FINANCIAL STATEMENT OF CCC S.A.

FOR THE PERIOD OF 1 JANUARY 2013

TO 31 DECEMBER 2013

Table of Contents

amounts are denominated in PLN '000, unless indicated otherwise

STATEMENT OF FINANCIAL RESULTS AND OTHER COMPREHENSIVE INCOME

	Note no.	Period 2013-01-01 2013-12-31	Period 2012-01-01 2012-12-31
Sales revenues	5	1 511 592	1 258 681
Manufacturing cost of products, goods and services sold	6	(855 817)	(670 987)
Sales gross profit		655 775	587 694
Other operating revenues	21	9 742	9 091
Sales costs	6	(535 258)	(497 822)
General costs of management board	6	(4 672)	5 096
Other operating expenses	21	(19 518)	(15 217)
Profit of operating activity		106 069	88 842
Financial revenue	21	29 844	1 008
Financial costs	21	(20 046)	(20 321)
Profit before tax		115 867	69 529
Income tax	22	(17 471)	(12 355)
Net profit		**98 396**	**57 174**
Other total incomes:		99	-
1. Other total incomes that will be reclassified into profits or losses after meeting certain conditions:		-	-
- exchange differences from converting foreign units		-	-
2. Other total incomes that will not be reclassified into profits or losses:	20	99	-
- gains / actuarial losses		99	-
Total incomes		**98 495**	**57 174**
Earning per share			
basic and diluted	23	2,56 PLN	1,49 PLN

amounts are denominated in PLN '000, unless indicated otherwise

STATEMENT OF FINANCIAL CONDITION

	Note no.	State on 31.12.2013	State on 31.12.2012
Fixed assets			
Intangible assets	8	6,414	6,967
Tangible assets	7	278,573	286,120
Non-current investments	9	55,932	53,671
Non-current receivables	10	829	1,283
Deferred tax assets	18	4,211	4,787
Fixed assets in total		**345,959**	**352,828**
Current assets			
Inventory	11	388 478	356,496
Trade receivables and other receivables	10	205 767	96,655
Income tax receivables	10	527	6,194
Cash and cash equivalents	12	92 654	99,611
Current assets in total		**687 426**	**558,956**
Total assets		**1 033 385**	**911,784**
Equity capital			
Share capital	13	3,840	3,840
Share premium	13	74,586	74,586
Other capital	13	2,196	-
Retained profits	13	317 590	280,634
Equity capital in total		**398 212**	**359,060**
Non-current liabilities			
Non-current loans and bank borrowings	16	158,000	88,000
Liabilities on retirement benefits and service anniversary awards	20	1,203	1,938
Received subsidies	26	31,307	33,917
Non-current liabilities in total		**190,510**	**123,855**
Current liabilities			
Trade and other liabilities	14	238,884	178,877
Income tax liabilities	14	-	-
Current liabilities under finance lease	14	-	3
Current loans and bank borrowings	16	200 748	244,876
Current provisions	19,20	2 420	2,502
Received subsidies	26	2 611	2,611
Current liabilities in total		**444 663**	**428,869**
Total equity and liabilities		**1 033 385**	**911,784**

amounts are denominated in PLN '000, unless indicated otherwise

STATEMENT OF CHANGES IN EQUITY CAPITAL

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

	Share capital	Share premium	Other capital	Retained profit	Total equity capital
As of 1 January 2012	**3,840**	**74,586**	**9,341**	**284,900**	**372,667**
Results for the year	-	-	-	57,174	**57,174**
Total comprehensive income	**-**	**-**	**-**	**57,174**	**57,174**
Other adjustments	-	-	-	-	**-**
Dividend disbursement	-	-	-	(61,440)	**(61,440)**
Employee stock option plan – liquidation of the program	-	-	(9,341)	-	**(9,341)**
As of 31 December 2012	**3,840**	**74,586**	**-**	**280,634**	**359,060**

