, unless indicated otherwise

CONSOLIDATED STATEMENT OF FINANCIAL RESULTS AND OTHER COMPREHENSIVE INCOME

	Note No.	Period 2014-01-01 2014-12-31	Period 2012-01-01 2012-12-31
Sales revenues	5	2 009 059	1 643 139
Manufacturing cost of products, goods and services sold	6	(902 847)	(806 434)
Sales gross profit		1 106 212	836 705
Other operating revenues	20	20 497	12 058
Sales costs	6	(775 298)	(623 016)
General costs of management board	6	(78 322)	(29 313)
Other operating expenses	20	(29 855)	(28 917)
Profit on operating activity		243 234	167 517
Financial revenue	20	3 075	812
Financial costs	20	(21 174)	(17 053)
Profit before tax		225 135	151 276
Income tax	21	195 221	(26 059)
Net profit		**420 356**	**125 217**
Other total incomes:		**(281)**	**(714)**
1. Other total incomes that will be reclassified into profits or losses after meeting certain conditions		(281)	(813)
- exchange differences from converting foreign units		(281)	(813)
2. Other total incomes that will not be reclassified into profits or losses	19	-	99
- gains / actuarial losses		-	99
Total incomes		**420 075**	**124 503**
Earnings per share			
basic and diluted	22	10.94 PLN	3.26 PLN

Due to the lack of non-controlling shares, net earnings and total comprehensive income are distributed among the shareholders of CCC S.A.

amounts are denominated in PLN '000, unless indicated otherwise

CONSOLIDATED STATEMENT OF FINANCIAL CONDITION

	Note no.	State on 31.12.2014	State on 31.12.2012
Fixed assets			
Intangible assets	8	9 310	9 168
Tangible assets	7	520 875	397 250
Long-term loans granted	9	15 000	206
Deferred tax assets	17	267 322	23 571
Fixed assets in total		**812 507**	**430 195**
Current assets			
Inventory	10	741 286	463 008
Trade receivables and other receivables	9	78 020	77 802
Short-term loans granted	9	513	4 986
Cash and cash equivalents	11	161 906	143 736
Current assets in total		**981 725**	**689 532**
Total assets		**1 794 232**	**1 119 727**
Equity capital			
Share capital	12	3 840	3 840
Share premium	12	74 586	74 586
Currency exchange differences from converting foreign units	12	(2 397)	(2 115)
Other capitals	12	4 658	2 196
Retained earnings	12	871 552	513 349
Equity capital in total		**952 239**	**591 856**
Non-current liabilities			
Non-current loans and bank borrowings	15	6 000	158 000
Long-term bonds	15	210 000	-
Provision for deferred tax	17	6 499	-
Trade and other liabilities	13	-	79
Non-current provisions	18	5 740	3 904
Received subsidies	25	28 696	31 307
Non-current liabilities in total		**256 935**	**193 290**
Current liabilities			
Trade and other liabilities	13	181 272	155 364
Income tax liabilities	13	31 766	3 789
Current loans and bank borrowings	15	362 007	169 809
Current provisions	18,19	7 402	3 008
Received subsidies	25	2 611	2 611
Current liabilities in total		**585 058**	**334 581**
Total equity and liabilities		**1 794 232**	**1 119 727**

amounts are denominated in PLN '000, unless indicated otherwise

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY CAPITAL

	Share capital	Share premium	Other capital	Retained profit	Currency exchange differences from converting foreign equity units	Total equity capital
As of 1 January 2014	**3 840**	**74 586**	**2 196**	**513 349**	**(2 116)**	**591 855**
Results for the year	-	-	-	420 356		420 356
Currency exchange differences on conversion	-	-	-	(713)	(281)	(994)
Total comprehensive income	**-**	**-**	**-**	**419 643**	**(281)**	**419 362**
Other adjustments	-	-	-	-	-	-
Dividend disbursement	-	-	-	(61 440)	-	(61 440)
Employee stock option plan – valuation of plan	-	-	2 462	-		2 462
As of 31 December 2014	**3 840**	**74 586**	**4 658**	**871 552**	**(2 397)**	**952 239**

	Share capital	Share premium	Other capital	Retained profit	Currency exchange differences from converting foreign equity units	Total equity capital
As of 1 January 2013	**3 840**	**74 586**	**-**	**451 587**	**(1 302)**	**528 711**
Results for the year	-	-	-	125 217	-	125 217
Currency exchange differences on conversion	-	-	-	(2 015)	(813)	(2 828)
Total comprehensive income	**-**	**-**	**-**	**123 202**	**(813)**	**122 389**
Dividend disbursement	-	-	-	(61 440)	-	(61 440)
Employee stock option plan – establishing the plan	-	-	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**	**513 349**	**(2 115)**	**591 856**

amounts are denominated in PLN '000, unless indicated otherwise

CONSOLIDATED CASH FLOW STATEMENT

		Period from 01.01.2014 to 31.12.2014	Period from 01.01.2012 to 31.12.2012
Profit before tax		225 135	151 276
Adjustments:		(171 090)	(5 922)
Depreciation		52 707	35 903
Interest and share in profits (dividends)		(508)	(332)
Currency exchange profit (loss)		(994)	(2 829)
Profit (loss) on investment activity		9 476	10 612
Cost on bonds issue		630	-
Cost on interest		18 811	12 419
Changes in provisions state		6 230	2 010
Changes in inventory state		(278 279)	(63 845)
Changes in receivables		(35)	(22 002)
Changes in current liabilities, other than loans and borrowings		32 463	38 352
Income tax paid		(14 053)	(18 406)
Other adjustments	28	2 462	2 196
Net cash flow from operating activity		**54 045**	**145 354**
Cash flow from investment activity			
Received interest		508	332
Proceeds from the sale of tangible fixed assets		11 046	5 557
Proceeds from loans to third parties		4 896	3 112
Purchase of intangible assets		(2 618)	(2 550)
Purchase of tangible fixed assets		(203 625)	(96 844)
Expenses of loans to third parties		(15 401)	(2 232)
Net cash flow from investment activity		**(205 194)**	**(92 625)**
Cash flow from financial activity			
Proceeds from incurred borrowings and loans		194 823	131 002
Bonds issue		209 370	-
Dividends and other disbursements to owners		(61 440)	(61 440)
Repayment of loans and borrowings		(154 623)	(91 841)
Payment of liabilities under finance leases		-	(3)
Paid interest		(18 811)	(12 419)
Net cash flow from financial activity		**169 319**	**(34 701)**
Total cash flow		**18 170**	**18 028**
Net increase (decrease) in cash and cash equivalents		18 170	18 028
Cash and cash equivalents at the beginning of the period		**143 736**	**125 708**
Cash and cash equivalents at the end of the period		**161 906**	**143 736**

amounts are denominated in PLN '000, unless indicated otherwise

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 section 18 reports on the operations of CCC S.A. Capital Group.

2. APPLIED ACCOUNTING PRINCIPLES

The major accounting principles used in preparing these financial statements are set out below. The principles were continuously applied in all the years presented.

2.1. Basis of preparation

The consolidated financial statements of the CCC S.A. Capital Group (hereinafter, the "Group") were 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 were 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.
These statements were 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 Group's continuation of its business activity.

2. APPLIED ACCOUNTING PRINCIPLES (continued)

In this consolidated financial statements the following new and revised standards and interpretations were applied 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 Group’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 Group’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 Group’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 Group’s financial statement.

- **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 Group’s financial statement.

2. APPLIED ACCOUNTING PRINCIPLES (continued)

- **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 Group.

- **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 Group.

- **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 Group.

- **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 Group.

- **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 Group.

2. APPLIED ACCOUNTING PRINCIPLES (continued)

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

In these financial statements, the Group 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 Group. 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 Group 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 Group

- **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 Group 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 Group.

- **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 Group 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 Group.

.

2. APPLIED ACCOUNTING PRINCIPLES (continued)

• 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 Group 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 Group.
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 Group 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 Group.

• 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 Group will apply the change from 1 January 2016.

- **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 Group 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 Group. At the date of preparation of these financial statements, this change has not yet been approved by the European Union.

2. APPLIED ACCOUNTING PRINCIPLES (continued)

- **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 Group will apply IFRS 15 from 1 January 2017.
Management estimates that the changes will have no material impact on the financial statements of the Group.
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 Group 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 Group.
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**

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

2. APPLIED ACCOUNTING PRINCIPLES (continued)

• **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 Group 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 Group. 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 Group 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 Group.
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 Group will apply these changes from 1 January 2016.
Management estimates that the changes will have no material impact on the financial statements of the Group.
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.

amounts are denominated in PLN '000, unless indicated otherwise

2. APPLIED ACCOUNTING PRINCIPLES (continued)

2.2. Consolidation

Subsidiaries are all entities (including structured entities) over which the Group exercises control. Group exercises control over the entity, when it is exposed, or has rights to variable returns from its involvement in this entity and has the ability to influence these returns through the exercise of authority over the entity. Subsidiaries are fully consolidated from the date of transfer of control to the group. Consolidation ceases from the date of cessation of control.

The Group recognizes the business combination using the acquisition method. The payment transferred for the acquisition of a subsidiary is the fair value of the assets given, liabilities incurred to the former owners of the acquired entity and the equity interests issued by the group. Payment transferred includes the fair value of an asset or liability arising from contingent payment arrangements. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured at initial recognition at their fair values at the acquisition date. The Group recognizes at the acquisition date any non-controlling interest in the acquired entity either at fair value or according to the proportionate share (corresponding to the share not giving the control) in the identifiable net assets recognized of the acquired entity.

Costs related to the acquisition of a business entity are recorded as expenses of the period.

Intercompany transactions and balances and unrealized gains on transactions between group entities are eliminated. Unrealised losses are also eliminated. Where necessary, the amounts reported by subsidiaries will be adjusted so that they are consistent with the accounting policies of the group.

At the time of loss of control by a group potential retained interest in the entity is remeasured to fair value at the date control is lost whereas the change in carrying value is recognized in income statement. The fair value is the initial carrying value for the subsequent demonstration of the held interest as an associate, joint venture or part of the financial asset. In addition, any amounts previously recognized in other comprehensive income in relation to the entity are presented as if the group directly disposed the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to income statement

Subsidiaries of CCC S.A. are presented in the table below:

Subsidiaries of CCC S.A.	Headquarters/Country	Share in the capital of the entity %	The nominal value of the shares	Type of activity
CCC Factory Sp. z o.o.	Polkowice, Poland	100	15 559 000 PLN	production
CCC Czech s.r.o.	Prague, Czech Republic	100	112 600 000 CZK	trading
CCC Slovakia s.r.o.	Bratislava, Slovakia	100	5 000 EUR	trading
CCC Hungary Shoes Kft.	Budapest, Hungary	100	10 000 000 HUF	trading
CCC Austria Ges.M.b.H.	Graz, Austria	100	100 000 EUR	trading
CCC Shoes Ayakkabıcılık Ticaret Limited Sirketi	Istanbul, Turkey	100	50 000 TRY	trading
CCC Obutev d o.o.	Maribor, Slovenia	100	50 000 EUR	trading
CCC Hrvatska d o.o.	Zagreb, Croatia	100	380 000 HRK	trading
CCC Germany GmbH	Frankfurt Main, Germany	100	100 000 EUR	trading
CCC Shoes Bulgaria EOOD	Sofia, Bulgaria	100	100 000 BGN	trading
CCC Isle of Man Ltd.	Isle of Man, Douglas	100	100 GBP	services
CCC.eu sp. z o.o.	Polkowice, Poland	100 *	2 005 000 PLN	purchases and sales
CCC Shoes and Bags sp. z o.o.	Polkowice, Poland	100	2 125 090 000 PLN	investment
NG2 Suisse S.a.r.l.	Zug, Switzerland	100	20 000 CHF	in liquidation

. * 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%).

Subsidiaries of CCC S.A. are consolidated by the full method.

2. ACCOUNTING PRINCIPLES APPLIED (continued)

2.3. Reporting for operating segments

Identifying operating segments

Operating segments are presented consistently with internal reporting supplied to the key operating body (KOB) - the management board of the dominant entity. 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) are grouped into reporting segments as they meet the grouping criteria set out in IFRS 8. The CCC S.A. Group defines three reporting segments in its business: "retail business", "manufacturing" "managing the trademark".
In the segments above, CCC S.A. Group 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" - "retail" segment

The "retail business" segment covers the sale of footwear, bags, shoe care products and small leather products. CCC S.A. Group carries out sales in its own locations in Poland, The Czech Republic, Slovakia, Hungary, Germany, Austria, Croatia, Slovenia and Turkey – "retail" and for domestic and foreign franchisees and other wholesalers –"franchise".
Retail sales are conducted via the chains: CCC, BOTI, LASOCKI/QUAZI . 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, bags, 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), "retail" covers financial information jointly for the CCC, BOTI, LASOCKI/QUAZI aggregated by operating markets.
Wholesale is addressed to domestic and foreign franchisees and other wholesalers. An operating segment is each individual recipient operating in different operating markets and separately analyzed by the KOB . Due to the similarity of the long-term average gross margins, as well as due to the similar nature of the goods (such as shoes, bags, accessories for footwear care, clothing accessories) and services provided (such as re-invoicing of transport), the distribution method of goods and categories of recipients (sales directed to wholesalers), "franchise" includes financial information for all contractors aggregated by operating markets .

Segment " manufacturing "
Segment " manufacturing " includes the value of sold production. Sales are realized in Poland by CCC Factory Sp. z o.o. essentially on behalf of CCC.eu sp. z o.o.

Segment " trademark management "
Segment " trademark management " includes the value of licenses granted for the sale of goods under the sign of the CCC , BOTI and Lasocki. Licences are granted by NG2 Suisse S.A.R.L. both entities constituting the Group CCC SA and franchise operators .
Currently the rights to trademarks are owned by the company CCC.eu sp. z o.o.
The accounting principles applicable to the operating segments are the same as the accounting policy principles under which CCC S.A. Capital Group prepares its financial statements. The Group evaluates the operation of each segment on the basis of financial performance.

.

2. ACCOUNTING PRINCIPLES APPLIED (continued)

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. These effects associated with organizational and restructuring process of the Issuer caused that the company CCC S.A. since 30 September has not conducted current operations in the segment of "retail".
On 4 November 2014. General Meeting of Shareholders of NG2 Suisse S.a.r.l. approved the transfer of rights to trademarks for the Company CCC.eu Sp. z o.o.. These effects associated with organizational and restructuring process of the CCC S.A. Capital Group caused that the company NG2 Suisse S.a.r.l. since 30 September has not conducted current operations in the segment of "trademark management".

Other disclosures related to reporting segments
The following items do not apply: income from transactions with other operation segments of the same entity, the entity's share in the profit or loss of affiliated entities and joint ventures and other than depreciation, material noncash items.
CCC Capital Group SA does not present in the statement the information about major customers, as revenue from a single external customer does not exceed 10% of the revenue of CCC S.A.

2.4. Valuation of items denominated in foreign currencies

Functional currency and presentation currency

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

Transactions and balances

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

Companies of the Group

The financial performance and position of all companies of the Group (none of which operates under hyperinflation), whose functional currencies differ from the presentation currency, are converted to the presentation currency as follows:

- assets and liabilities in all presented statements of financial position are converted at the closing exchange rate as on the balance sheet date;
- earnings and costs in all statements of comprehensive income are converted at the average exchange rate (unless the average exchange rate is not a satisfactory approximation of the aggregated proceeds from exchange rates on transaction dates - in such cases income and costs are converted at the exchange rates applicable on transaction dates); and
- any resulting exchange rate differences are entered as a separate item under shareholders' equity.

In the case of consolidation, currency exchange differences on converting net investments in foreign entities as well as loans and other currency instruments securing such investments are recorded under shareholders' equity. In the case of sale of an entity operating overseas (including partial sale), such currency exchange differences are entered in the global income statement as part of profit or loss on sale.
Goodwill and fair value adjustments that arise at the acquisition of a foreign entity are treated as assets and liabilities of a foreign entity and converted at the closing exchange rate as on the balance sheet date.

2. ACCOUNTING PRINCIPLES APPLIED (continued)

2.5. 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 Group 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 Group separates components within fixed assets.

The Group 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.

2.6. Intangible assets

For all components of the class the Group 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 Group 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 Group's current operations.

2. ACCOUNTING PRINCIPLES APPLIED (continued)

2.7. 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 Group 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 Group makes a depreciation adjustment in the amount of the investment outlays incurred, under operating costs.

2.7. Financial assets

The Group classifies the following as financial assets:
- financial assets at fair value through the statement of comprehensive income,
- 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 statement of comprehensive income are entered in the statement of comprehensive income in the period in which they arose.
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 statement of comprehensive income as profits and losses on the exclusion of investments into financial assets available for sale.
Loans and receivables and investments held to maturity are valued at amortised cost using an effective interest rate.

2.9. 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 statement of comprehensive income. 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 statement of comprehensive income.

2. APPLIED ACCOUNTING PRINCIPLES (continued)

2.10 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 Group does not apply hedge accounting. Changes in fair value after initial recognition are recognized in financial statement.

2.11. 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.
The cost of finished goods and manufacturing in progress includes design costs, raw materials, direct labour, other direct costs and associated overhead costs of manufacturing (based on normal production capacity), but excludes borrowing costs. The net sale price it is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.
In the event of circumstances as a result of which there was a decrease in the value of inventories then impairment of their value is carried out.
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.

2.12. 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 writedowns.

2.13. 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 statement of financial condition as part of Current loans under current liabilities.

2.14. 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 parent 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 actuarial profits/loss on valuation of benefits liabilities after the employment period.

2. APPLIED ACCOUNTING PRINCIPLES (continued)

2.15. 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.

2.16. 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 statement of comprehensive income 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.

2.17. 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 in countries where the company and its subsidiaries function and generate taxable revenue. Tax burden is calculated on the basis of tax rates applicable in a given country in a 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.

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 Group presents the net amount of the deferred tax assets and liability if IFRS do so.

2. APPLIED ACCOUNTING PRINCIPLES (continued)

2.18. Employee benefits

a) Retirement obligations

In the reporting period, the Group 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 Group 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” excluding actuarial profits/loss on valuation of benefits liabilities after the employment period which are recognized in the equity. The Group 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 Group 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 Group’s companies for the relevant employee group.
The Group 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.

c) Share-based benefits

The Group 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.

2. APPLIED ACCOUNTING PRINCIPLES (continued)

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 Group 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.