amounts are denominated in PLN '000, unless indicated otherwise

CASH FLOW STATEMENT

		from 01.01.2013 to 31.12.2013	from 01.01.2012 to 31.12.2012
Gross profit before tax		115 867	69,529
Adjustments:		(40 520)	96,975
Depreciation		27 443	34,890
Interest and share in profits (dividends)		(28 980)	(947)
Profit (loss) on investment activity		9 942	5,980
Cost of interest		15 343	15,420
Changes in provisions state		1 933	(4,377)
Changes in inventory state		(31 982)	106,170
Changes in receivables		(85 758)	(11,540)
Changes in current liabilities, other than loans and borrowings		60 097	(10,312)
Income tax paid		(11 525)	(29,739)
Other adjustments	31	2 967	(8,570)
Net cash flow from operating activity		**75,347**	**166,504**
Cash flow from investment activity			
Received interest		299	947
Received subsidies		-	4,376
Received dividends		28,681	-
Receipts from the sale of tangible fixed assets		5,460	531
Receipts from the sale of investments available for sale		-	959
Receipts from granted loans		3,112	1,971
Purchase of shares in subsidiaries		(3,032)	(146)
Purchase of intangible assets		(574)	(1,383)
Purchase of tangible fixed assets		(38,796)	(52,282)
Granted loans		(26,540)	(4,538)
Net cash flow from investment activity		**(31,390)**	**(49,565)**
Cash flow from financial activity			
Receipts from incurred borrowings and loans		149,130	44,617
Dividends and other disbursements to owners		(61,440)	(61,440)
Repayment of loans and borrowings		(123,258)	(13,826)
Payment of liabilities under financial lease		(3)	(26)
Paid interest		(15,343)	(15,793)
Net cash flow from financial activity		**(50,914)**	**(46,468)**
Total cash flow		**(6,957)**	**70,471**
Net increase (decrease) in cash and cash equivalents		(6,957)	70,471
Cash and cash equivalents at the beginning of the period		**99,611**	**29,140**
Cash and cash equivalents at the end of the period		**92,654**	**99,611**

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.

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 financial statements of CCC S.A. 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 Company's continuation of its business activity.

2. APPLIED ACCOUNTING PRINCIPLES (continued)

In these financial statements, the following new and revised standards and interpretations that became effective as of 1 January 2013 were applied for the first time:

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

IFRS 10 was published by the International Accounting Standards Board in May 2011 and applies to year-long periods starting from 1 January 2013 or thereafter (mandatory adoption in the European Union from 1 January 2014).
The new standard replaces the guidelines concerning control and consolidation contained in IAS 27 "Consolidated and separate financial statements" and in SIC 12 "Consolidation - Special purpose entities". IFRS 10 amends the definition of control in a way that ensures that all entities are subject to the same control criteria.
This amendment did not have a crucial impact on the Company's financial statement.

- **IFRS 11 "Joint Arrangements"**

IFRS 11 was published by the International Accounting Standards Board in May 2011 and applies to year-long periods starting from 1 January 2013 or thereafter (mandatory adoption in the European Union from 1 January 2014).
The new standard replaces IAS 31 "Interests in Joint Ventures" and the interpretation of SIC 13 "Jointly Controlled Entities - Non-Monetary Contributions by Venturers". Changes to the definitions reduced the number of types of joint arrangements to two: joint operations and joint ventures. Furthermore, the changes eliminated the option to select proportional consolidation for jointly controlled entities. All participants of joint ventures are currently required to recognise them using the equity method.
This amendment did not have a crucial impact on the Company's financial statement.

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

IFRS 12 was published by the International Accounting Standards Board in May 2011 and applies to year-long periods starting from 1 January 2013 or thereafter (mandatory adoption in the European Union from 1 January 2014).
The new standard applies to entities holding interests in a subsidiary, joint venture, affiliate or in a non-consolidated entity governed under an agreement. The standard replaces the disclosure requirements currently contained in IAS 27 "Consolidated and separate financial statements", IAS 28 "Investments in Associates" and IAS 31 "Interests in Joint Ventures". IFRS 12 requires that entities disclose information that will help readers of financial statements to assess the nature, risk and financial consequences of investments in subsidiaries, affiliates, joint ventures and non-consolidated entities managed under agreements. To this end, the new standard introduces the requirement to make disclosures regarding various areas, including significant judgments and assumptions made when determining whether an entity controls, jointly controls or has significant influence over other entities; extensive disclosures about the importance of non-controlling shares in the group's business and cash flows; summary financial information about subsidiaries with material non-controlling shares, as well as detailed information about shares in non-consolidated entities managed under agreements.
This amendment did not have a crucial impact on the Company's financial statement.