2.19. Provisions

Companies of the Capital Group establish provisions for guarantee repairs.
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.
Provisions for guarantee repairs are established as an estimated determination of the average level of returns on the basis of historical data.
After carrying out calculations for several periods and on the basis of the Group’s experience, in order to simplify the estimates, the average ratio of complaints for previous periods is calculated. The variable defining possible returns of products sold, on which the value of potential complaints is based, is the amount of revenue obtained from sales in the period in question.
In subsequent periods appropriate provision adjustments are made through an increase or liquidation, depending on the revenue from sale being generated. The Group also creates a provision for potential legal claims and for costs related to the pending court proceedings.

2.20. Recognising 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 Group’s business. Revenue is disclosed after deducting value-added tax, returns, rebates and discounts as well as after eliminating sales within the Group. 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 when gaining the right to receive payment.

Revenue from the sale of goods - wholesaling

The Group sells footwear and leather accessories on the wholesale market in Poland and abroad. In Poland, these products are sold on the basis of franchise agreements. Revenue from sale is disclosed once material risk factors and benefits of having the goods have been transferred to the business partner. The business partner takes over any and all risks related to the ageing of the goods and after-sales service for retail customers. 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.

2. APPLIED ACCOUNTING PRINCIPLES (continued)

Revenue from the sale of goods - retail

The Group sells footwear and leather accessories through a chain of its own stores located in its country and abroad. 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 Group 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 Group 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 Group on the basis of franchise agreements. Therefore, the Group reinvoices the cost of lease to the business partner operating at a given location. In its consolidated financial statements, the Group 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.

2.21 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.

2.22. Leasing

As on the date of commencement of leasing, the Group 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”.

2.23. Dividend

Dividend payments to the Issuer’s shareholders are recognised as a liability in the Group’s consolidated financial statements in the period in which they were approved by the Issuer’s shareholders.

2.22. Income from subsidies

If the Group receives a subsidy for the purchase or manufacture of property, plant and equipment, it is entered in the Group’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. Capital Group carries various risks. The Management Board finds the main risks to be:

a) Currency exchange rate risk.
Due to the fact that the companies of CCC S.A. Capital Group generate revenue in PLN, EUR, CZK, HUF, HRK, TRY and the majority of their costs is incurred in foreign currencies, the exchange rates of CZK, HUF, USD and EUR (practically all Group 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 statement of comprehensive income. As the Chinese market is the primary supply market for CCC S.A. Capital Group, 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.

b) Change of interest rate risk.
The CCC S.A. Capital Group 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 and BLR. Interest rate increase will affect the amount of interest pays on loans and interest on liabilities under lease and term deposits, where the effect is insignificant.

The Capital Group does not use hedging instruments that would mitigate the effect of changes in cash flows resulting from interest rate fluctuations on the performance of the Group.
The Group 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 - this risk derives from uncertainty as to whether and when amounts due will be repaid. Wholesale also includes deferred payment sale, which exposes CCC S.A. Capital Group to the risk of financing customers. To remain a leader on the footwear market, CCC S.A. Capital Group uses the sales credit feature, which enhances the company's appeal to wholesalers. The age structure of receivables is presented in note 9. 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 Group held term deposits in highly-rated established banks.

Details are set out in details in note 24.

amounts are denominated in PLN '000, unless indicated otherwise

3. MANAGEMENT OF FINANCIAL RISK (continued)

Managing capital risk

The Group's objective in managing capital risk is to protect the Group'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 Group 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 Group 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 consolidated statement of financial position), less cash and cash equivalents. The total value of equity is calculated as shareholders' equity disclosed in the consolidated statement of financial position together with net debt.

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

	31.12.2014	31.12.2012
Total loans (note 15)	578 007	327 809
Minus: cash and cash equivalents	161 906	143 736
Net debt	416 101	184 073
Total equity capital	952 239	591 856
Invested capital	1 368 340	775 929
Debt ratio	0,304	0,237

The change in the ratio is in line with the efforts made by the Group, and the ratio is at a level anticipated by the Management Board of the dominant entity which is 0,2-0,4

4. MATERIAL MANAGEMENT BOARD'S ESTIMATES

Employee benefits

The Group 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 19.

Operating segments

Details of the analysis and assessment of the operating segments are set out in note 2.3.

Depreciation of non-financial assets

Once a year, the Group examines its property, plant and equipment for depreciation in accordance with the accounting policy set out in note 2.5. 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, depreciation is entered. In 2014, an impairment write-off was made on non-financial assets in the amount of 5 981 000 PLN (2013- 1.545,000 PLN).

Impairment loss of inventories

The Group 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 was not being rotated in the past 12 months. "

4. MATERIAL MANAGEMENT ESTIMATES (continued)

Impairment of receivables revaluation

The Group 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 Group 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 2014, the 2014-2015 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 16.

Functional currency

Items included in the financial statements of each Group's entity are measured in its functional currency, i.e. the currency of the primary economic environment in which the entity operates.

This consolidated financial statements of the Group is presented in the Polish zloty, which is the Group'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 Group maintains proceeds from operating activities. In the revenue from the sales structure, the Group generates approximately 80 % of the revenue in the functional currency. The cost of purchasing merchandise and leasing retail stores is largely borne by the Group in foreign currency. Changes in currency exchange rates may significantly affect the value of costs incurred.

Provisions for guarantee repairs

The Group performs valuation of deferred guarantee repairs, which are calculated based on historical data concerning the level of pending complaints to customers and sales revenue realized in the retail network.

Income tax

The Group is subject to income taxes in many countries. Determining the provision for the income tax on a global scale requires a significant dose of judgment. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Group recognizes potential liabilities resulting from tax audit based on estimates of potential additional taxes levels. If the final tax settlements differ from the initial amounts, the differences affect the assets and liabilities on current and deferred income tax in the period in which the ultimate tax is determined.

If the actual final settlement of the expected cash flows (in matters of judgment) differed by 10% from estimates of the Management Board, the Group would have to:

- increase its obligation in respect of income tax by 5 959 000 PLN, and the liability for deferred income tax - about 948 000 PLN, in the case of an unfavorable change; or
- to reduce their liability to income tax of PLN 5 068 000, and a liability for deferred income tax - about 2 228 000 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											
	Poland		EU		Other countries		Total	Manufacturing	Trademark management	Consolidation corrections	Unallocated	TOTAL
	Retail	Wholesale	Retail	Wholesale	Retail	Wholesale						
Sales revenue	1 398 828	1 383	525 958	50 377	5 341	25 492	2 007 379	281 361	29 064	(309 045)	300	2 009 059
Prime cost of sale	(657 197)	482	(232 084)	(38 667)	(3 187)	(21 736)	(952 389)	(231 198)	-	280 740	-	(902 847)
Transactions between segments	34 051	-	13 028	1 802	118	660	49 659	(49 659)	-	-	-	-
Sales gross profit	**775 682**	**1 865**	**306 902**	**13 512**	**2 272**	**4 416**	**1 104 649**	**504**	**29 064**	**(28 305)**	**300**	**1 106 212**
Cost of sales and management	(536 980)	(670)	(288 038)	(6 353)	(5 108)	(1 830)	(838 979)	(6 832)	(546)	28 305	(35 568)	(853 620)
Transactions between segments	16 777	-	4 512	(248)	(16)	(91)	20 934	6 829	(27 763)	-	-	-
Balance of other revenues and operating costs	(10 739)	141	669	(36)	14	367	(9 584)	273	(7 276)	7 229	-	(9 358)
Transactions between segments	149	-	61	10	1	4	225	(272)	7 276	(7 229)	-	-
Operating profit	**244 889**	**1 336**	**24 106**	**6 885**	**(2 837)**	**2 866**	**277 245**	**502**	**755**	**-**	**(35 268)**	**167 517**
Balance of earnings and financial costs	(14 234)	(110)	(5 807)	(647)	(257)	(475)	(21 530)	478	2 953	-	-	(18 099)
Transactions between segments	2 459	18	868	153	31	50	3 579	(477)	(3 102)	-	-	-
Profit before tax	**233 114**	**1 244**	**19 167**	**6 391**	**(3 063)**	**2 441**	**259 294**	**503**	**606**	**-**	**(35 268)**	**225 135**
Income tax											195 221	195 221
Net profit												**420 356**
Net profit disclosed in the statements of the financial results and other comprehensive income												**420 356**

Assets, including:	1 001 889	20 945	538 248	48 584	7 062	14 538	1 631 266	152 134	10 832	-	-	1 794 232
- fixed assets	248 450	15 618	180 278	5 861	2 035	2 676	454 918	90 267	-	-	-	545 185
- deferred tax assets	169 006	882	62 983	9 025	629	4253	246 778	20 544	-	-	-	267 322
Cost of interest	(12 884)	(89)	(4 604)	(732)	(20)	(482)	(18 811)	-	-	-	-	(18 811)
Depreciation	(30 802)	(62)	(18 043)	(566)	(294)	(268)	(50 035)	(1 901)	-	-	(771)	(52 707)

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							Manufacturing	Trademark management	Consolidation corrections	Unallocated	TOTAL
	Poland		EU		Other countries		Total					
	Retail	Wholesale	Retail	Wholesale	Franchise	Wholesale						
Sales revenue	1 256 134	19 334	308 627	31 256	1 094	22 439	1 638 884	189 667	35 221	(223 587)	2 954	1 643 139
Prime cost of sale	(636 399)	(13 887)	(149 218)	(22 263)	(515)	(19 967)	(842 249)	(153 561)	-	189 376	-	(806 434)
Transactions between segments	27 712	336	7 205	270	-	659	36 182	(36 182)	-	-	-	-
Sales Gross profit	**647 447**	**5 783**	**166 614**	**9 263**	**579**	**3 131**	**832 817**	**(76)**	**35 221**	**(34 211)**	**2 954**	**836 705**
Cost of sales and management	(515 915)	(2 918)	(149 880)	(4 589)	(1 591)	(4 083)	(678 976)	(6 119)	(674)	34 211	(771)	(652 329)
Transactions between segments	24 526	(57)	3 139	(45)	-	(111)	27 452	6 104	(33 556)	-	-	-
Balance of other revenues and operating costs	(9 746)	270	(5 617)	425	612	379	(13 677)	(2 825)	(9 995)	9 638	-	(16 859)
Transactions between segments	(2 461)	(26)	(606)	(21)	-	(51)	(3 165)	2 818	9 985	(9 638)	-	-
Operating profit	**143 851**	**3 052**	**13 650**	**5 033**	**(400)**	**(735)**	**164 451**	**(98)**	**981**	**-**	**2 183**	**167 517**
Balance of earnings and financial costs	(14 108)	(307)	(3 479)	(484)	(14)	(432)	(18 824)	34	2 549	-	-	(16 241)
Transactions between segments	1 994	110	281	52	-	157	2 594	(34)	(2 560)	-	-	-
Profit before tax	**131 737**	**2 855**	**10 452**	**4 601**	**(414)**	**(1 010)**	**148 221**	**(98)**	**970**	**-**	**2 183**	**151 276**
Income tax											(26 059)	(26 059)
Net profit												**125 217**
	Net profit disclosed in the statements of the financial results and other comprehensive income											**125 217**

	Poland Retail	Poland Wholesale	EU Retail	EU Wholesale	Other countries Franchise	Other countries Wholesale	Total	Manufacturing	Trademark management	Consolidation corrections	Unallocated	TOTAL
Assets, including:	666 852	19 402	273 614	27 535	4 660	22 211	1 014 274	72 438	27 790	-	5 225	1 119 727
- fixed assets	241 131	2 559	113 170	4 078	1 036	3 638	365 612	34 986	801	-	5 225	406 624
- deferred tax assets	3 937	97	1 370	177	-	-	5 581	2 230	15 760	-	-	23 571
Cost of interest	(9 264)	(140)	(2 454)	(366)		(195)	(12 419)	-	-	-	-	(12 419)
Depreciation	(25 199)	(147)	(7 227)	(234)	(268)	(208)	(33 283)	(1 849)	-	-	(771)	(35 903)

amounts are denominated in PLN '000, unless indicated otherwise

5. INFORMATION ON BUSINESS SEGMENTS (continued)

	2014	2013
Revenue for sale from external clients:	2 009 059	1 643 139
- attributed from the country being the seat of the Issuer	1 401 133	1 279 007
- attributed from other countries, including:	607 926	364 132
- Austria	48 828	9 898
- Croatia	17 657	4 122
- Germany	45 959	2 885
- The Czech Republic	170 500	136 281
- Slovakia	100 759	67 764
- Slovenia	13 211	1 995
- Turkey	5 341	1 094
- Hungary	129 043	85 683
- Romania	38 170	18 039
- Latvia	11 409	10 478
	2 009 059	**1 643 139**

	2014	2013
Fixed assets other than financial instruments:	545 185	406 624
- attributed from the country being the seat of the Issuer	398 103	321 323
- attributed from other countries, including:	147 082	85 301
- Austria	19 432	5 468
- Croatia	7 035	2 536
- Germany	27 918	5 646
- The Czech Republic	40 947	28 330
- Slovakia	14 137	11 494
- Slovenia	3 978	1 551
- Switzerland	-	801
- Turkey	1 713	1 036
- Hungary	31 763	28 439
- Bulgaria	159	-
	545 185	**406 624**

	2014	2013
Deferred Tax assets:		
- attributed from the country being the seat of the Issuer	267 322	23 571
- attributed from other countries, including:	263 646	6 441
-Germany	3 676	17 130
-The Czech Republic	375	-
-Slovakia	1 325	261
-Switzerland	388	258
-Turkey	-	15 760
-Hungary	322	-
	267 322	**23 571**

amounts are denominated in PLN '000, unless indicated otherwise

6. COSTS BY TYPE

	01.01.2014 31.12.2014	01.01.2012 31.12.2012
Depreciation of fixed assets and intangible assets	55 215	35 903
Consumption of materials and energy	246 429	155 102
Cost of lease	241 467	217 432
Cost of outsourced services	132 740	108 707
Taxes and fees	38 664	6 345
Cost of salaries	260 343	187 428
Cost of employee benefits	65 989	44 871
Cost of promotion and advertising	22 184	21 370
Other costs	18 645	9 171
Changes of prepayments and accruals	-	1 502
Change of inventory state	1 930	(393)
Prime cost of sale of goods	672 861	671 386
Total	**1 756 467**	**1 458 824**

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	**362 761**	**103 766**	**46 524**	**30 758**	**884**	**977**	**545 670**
Change on exchange rate	566	233	109	597	(6)	-	1 499
Increases due to:	**76 963**	**13 648**	**13 040**	**31 542**	**123 353**	**29**	**258 575**
- investments in third-party facilities	71 292	-	718	25 274	69 209	-	166 493
- own investment outlays	42	-	-	-	67	-	109
- purchase	5 629	13 383	12 227	6 160	54 077	29	91 505
- disclosures	-	265	95	108	-	-	468
Decreases due to:	**17 587**	**3 930**	**4 693**	**907**	**66 482**	**37**	**93 636**
- liquidation	15 932	1 116	0	182	-	37	17 267
- sales	1 655	2 814	4 693	725	3 627	-	13 514
- completed investments	-	-	-	-	62 855	-	62 855
As of 31 December 2014	**422 703**	**113 717**	**54 980**	**61 990**	**57 749**	**969**	**712 108**
AMORTISATION AND DEPRECIATION							
As of 1 January 2014	**86 021**	**34 207**	**16 133**	**12 184**	**(125)**	**-**	**148 420**
Change on exchange rate	55	94	18	62	-	-	229
Depreciation for the period of 1.01-31.12	27 806	12 821	5 758	6 333	125	-	52 843
Write-downs	3 632	-	-	-	-	-	3 632
Decreases due to sales or liquidation	8 625	2 590	2 243	433	-	-	13 891
As of 31 December 2014	**108 889**	**44 532**	**19 666**	**18 146**	**-**	**-**	**191 233**
NET VALUE							
As of 1 January 2014	**276 740**	**69 559**	**30 391**	**18 574**	**1 009**	**977**	**397 250**
As of 31 December 2014	**313 814**	**69 185**	**35 314**	**43 844**	**57 749**	**969**	**520 875**

amounts are denominated in PLN '000, unless indicated otherwise

7. TANGIBLE ASSETS (CONTINUED)

In 2014, depreciation in the amount of 1 096 556.79 PLN was included in cost of sales. The remaining value of the depreciation was presented in cost of sales and management.

	Land, buildings and structures	Machines and equipment	Means of transportations	Other	Fixed assets under construction	Spare parts	Total
GROSS VALUE							
As of 1 January 2013	**312 173**	**97 936**	**45 189**	**15 067**	**9 039**	**-**	**479 404**
Change on exchange rate	(308)	(358)	(45)	(711)	(392)		(1 814)
Increases due to:	**77 565**	**7 979**	**3 468**	**17 137**	**66 201**	**977**	**173 327**
- investments in third-party facilities	72 367	-	-	-	64 563	-	136 930
- own investment outlays	1 597	-	-	-	1 638	-	3 235
- purchase	3 601	7 979	3 468	17 137	-	-	32 185
- disclosure	-	-	-	-	-	977	977
Decreases due to:	**26 669**	**1 791**	**2 088**	**735**	**73 964**	**-**	**105 247**
- liquidation	25 073	615	51	362	-	-	26 101
- sale	1 596	1 176	2 037	373	-	-	5 182
- completed investments	-	-	-	-	73 964	-	73 964
As of 31 December 2013	**362 761**	**103 766**	**46 524**	**30 758**	**884**	**977**	**545 670**
AMORTISATION AND DEPRECIATION							
As of 1 January 2013	**76 984**	**24 057**	**14 179**	**9 415**	**(125)**	**-**	**124 510**
Change on exchange rate	174	(224)	(21)	42	-	-	(29)
Depreciation for the period of 1.01-31.12	22 413	10 654	3 961	3 073	-	-	40 101
Write-downs	(2 750)	-	-	-	-	-	(2 750)
Decreases due to sales or liquidation	10 800	280	1 986	346	-	-	13 412
As of 31 December 2013	**86 021**	**34 207**	**16 133**	**12 184**	**(125)**	**-**	**148 420**
NET VALUE							
As of 1 January 2013	**235 189**	**73 879**	**31 010**	**5 652**	**9164**	**-**	**354 894**
As of 31 December 2013	**276 740**	**69 559**	**30 391**	**18 574**	**1 009**	**977**	**397 250**

In 2013, depreciation in the amount of 1 027 875.16 PLN was included in cost of sales. The remaining value of the depreciation was presented in cost of sales 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	580 000	212 500

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

amounts are denominated in PLN '000, unless indicated otherwise

7. TANGIBLE ASSETS (CONTINUED)

Changes in impairment write-downs on fixed assets	01.01.2014 to 31.12.2014	01.01.2012 to 31.12.2012
As at the beginning of the period	3 994	6 174
a) increase	5 982	1 545
b) decrease	2 350	3 725
- use	2 350	3 725
Write-downs on inventory	**7 626**	**3 994**

The value of write-downs for impairment of fixed assets was recognized as a correction of cost of sales of the current period and refers to investment outlays in third-party units in stores of low profitability.