- **IFRS 13 "Fair Value Measurement"**

IFRS 13 was published by the International Accounting Standards Board in May 2011 and applies to year-long periods starting from 1 January 2013 or thereafter.
The new standard is intended to improve consistency and reduce the complexity by providing a precise definition of fair value and bringing together the requirements concerning fair value measurement and related disclosures.
This amendment did not have a crucial impact on the Company's financial statement.

2. APPLIED ACCOUNTING PRINCIPLES (continued)

- **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 2013 or thereafter (mandatory adoption in the European Union from 1 January 2014).
IAS 27 was amended due to publishing IFRS 10 "Consolidated Financial Statements". The objective of the amended IAS 27 is to set the standards to be applied in accounting for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements. The guidelines regarding control and consolidated financial statements were replaced by IFRS 10.
This amendment did not have a crucial impact on the Company's financial statement.

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

The amendment to IAS 28 "Investments in Associates and Joint Ventures" was published by the International Accounting Standards Board in May 2011 and applies to year-long periods starting from 1 January 2013 or thereafter (mandatory adoption in the European Union from 1 January 2014).
The amendment to IAS 28 stemmed from the IASB draft on joint ventures. The Board decided to incorporate in IAS 28 the standards to be applied in accounting for joint ventures in accordance with the equity method, as that method applies to both joint ventures and affiliates. Save for this exception, the remaining guidelines did not change.
This amendment did not have a crucial impact on the Company's financial statement.

- **Recovery of underlying assets - Amendment to IAS 12**

The amendment to IFRS 12 "Income Taxes" concerning recovery of the value of assets was published by the International Accounting Standards Board in December 2010 and applies to year-long periods starting from 1 January 2013 or thereafter (mandatory adoption in the European Union from 1 January 2013).
The changes concern the valuation of deferred tax Provisions and assets on investment property assessed at fair value under IAS 40 "Investment Property" and introduce a refutable presumption that the value of investment property will be fully recovered through sale. This presumption may be refuted if an investment property is maintained in a business model whose goal is to take advantage of substantially all economic benefits offered by the investment property during use and not at the moment of sale. SIC 21 "Income Tax - Recovery of Revalued Non-Depreciable Assets" pertaining to similar matters concerning non-depreciable assets, valued in accordance with the valuation model presented in IAS 16 "Property, Plant and Equipment", was incorporated in IAS 12 after excluding the guidelines pertaining to investment property assessed at fair value.
This amendment did not have a crucial impact on the Company's financial statement.

2. APPLIED ACCOUNTING PRINCIPLES (continued)

- **Severe Hyperinflation and Removal of Fixed Dates for First-Time IFRS Adopters - Amendment to IFRS 1**

The amendment to IFRS 1 "First-time Adoption" concerning hyperinflation and removal of fixed dates for first-time adopters of the IFRS was published by the International Accounting Standards Board in December 2010 and applies to year-long periods starting from 1 July 2011 or thereafter (mandatory adoption in the European Union from 1 January 2013).
The revision concerning severe hyperinflation creates an additional exclusion solely if an entity that was affected by severe hyperinflation resumes or undertakes to prepare its financial statements in accordance with the IFRS for the first time. The exclusion allows the entity to select the fair value of assets and liabilities and to use the fair value as the presumed cost of these assets and liabilities in the opening balance sheet in the first statement of financial position in accordance with the IFRS.
The International Accounting Standards Board also amended IFRS 1 to exclude references to fixed dates for one exception and one exclusion with reference to assets and financial liabilities. The first change requires that first-time IFRS adopters prospectively apply the requirements concerning removal from the IFRS balance sheet from the date of transition to the IFRS and not from 1 January 2004. The second change concerns financial assets or liabilities reported at fair value at initial recognition when the fair value is determined using valuation methods due to the absence of an active market, and allows for the application of the guidelines prospectively, from the date of transition to the IFRS, rather than from 25 October 2002 or 1 January 2004. This means that first-time IFRS adopters do not have to determine the fair value of assets and financial liabilities prior to the date of transitioning to IFRS. IFRS 9 was also adjusted to these amendments.
This amendment did not have a crucial impact on the Company's financial statement.

- **Amendment to IAS 1 "Presentation of Items of Other Total Income"**

The amendment to IAS 1 "Presentation of Financial Statements" concerning presentation of items of other comprehensive income was published by the International Accounting Standards Board in June 2011 and applies to year-long periods starting from 1 July 2013 or thereafter.
The amendment requires that entities divide the items presented under other comprehensive income into two groups based on whether they can be disclosed under financial results in the future. Furthermore, the title of the statement of comprehensive income was changed to "statement of financial result and other comprehensive income".
This amendment did not have a crucial impact on the Company's financial statement.

- **Amendment to IAS 19 "Employee Benefits"**

The amendment to IAS 19 "Employee Benefits" was published by the International Accounting Standards Board in June 2011 and applies to year-long periods starting from 1 January 2013 or thereafter.
The amendment introduces new requirements regarding disclosure and measurement of the cost of defined benefit plans and employment termination benefits, and modifies the required disclosures concerning all employee benefits.
This amendment did not have a crucial impact on the Company's financial statement.

2. APPLIED ACCOUNTING PRINCIPLES (continued)

- **Disclosures - Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS 7)**

The amendment to IFRS 7 on disclosures - "Offsetting Financial Assets and Financial Liabilities" was published by the International Accounting Standards Board in December 2011 and applies to yearlong periods starting from 1 January 2013 or thereafter.
These amendments introduce the new disclosure obligations to allow users of financial statements with information that is useful in evaluating the effect or potential effect of netting arrangements, including the right to set off.
This amendment did not have a crucial impact on the Company's financial statement.

- **Government Loans (Amendments to IFRS 1)**

The amendment to IFRS 1 "First-time Adoption" concerning government loans was published by the International Accounting Standards Board in March 2013 and applies to year-long periods starting from 1 January 2013 or thereafter.
The amendments concerning government loans obtained by an entity on preferential terms (below-market rate) provide first-time preparers of IFRS statements with relief from full retroactive recognition of these transactions. The amendments provide the same relief to first-time IFRS adopters as is granted to other entities.
This amendment did not have a crucial impact on the Company's financial statement.

- **IFRIC 20 "Stripping Costs in the Production Phase of a Surface Mine"**

IFRIC 20 was published by the International Accounting Standards Board in October 2011 and applies to year-long periods starting from 1 January 2013 or thereafter.
The interpretation explains that stripping costs are accounted for as current production costs in accordance with IAS 2 "Inventories" if the benefit from stripping activity is realised in the form of inventory produced. However, if stripping activity provides a benefit in the form of improved access to ore, the entity should recognise the costs as a non-current "stripping activity asset", provided that the requirements set forth in the interpretation are met.
This amendment did not have a crucial impact on the Company's financial statement.

- **Amendments to the transitional Provisions to IFRS 10, IFRS 11 and IFRS 12**

In June 2013, the International Accounting Standards Boards published amendments to the transitional Provisions to IFRS 10, IFRS 11 and IFRS 12. The amendments will apply to year-long periods starting from 1 January 2013 or earlier, if the underlying standards (IFRS 10, 11 or 12) were applied with an earlier date.
The amendments specify the transitional Provisions for IFRS 10 "Consolidated Financial Statements". IFRS 10 adopters should assess whether they have control over an investee on the first day of the year-long period for which IFRS 10 was first adopted, and if the conclusions from that assessment differ from the conclusions from IAS 27 and SIC 12, comparative information should be adjusted unless it is not practicable. The amendments also provide additional transition relief in applying IFRS 10, IFRS 11 and IFRS 12, limiting the requirement to provide adjusted comparative information to only the preceding comparative period. Furthermore, the amendments remove the requirement to present comparative information for disclosures related to unconsolidated structured entities for periods before IFRS 12 is first applied.
This amendment did not have a crucial impact on the Company's financial statement.