8. INTANGIBLE ASSETS

	Patents and licences	Trademarks	Intangible assets under construction	Total
GROSS VALUE				
As of 1 January 2014	**8 828**	**954**	**3 105**	**12 887**
Change on exchange rate	(63)	(1)	-	(64)
Increases in the period of 01.01. - 31.12.	1 229	1 066	518	2 813
Decreases in the period of 01.01. - 31.12.	514	-	68	582
As of 31 December 2014	**9 480**	**2 019**	**3 555**	**15 054**

AMORTISATION				
As of 1 January 2014	**3 593**	**126**	**-**	**3 719**
Change on exchange rate	(5)	-	-	(5)
Amortisation in the period of 01.01. - 31.12.	1 666	809	-	2 475
Correction of depreciation in the period of 01.01. - 31.12.	445	-	-	445
As of 31 December 2014	**4 809**	**935**	**-**	**5 744**
NET VALUE				
As of 1 January 2014	**5 235**	**828**	**3 105**	**9 168**
As of 31 December 2014	**4 671**	**1 084**	**3 555**	**9 310**

	Patents and licences	Trademarks	Intangible assets under construction	Total
GROSS VALUE				
As of 1 January 2013	6 369	850	2 907	10 126
Increases in the period of 01.01. - 31.12.	2 481	104	198	2 783
Decreases in the period of 01.01. - 31.12.	22	-	-	22
As of 31 December 2013	**8 828**	**954**	**3 105**	**12 887**
AMORTISATION				
As of 1 January 2013	**2 241**	**105**	-	**2 346**
Amortisation in the period of 01.01. - 31.12.	1 352	21	-	1 373
As of 31 December 2013	**3 593**	**126**	**-**	**3 719**
NET VALUE				
As of 1 January 2013	**4 128**	**745**	**2 907**	**7 780**
As of 31 December 2013	**5 235**	**828**	**3 105**	**9 168**

amounts are denominated in PLN '000, unless indicated otherwise

9. TRADE AND OTHER RECEIVABLES

	31.12.2014	31.12.2013
Trade receivables	35 968	14 998
Prepayments for deliveries	15 375	31 142
Other current liabilities	7 513	-
Receivables from taxes	2 730	1 214
Prepayments and accruals	16 434	30 654
Loans granted, of which:	15 513	4 986
from other entities	15 513	4 986
- Non-current	15 000	-
- Current	513	4 986
Total	**93 533**	**82 994**

The carrying value of receivables approximates fair value and it is the maximum value of the receivables exposed to credit risk.

Past-due trade receivables (gross) by receivables outstanding for:

	31.12.2014	31.12.2013
a) up to 1 month	4 989	4 623
b) 1-3 months	10 962	2 607
c) 3-6 months	8 702	1 636
d) more than 6 months	10 072	4 760
(Gross) trade receivables, total, past-due	**34 725**	**13 626**
e) write-downs on the value of past-due trade receivables	603	632
(Net) trade receivables, total, past-due	**34 122**	**12 994**

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	632	622
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	**603**	**632**

Write-downs on receivables are established on the basis of an age analysis.
Allowances for impairment of financial assets was recognized in own cost of sales for the current period.
The value of significantly past-due trade receivables is recoverable. The value of the write-down was the basis of the Group's previous experience.
The Group believes that the past-due receivables not covered by the write-down will be repaid by its business partners. Cooperation with business partners is based on a franchise, therefore, the Group does perceive a risk of a default on these receivables in order to secure a promissory note arising from the contracts.

Non-current receivables

	31.12.2014	31.12.2013
Loans granted	15 000	206
Non-current loans granted in total	**15 000**	**206**

9. TRADE AND OTHER RECEIVABLES (continued)

Granted loans

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

As of 31 December 2014

Entity name	Amount	Utilised amount	Interest PLN (in thousand)	Payment date	Interest	Collaterals
3S Retail sp. z o.o	500 000 EUR	-	48	31.12.2014	5,00%	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	2 200 000 PLN	-	5	28.02.2014	WIBOR 1M+margin	blank promissory note
Professional Cycling Team CCC	400 000 PLN	400 000 PLN	-	31.12.2015	WIBOR 3M+margin	blank promissory note
Company - Instalatorstwo Elektryczne	60 000 PLN	60 000 PLN	-	30.11.2015	5,50%	none

At the date of preparation of the financial statements, interest on loans were fully settled.

As of 31 December 2013

Loans granted

Entity name	Amount	Utilised amount	Interest PLN (in thousand)	Payment date	Interest	Collaterals
3S Retail sp. z o.o	500 000 USD	150 000 USD (452 000 PLN)	-	31.12.2014	5,00%	none
Miejski Klub Sportowy Polkowice (Sport Club)	3.000 000 PLN	500 000 PLN	68	31.12.2013 *	WIBOR 1M+margin	blank promissory note
Miejski Klub Sportowy Polkowice (Sport Club)	1 500 000 PLN	1 500 000 PLN	24	Not specified	WIBOR 1M+margin	blank promissory note
Miejski Klub Sportowy Polkowice (Sport Club)	170 000 PLN	170 000 PLN	3	Not specified	WIBOR 1M+margin	blank promissory note
Instalatorstwo Elektryczne - Company	38 000 PLN	38 000 PLN	-	30.06.2014	5,50%	none
Professional Cycling Team	2.200 000 PLN	2 200 000 PLN	31	28.02.2014*	WIBOR 1M+margin	blank promissory note

** The loan was repaid after the balance sheet date*

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

amounts are denominated in PLN '000, unless indicated otherwise

9. TRADE AND OTHER RECEIVABLES (continued)

Current trade receivables and prepayments (currency structure):

	31.12.2014	31.12.2012
a) in Polish currency	2 061	11 704
b) in foreign currencies (by currency and upon conversion to PLN)	49 282	34 499
- USD	7 100	10 009
- converted to PLN	24 872	32 075
- EUR	5 585	2 824
- converted to PLN	21 595	12 017
- RON	2 835	(15 302)
- converted to PLN	2 698	(14 173)
- LVL	-	776
- converted to PLN	-	4 580
- other currencies	37	-
- converted to PLN	117	-
Total current trade receivables and prepayments	**51 343**	**46 203**

10. INVENTORY

	31.12.2014	31.12.2013
Materials	41 499	29 661
Production in progress	7 238	6 863
Goods	701 542	430 665
Capitalised cost of packaging	-	681
Write-down on the value of inventory	(8 993)	(4 862)
Total	**741 286**	**463 008**

Changes in write-downs on inventory	**01.01.2014 31.12.2014**	**01.01.2013 31.12.2013**
As of the beginning of the period	4 862	4 354
a) increases	16 591	2 833
b) decreases	12 460	2 325
Write-downs on inventory as of the end of the period	**8 993**	**4 862**

The value of established and liquidated write-downs on inventory was entered as the adjustment of the prime cost of sale for the period.
Due to the increased volume of sales related to expanding operations, the level of goods that met the criteria for write-downs in the financial year increased. Therefore, the value of the write-down increased compared to previous years.
On the basis of loan agreements, pledges were established on inventory. The value of the pledges as of 31.12.2014 amounted to PLN 290 000 000 (as of 31 December 2013: PLN 323 000 000).

11. CASH

	31.12.2014	31.12.2013
Cash in the bank and petty cash fund	71 319	128 965
Short-term deposits	90 587	14 771
Total	**143 736**	**125 708**

Funds in bank accounts and cash comprise cash held by the companies of the Capital Group 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

12. 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 % 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 *	3 140 375	8.18	3 140 375	6.97

* data derived from the annual structure of assets of the Fund 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:

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

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:

amounts are denominated in PLN '000, unless indicated otherwise

12. CAPITAL (continued)

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 derived 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**
State on 31 December 2013	2 196
State on 31 December 2014	4 658
Retained profits	**Value**
As of 31 December 2013	513 349
Dividend disbursement	(61 440)
Net profit for 2014	420 356
Exchange rate differences from conversion	(713)
As of 31 December 2014	**871 552**

Exchange differences on conversion of foreign entities	Value
As of 31 December 2013	(2 115)
As of 31 December 2014	(2 397)

13. TRADE AND OTHER LIABILITIES

Current liabilities	31.12.2014	31.12.2012
Trade liabilities including:	99 805	92 360
Liabilities under customs duty and taxes, of which:	74 959	26 780
- liabilities under VAT	24 972	16 070
- liabilities under customs duty	19 152	1 375
- liabilities under CIT	31 766	3 789
Liabilities towards employees	27 524	19 460
Other liabilities	10 750	20 553
TOTAL	**213 038**	**159 153**

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.

amounts are denominated in PLN '000, unless indicated otherwise

13. TRADE AND OTHER LIABILITIES (continued)

a. Current trade receivables (currency structure):

	31.12.2014	31.12.2013
a) in Polish currency	81 693	84 155
b) in foreign currencies (by currency and upon conversion to PLN)	18 112	8 205
- USD	142	892
- converted to PLN	498	2 686
- EUR	2 894	1 614
- converted to PLN	12 424	6 694
- CZK	15 752	-
- converted to PLN	2 421	-
-RON	1	-
-converted to PLN	1	-
- HUF	180 041	-
- converted to PLN	2 437	-
- HRK	215	(1 910)
- converted to PLN	120	(1 040)
- TRY	140	(95)
- converted to PLN	211	(135)
Total current trade receivables:	**99 805**	**92 360**

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

b. Non-current liabilities

	31.12.2014	31.12.2013
Trade and other liabilities	-	79
Total	**-**	**79**

14. 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	203 804	158 808
- one to five years	815 217	635 232
- more than 5 years	407 608	317 616
TOTAL	**1 426 629**	**1 111 656**

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. Lease costs are specified in Note 6.

amounts are denominated in PLN '000, unless indicated otherwise

14. MINIMUM VALUE OF FUTURE PAYMENTS UNDER OPERATING LEASE (continued)

The Group 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 31.12.2014	01.01.2013 31.12.2013
Revenue from operating subleases	12 574	12 454

15. LOANS AND BORROWINGS

Long-term loans	31.12.2014	31.12.2012
Investment loan (long-term part)	6 000	158 000
Long-term bonds	210 000	-
Loans, bonds and long-term borrowings in total	**216 000**	**158 000**
Short-term loans and borrowings	**31.12.2014**	**31.12.2012**
Overdraft facility	109 562	169 809
Bank loan	252 000	-
Borrowing	445	-
Total short-term loans and borrowings	**362 007**	**169 809**
Total loans and borrowings	**578 007**	**327 809**

As of 31 December 2014

Name of the bank	Name of entity	Type	Limit amount	Amount utilised	Date of expiry	Financial terms	Collaterals
mBank SA	CCC	bonds	210 000 000	210 000 000	10.06.2019	WIBOR + margin	surety
mBank SA	CCC	investment	18 000 000	12 000 000	30.12.2016	WIBOR + margin	capped mortgage
Bank Millennium SA	CCC	overdraft facility	25 000 000	-	30.09.2015	WIBOR + margin	surety
Bank PeKao SA	CCC.eu	overdraft facility	205 000 000	80 955 000	15.10.2015	WIBOR + margin	capped mortgage surety
Bank Handlowy SA	CCC.eu	overdraft facility	64 000 000	18 372 000	26.02.2017	WIBOR + margin	mortgage, surety
Bank Handlowy SA	CCC.eu	revolving	86 000 000	86 000 000	26.02.2017	WIBOR + margin	mortgage, registered pledge on movables
mBank SA	CCC.eu	overdraft facility	54 700 000	10 234 000	30.12.2015	WIBOR + margin	capped mortgage, surety
mBank SA	CCC.eu	working capital loan	60 000 000	60 000 000	27.03.2015	WIBOR + margin	mortgage, surety
ING Bank Śląski SA	CCC.eu	working capital loan	100 000 000	100 000 000	29.01.2015	WIBOR + margin	mortgage, surety
PKO BP SA	CCC.eu	overdraft facility	75 000 000	-	26.10.2015	WIBOR + margin	mortgage, registered pledge on movables
PKO BP SA	CCC.eu	working capital loan	25 000 000	-	26.10.2015	WIBOR + margin	mortgage, registered pledge on movables
PKO BP SA	CCC Factory	overdraft facility	3 000 000	-	27.04.2017	WIBOR + margin	registered pledge on movables,blank promissory note, assignment of rights under an insurance policy.

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.

amounts are denominated in PLN '000, unless indicated otherwise

15. LOANS AND BORROWINGS (continued)

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

** The PKO BP SA and PEKAO SA guarantee cap is a part of the Multi-purpose overdraft limit*

As of 31 December 2013

Name of the bank/entity	Name of entity	Type	Limit amount	Amount utilised	Date of expiry	Financial terms	Collaterals
Bank Handlowy w Warszawie SA	CCC	Revolving	86 000 000	56 000 000	26.02.2015	WIBOR + margin	Capped mortgage; Pledge on inventory
Bank Handlowy w Warszawie SA	CCC	Overdraft facility	64 000 000	-	26.02.2015	WIBOR + margin	
mBank SA	CCC	Overdraft facility	55 000 000	14 322 000	30.12.2015	WIBOR + margin	Capped mortgage
mBank SA	CCC	Investment	18 000 000	18 000 000	30.12.2016	WIBOR + margin	Capped mortgage
mBank SA	CCC	Revolving	30 000 000	30 000 000	27.03.2014	WIBOR + margin	Capped mortgage
ING Bank Śląski SA	CCC	Revolving	100 000 000	70 000 000	29.01.2015	WIBOR + margin	Capped mortgage; Pledge on inventory
PKO BP SA	CCC	Multi-purpose overdraft limit*	120 000 000	40 357 000	26.10.2015	WIBOR + margin	Pledge on inventory
PKO BP SA	CCC	Overdraft facility	Up to 75 000 000	20 357 000	26.10.2015	WIBOR + margin	Capped mortgage; Pledge on inventory
PKO BP SA	CCC	Revolving	Up to 100 000 000	20 000 000	26.10.2015	WIBOR + margin	Capped mortgage; Pledge on inventory
Bank Pekao SA	CCC	Overdraft facility	100 000 000	99 113 000	08.10.2014	WIBOR + margin	Capped mortgage
Bank Millennium SA	CCC	Overdraft facility	25 000 000	17 000	03.12.2014	WIBOR + margin	None
PKO BP SA	CCC Factory	Overdraft facility	2 000 000	-	27.04.2014	WIBOR + margin	Registered pledge on a set of movables

amounts are denominated in PLN '000, unless indicated otherwise

15. LOANS AND BORROWINGS (continued)

Bank name	Entity name	Type of loan	Limit amount	Amount utilised	Date of expiry	Financial terms	Collaterals
mBank SA	CCC	Guarantee limit	15 000 000	10 959 000	30.09.2016	Commission	None
Societe Generale SA	CCC	Guarantee limit	12 000 000	7 216 000	04.2014	Commission	None
BZ WBK SA	CCC	Guarantee limit	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	CCC	Guarantee limit*	20 000 000	4 838 000	26.10.2015	Commission	To the agreement
Raiffeisen Bank Polska SA	CCC	Guarantee limit	3 000 000 USD	1 860 000 USD (5 603 000 PLN)	17.08.2015	Commission	None
Bank Pekao SA	CCC Czech	Guarantee limit	5 000 000	201 000	08.10.2015	Commission	To the agreement
Ceska sporitelna a.s.	CCC Czech	Guarantee limit	100 000 000 CZK	-	31.05.2014	Commission	Surety
Citibank Europe plc	CCC Czech	Guarantee limit	30 000 000	-	01.12.2014	Commission	None

** The PKO BP SA and PEKAO SA guarantee limit is a part of the Multi-purpose overdraft limit*

16. 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 Parent 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 of the Parent Company 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. 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 2 462 000 PLN, and in 2013 2 196 000 PLN.

amounts are denominated in PLN '000, unless indicated otherwise

16. SHARE-BASED PAYMENTS (continued)

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).

17. DEFERRED TAX

The items below are the main items under deferred tax liabilities and assets entered by the Group and the changes thereof in the current and preceding reporting period. The asset was created from transitional differences according to anticipated domestic tax rates. According to IAS 12, the Group in its consolidated financial statement discloses the net deferred tax liabilities and assets.

Deferred tax liabilities	31.12.2014	31.12.2013
Accelerated tax depreciation	8 879	804
Computed interest	356	213
Other	247	-
Deferred tax liabilities	**9 482**	**1 017**
Liability up to 1 year	9 482	1 017
Liability over 1 year	-	-

Deferred tax assets	31.12.2014	31.12.2013
Costs after the balance sheet date	1 147	557
Provisions for liabilities	3 218	1 845
Depreciation of assets	6 129	2 779
Consolidation correction of margin on inventory	11 784	3 571
Valuation of trademarks	39 843	15 760
Tax losses	-	29
Other(i.e. goodwill)	208 183	47
Deferred tax assets	**270 304**	**24 588**
Assest up to 1 year	82 527	9 644
Asset over 1 year	187 777	14 944

The Group identified all the assets of which deferred income tax should be recognized. With respect to the asset on the difference between the tax and book value of company’s goodwill arising from the valuation of an organized part of the enterprise, the company recognized its part corresponding to the expected estimates of its implementation in the period of next 5 years. Undisclosed asset amounted to 188 232 000 PLN.
Asset for tax loss was only created for CCC Czech Republic. For the other companies there was no basis for the creation of the asset. Undisclosed assets due to tax losses in the Group amounted to 8 561 000 PLN.
Tax losses are accounted for in the period of 5 years.

18. PROVISIONS

amounts are denominated in PLN '000, unless indicated otherwise

	Provision for legal claims	Provision for jubilee and retirement benefits	Provision for warranty repairs	Other provisions	Total
As of 1 January 2014	**4 305**	**2 607**	**-**	**-**	**6 912**
Setting of provisions during the year	1 604	4 848	3 000	857	10 309
Liquidation of the provision	66	3 643	-	370	4 079
Utilisation of the provisions	-	-	-	-	-
State as of 31 December 2014	**5 843**	**3 812**	**3 000**	**487**	**13 142**
Provisions up to 1 year	426	3 644	3 000	332	7 402
Provisions over 1 year	5 417	168	-	155	5 740

	Provision for legal claims	Provision for jubilee and retirement benefits	Provision for warranty repairs	Other provisions	Total
As of 1 January 2013	**2 060**	**2 841**	**-**	**-**	**4 901**
Setting of provisions during the year	2 999	833	-	-	3 832
Liquidation of the provision	754	300	-	-	1 054
Utilisation of the provisions	**-**	767	-	-	767
State as of 31 December 2013	**4 305**	**2 607**	**-**	**-**	**6 912**
Provisions up to 1 year	401	2 607	-	-	3 008
Provisions over 1 year	3 904		-	-	3 904

The Group establishes provisions for anticipated warranty repairs of goods sold in the last financial year, on the basis of the level of warranty repairs and returns reported in previous years.

19. 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	482	459
Employees at stores	7 378	6 441
Staff employed in manufacturing positions	758	531
Employees in warehouses	438	430
Total	**9 056**	**7 861**

Cost of employment	31.12.2014	31.12.2012
Remuneration	260 343	194 846
Social security contributions	56 903	40 779
Other employee benefits	7 935	7 973
Total	**325 181**	**243 598**

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 2012) and a 2.0 per cent rate of salary base growth (2.0% in 2012).

amounts are denominated in PLN '000, unless indicated otherwise

19. EMPLOYMENT AND EMPLOYEE BENEFITS (continued)

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	**167**	**37**	**3 783**	**304**	**4 291**
Correction of undepreciated gains (-) and losses (+) actuarial BO - other comprehensive income	-	-	-	-	-
Opening balance after adjustments	**167**	**37**	**3 783**	**304**	**4 291**
Write-off provision	20	-	454	17	491
Interest expense	8	2	180	14	204
(Gains) and losses recognized in other comprehensive income	70	17	-	140	227
(Gains) and losses recognized in the income statement	-	-	(185)	1 021	836
The cost of past employment	-	-	-	-	-
Paid benefits	(10)	-	(196)	-	(206)
Obligation at the end of period	**255**	**56**	**4 036**	**1 496**	**5 843**

Description	Retirement severance payments	Disability benefits	The jubilee bonuses	Death benefits	The total amount of provisions
Current provision	14	3	393	16	426
Non-current provision	241	53	3 643	1 480	5 417
The total amount of provisions	**255**	**56**	**4 036**	**1 496**	**5 843**

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	(20)	-	(454)	(17)	(491)
Interest expense	(8)	(1)	(181)	(14)	(204)
Return on assets (expected)	-	-	-	-	-
Actuarial gains and (losses) recognized in the income statement	-	-	(902)	-	(902)
Depreciation of write-off provisions of the previous year	-	-	-	-	-
Reduction / Plan liquidation	-	-	-	-	-
Net	**(28)**	**(1)**	**(1 537)**	**(31)**	**(1 597)**

amounts are denominated in PLN '000, unless indicated otherwise

19. EMPLOYMENT AND EMPLOYEE BENEFITS (continued)

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	(70)	(17)	-	(140)	(227)
Closing balance of other comprehensive income	**(5)**	**17**	**-**	**(140)**	**(128)**

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	46	8	374	83	511
Change in demographic assumptions	6	2	95	2	105
Other changes (experience adjustment)	18	7	433	4	462
Total actuarial gains and losses	**70**	**17**	**902**	**89**	**1 078**

20. 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 sales of current assets	225	630
Profit on currency exchange differences	3 612	711
Received interest	765	3 988
Received compensation	2 968	926
Liquidated provisions	2 086	2 395
Inventory surplus	4 166	816
Other operating revenue	6 675	2 592
Total	**20 497**	**12 058**

Other operating cost	01.01.2014 to 31.12.2014	01.01.2013 to 31.12.2013
Loss on sale of fixed assets	6 068	11 242
Establishment of provisions	275	554
Loss on exchange rates	6 439	3 322
Interest	730	141
Inventory shortages	9 013	5 576
Paid licenses and copyrights	2 140	1 663
Other operating expenses	5 190	6 419
Total	**29 855**	**28 917**

amounts are denominated in PLN '000, unless indicated otherwise

20. REVENUES AND OPERATING AND FINANCIAL COSTS (continued)

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	508	552
Result on exchange rates	1 842	-
Other financial revenue	725	260
Total	**3 075**	**812**

Financial costs	01.01.2014 to 31.12.2014	01.01.2013 to 31.12.2013
Interest on loans and borrowings	18 811	12 419
The surplus of negative exchange rate differences over the positive ones	41	2 974
Commission paid	695	561
Other financial costs	1 627	1 099
Total	**17 053**	**15 745**

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:	18 811	12 419
Interest recognised in costs	18 811	12 419

21. INCOME TAX

The Group's income tax before tax differs in the following way from the theoretical amount that would have been obtained using the weighted average tax rate (applicable to profits of the consolidated companies):

Income tax	01.01.2014 to 31.12.2014	01.01.2013 to 31.12.2013
Profit before tax	225 135	151 276
Tax calculated at domestic tax rates applicable to income in individual countries	37 763	26 443
Tax effects of the following items:		
- tax effect of revenue not constituting tax revenues	(9 436)	918
- the tax effect of expenses that are not deductible costs	6 212	-
- other adjustments	(5 596)	573
- Tax losses for which the assets were not recognized on deferred tax	(8 561)	(1 875)
Deferred tax	(215 603)	-
Burden of financial result of income tax	**(195 221)**	**26 059**

Applied weighted average tax rate amounted to 16.77% (2013: 17.48%).
The difference between the average and the effective rate result from:
- exclusion from income dividends disbursed to a parent company
- low rate of income tax in the company of the capital group (8.47%)

Under the applicable laws, the Tax Office may audit the tax filings of the companies of the Group for a period from 5 to 7 years since the day of submitting them. (depending on the country)

amounts are denominated in PLN '000, unless indicated otherwise

21. INCOME TAX (continued)

Tax rates applicable in the countries in which subsidiaries operate in 2014

Country	CIT tax rate
Poland	19,00%
The Czech Republic	19,00%
Slovakia	23,00%
Hungary*	10,00%
Switzerland	8,47%
Germany	15,00%
Austria	25,00%
Croatia	20,00%
Slovenia	17,00%
Turkey	20,00%
Bulgaria	10,00%

** Basic applied rate in Hungary is 19%. The Group uses a reduced rate of 10%, which applies to the tax base up to 500 million forints of income. "*

22. 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	420 356	125 217
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	**420 356**	**125 217**

Number of shares issued	01.01.2014 to 31.12.2014	01.01.2013 to 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	10,94 PLN	3,26 PLN
Diluted	10,94 PLN	3,26 PLN

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

23. DIVIDEND

	2014	2013
Value of dividend disbursements	61 440	61 440
Value per 1 share	1,60 PLN	1,60 PLN

amounts are denominated in PLN '000, unless indicated otherwise

24. FINANCIAL INSTRUMENTS

The Group did not use any derivatives in 2014 and 2013.

Financial instruments by type:

Assets according to the balance sheet

Loans and receivables	value
31 December 2014	
Non-current	**15 000**
Long-term loans granted	15 000
Current	**205 900**
Short-term loans granted	513
Receivables other than prepayments	43 481
Cash and cash equivalents	161 906
TOTAL	**220 900**
31 December 2013	
Non-current	**206**
Long-term loans granted	206
Current	**195 381**
Short-term loans granted	4 986
Receivables other than prepayments	46 659
Cash and cash equivalents	143 736
TOTAL	**195 587**

Liabilities according to the balance sheet

The fair value does not defer from the balance sheet value in a material way

Other financial liabilities	value
31 December 2014	
Non-current	**216 000**
Loans and borrowings	6 000
Bonds	210 000
Current	**500 087**
Loans and borrowings	362 007
Trade liabilities and other non-tax liabilities	138 080
Total	**716 087**
31 December 2013	
Non-current	**158 000**
Loans and borrowings	158 000
Current	**302 183**
Loans and borrowings	169 809
Trade liabilities and other non-tax liabilities	132 374
Total	**460 183**

amounts are denominated in PLN '000, unless indicated otherwise

24. FINANCIAL INSTRUMENTS (CONTINUED)

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	176 656	(83 123)	93 533	-	-	93 533
Total	**176 656**	**(83 123)**	**93 533**	**-**	**-**	**93 533**

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	161 674	(78 680)	82 994	-	-	82 994
Total	**161 674**	**(78 680)**	**82 994**	**-**	**-**	**82 994**

b. 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	296 161	(83 123)	213 038	-	-	213 038
Total	**296 161**	**(83 123)**	**213 038**	**-**	**-**	**213 038**

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	237 833	(78 680)	159 153	-	-	159 153
Total	**237 833**	**(78 680)**	**159 153**	**-**	**-**	**159 153**

amounts are denominated in PLN '000, unless indicated otherwise

26. FINANCIAL INSTRUMENTS (continued)

Currency risk

If foreign currency exchange rates denominated in the twelve-month period ended on 31 December 2014 had been 5% higher/lower, the profit for that period would have been PLN 24 734 000 lower/higher (in the twelve-month period ended 31 December 2013: PLN 23 278 000).

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	368 007	327 809
Total	**368 007**	**327 809**

If foreign currency exchange rates 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).

Financial liquidity risk

The table below contains an analysis of the Group's financial and trade 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	99 805	346 074	5 451	451 330
1-2 years	-	15 711	2 984	18 695
2-5 years	-	5 776	774	6 550
more than 5 years	-	-	-	-
Total	**99 805**	**367 561**	**9 209**	**476 575**

31.12.2012	Trade liabilities	Loan payments	Interest and other charges	Total
up to 1 year	92 360	169 809	9 765	271 934
1-2 years	-	155 005	5 014	160 019
2-5 years	-	2 995	657	3 652
more than 5 years	-	-	-	-
Total	**92 360**	**327 809**	**15 436**	**435 605**

Credit risk

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

	31.12.2014	31.12.2012
Trade receivables and other receivables	75 428	51 645
Cash and cash equivalents	161 906	143 736
Total	**237 334**	**195 381**

26. FINANCIAL INSTRUMENTS (continued)

The age structure of receivables by maturity date together with information about write-downs on receivables is set out in note 9.
The Group'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 Group's credit risk is primarily attributed to trade receivables.
The amounts disclosed in the consolidated 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 Group does not have a significant concentration of credit risk. The risk is distributed among a large number of partners and customers.
The ratings of the credit institutions (PKO BP SA, BZ WBK SA, Bank Handlowy SA, UniCredit Bank a.s., Komerční banka a.s, Citibank Europe plc) received from Moody's Investors Service were lowered compared to 2012.
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, Moody's), Societe Generale SA (A; Fitch).

27. SUBSIDY

On 23 December 2009 CCC Company 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.

amounts are denominated in PLN '000, unless indicated otherwise

26. TRANSACTIONS WITH RELATED PARTIES

	01.01.2014 do 31.12.2014*	01.01.2013 do 31.12.2013*
Subsidiaries of the member of the management, member of the supervisory board		
MGC INWEST Sp. z o.o.:		
Sales to an affiliate	65	47
Purchase from an affiliate	-	-
Receivables from an affiliate	26	9
Liabilities towards an affiliate	-	-
Libra Project Sp. z o.o.:		
Sales to an affiliate	-	20
Purchase from an affiliate	1	37
Receivables from an affiliate	-	4
Liabilities towards an affiliate	-	6
ASTRUM Sp. z o.o.:		
Sales to an affiliate	12	14
Purchase from an affiliate	60	55
Receivables from an affiliate	3	-
Liabilities towards an affiliate	-	-
CUPRUM ARENA MGC INWEST Sp. z o.o. S.k.:		
Sales to an affiliate	-	90
Purchase from an affiliate	-	288
Receivables from an affiliate	-	-
Liabilities towards an affiliate	-	-
CUPRUM ARENA Sp. z o.o.:		
Sales to an affiliate	9	-
Purchase from an affiliate	1 296	-
Receivables from an affiliate	-	-
Liabilities towards an affiliate	133	10
RHR Sp. z o.o.:		
Sales to an affiliate	827	2350
Purchase from an affiliate	-	25
Receivables from an affiliate	-	543
Liabilities towards an affiliate	-	-

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

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

Gross remuneration of members of management

Name and surname	Position	2014	2012
Dariusz Miłek	President of the Management Board	870	700
Mariusz Gnych	Vice-President of the Management Board	870	615
Piotr Nowjalis	Vice-President of the Management Board	1 050	738
Total		**2 790**	**2 053**

amounts are denominated in PLN '000, unless indicated otherwise

26. TRANSACTIONS WITH RELATED PARTIES (continued)

Gross remuneration of supervisors.

Name and surname	Position	2014	2013
Henryk Chojnacki	Chairman of the Supervisory Board	24	24
Wojciech Fenrich	Member of the Supervisory Board	18	18
Martyna Kupiecka	Member of the Supervisory Board	18	18
Paweł Tamborski	Member of the Supervisory Board	18	18
Marcin Murawski	Member of the Supervisory Board	-	14
Jan Rosochowicz	Member of the Supervisory Board	18	4
Total		**96**	**96**

In 2014 there were no changes in the Supervisory Board
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.

27. CONTINGENT ASSETS AND LIABILITIES

Contingent assets and liabilities	31.12.2014	31.12.2013
I. Contingent assets	**47 500**	**31 500**
From other entities (on account of)	47 500	31 500
- guarantees and warranties received	47 500	31 500
II. Contingent liabilities	**76 823**	**71 730**
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 extended	43	7 000

Customs bonds provide a security for the repayment of customs receivables due to the Group's operation of customs warehouses, and their maturity date is 17 June 2015. Other guarantees secure property leases and their maturity date is 18 August 2016.
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.

28. EXPLANATION OF DIFFERENCES OF SELECTED ITEMS OF ASSETS AND LIABILITIES DISCLOSED IN THE STATEMENT OF FINANCIAL POSITION AND CASH FLOW STATEMENT

	State on 31.12.2014	State on 31.12.2012	Balance change	Change in CF	Difference
Receivables	**93 533**	**82 994**	**(10 539)**	**(35)**	**(10 504)**
- Adjustment of loans	-	-	-	-	(10 504)
Liabilities	**181 272**	**155 443**	**25 829**	**32 463**	**(6 634)**
-correction for a change of investment commitments	-	-	-	-	(6 634)
Other adjustments	**2 462**	**2 196**	-	-	-
-valuation of stock options	2 462	2 196	-	-	-

29. EVENTS AFTER THE BALANCE SHEET DATE

On 29 January 2015, the subsidiary CCC.eu Sp. z o.o. based in Polkowice entered into an agreement with a subsidiary of NG2 Suisse S.a.r.l. with its registered office in Zug, ul. Alpenstrasse 15, 6300 Zug. The subject of the agreement is the loan in the amount of 213 256 000,00 PLN granted by NG2 Suisse S.a.r.l. for the company CCC.eu Sp. z o.o., for a period of one year, until 29 January 2016. The company CCC.eu Sp. z o.o. along with the loan agreement received a contract offsetting debt as of 29 January 2015, concluded with the company NG2 Suisse S.a.r.l.

On 29 January 2015, the subsidiary CCC.eu Sp. z o.o based in Polkowice signed an annex to the loan agreement dated 30 January 2009 with ING Bank Śląski S.A. with its registered office in Katowice at 34 Sokolska Street, 40-086 Katowice. The annex changed the term of use of the agreement until 27 February 2015 (the previous term: 29 January 2015.).

On 27 February 2015, the subsidiary CCC.eu Sp. z o.o. based in Polkowice signed the multi-product agreement with ING Bank Śląski S.A. with its registered office in Katowice at 34 Sokolska Street. In the framework of the signed Agreement, the Bank granted CCC.eu Sp. z o.o. a revolving credit limit in the maximum amount of 100,000,000.00 PLN. Credit Limit will bear interest at a floating interest rate plus the Bank's margin. Credit Limit of the Multi-Product Agreement is granted for the period from 27.02.2015 to 28.01.2018.

On 26 February 2015, the company CCC.eu Sp. z o.o. based in Polkowice signed an annex to the loan agreement on the revolving facility and overdraft facility as of 3 March 2009, concluded with Bank Handlowy with its registered office in Warsaw at 16 Senatorska Street. These annexes changed the date of repayment of loans. The deadline for repayment of the two loans was set until 24 February 2017 (previous date: 26 February 2015).

On 26 March 2015, the Company CCC.eu Sp. z o.o. based in Polkowice signed an annex to the revolving loan agreement of 27 March 2013 concluded with mBank S.A. with its registered office in Warsaw at 18 Senatorska Street. The annex changes credit repayment date to 25 March 2016. (The previous date: March 27, 2015).

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.

On 1 April 2015, the subsidiary CCC Germany GmbH, based in Frankfurt am Main, The Squaire 13, Am Flughafen signed a lease agreement with Forum Mittelrhein Koblenz GmbH & Co. KG based in Hamburg, Heegbarg 30, 22391 Hamburg, a subsidiary of ECE Projektmanagement GmbH & Co. KG based in Hamburg, Heegbarg 30, 22391 Hamburg. The contract covers the lease of retail space located in the Forum Mittelrhein Koblenz in Koblenz. The agreement was concluded for a period of 10 years. The contract value will amount to 11 454 000.00. PLN

30. 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.

amounts are denominated in PLN '000, unless indicated otherwise

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

The company CCC EU Sp. z o.o. on 12 February 2015 concluded with PricewaterhouseCoopers Sp. z o.o. an agreement on auditing the financial statements for the period from 11 April to 31 December 2014. The amount of net remuneration for those services is 60 0000 PLN.

The company CCC Shoes & Bags Sp. z o.o. concluded on 12 February 2015 with PricewaterhouseCoopers Sp. z o.o. an agreement on auditing the financial statements for the period from 1 January 2013 until 30 November 2014. The amount of net remuneration for those services is 10 000 PLN.

CCC Company S.A. on 1 July 2013 concluded with PricewaterhouseCoopers Sp. z o.o. an agreement on the implementation of the review of individual and consolidated financial statements for the first half of 2013 and 2014 and the audit of the annual individual and consolidated financial statements prepared as at 31 December 2013 and 31 December 2014. The amount of net remuneration for those services is 176 000 PLN for the audited financial year (including 81 000 PLN – for the review of financial statements, 95 000 PLN - for the audit of financial statements).

In addition, in 2013 PricewaterhouseCoopers. z o.o. provided the parent company with advisory services. The amount of net salary under the aforementioned services amounted to 34 000 EUR 35 000 PLN.

The Company CCC Factory on 04 November 2013 concluded with PricewaterhouseCoopers Sp. z o.o. an agreement on auditing the financial statements for the period from 1 January to 31 December 2014. The amount of net remuneration for those services is 40 000 PLN (including 20 000 PLN - for carrying out a preliminary examination of the financial statements, 20 000 PLN - for the audit of the final financial statements). The amount of net remuneration for 2013 amounted to 40 000 PLN for the audited financial year (including 20 000 PLN – for review of financial statements, 20 000 PLN - for the audit of financial statements).

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:

SIGNATURE 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.