2. APPLIED ACCOUNTING PRINCIPLES (continued)

- **Improvements to IFRS: 2009-2011**

In May 2013, the International Accounting Standards Board published "Improvements to IFRS 2009-2011", which amended 5 standards. The improvements contain amendments of the method of presentation, recording and valuation, as well as terminology and editorial changes. The amendments will apply to year-long periods starting from 1 January 2013.

This amendment did not have a crucial impact on the Company's financial statement.

- **Annual improvements resulting from reviewing the IFRS, the 2009-2011 cycle**

In May 2013, the International Accounting Standards Board published Annual improvements to IFRS - the 2009-2011 cycle. The document contains a set of amendments to IFRS and related justifications of requests and implementation guidance, developed in the process of reviewing the standards, regularly conducted by the Board. Some of the amendments introduced result from the amendments introduced to other IFRS. The effective date of each amendment is set forth in the Standard which it concerns. During the 2009-2011, improvements were introduced to the following standards: IFRS 1 - with respect to repeated application of IFRS 1 by an entity and with respect to borrowing costs, IAS 1 - with respect to clarifying the requirements for providing comparative information, IAS 16 - with respect to classification of servicing equipment, IAS 32 - with respect to the tax effect of distribution to holders of equity instruments and IAS 34 - with respect to interim financial reporting and segment information on total assets and liabilities.

This amendment did not have a crucial impact on the Company's financial statement.

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

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

- **IFRS 9: „Financial Instruments Phase 1: Classification and measurement"**

IFRS 9 issued by the International Accounting Standards Board on 12 November 2009 replaces those parts of IAS 39 that refer to the classification and measurement of financial assets. In October 2010, IFRS 9 was supplemented by the classification and measurement of financial liabilities. According to the changes introduced in December 2011, the new standard is effective for annual periods beginning on 1 January 2015 or after that date.
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.
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.

The Company will apply IFRS 9 from 1 January 2015 , the Management Board estimates that the change will not have a material impact on the financial statements of the Company.

At the date of preparation of these financial statements, IFRS 9 has not yet been approved by the European Union .

2. APPLIED ACCOUNTING PRINCIPLES (continued)

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

The amendments to IAS 32 "Financial Instruments: Presentation" with regard to offsetting financial assets and liabilities was published by the International Accounting Standards Board in December 2011 and applies to year-long periods starting from 1 January 2014 or thereafter.
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.

The Company will apply the revised IAS 32 as of 1 January 2014. The Management Board estimates that the changes will not affect the Company's financial statements materially.

- **Investment entities - amendments to IFRS 10, IFRS 12 and IAS 27**

The amendments to IFRS 10, IFRS 12 and IAS 27 "Investment Entities" were published by the International Accounting Standards Board in October 2013 and apply to year-long periods starting from 1 January 2014 or thereafter.
The amendments introduce to IFRS 10 the definition of an investment entity. Such entities will be required to recognise their subsidiaries at fair value against the financial result, and consolidate solely those subsidiaries that provide it with services related to the company's investment operations. IFRS 12 was also amended by way of introducing new disclosures regarding investment entities.

The Company will apply the above amendments as of 1 January 2014. The Management Board estimates that the changes will not affect the Company's financial statements materially.

As on the date of preparing these consolidated financial statements, the amendments to IFRS 10, IFRS 12 and IAS 27 has not yet been approved by the European Union.

- **Mandatory effective date and transition disclosures - Amendments to IFRS 9 and IFRS 7**

On 16 December 2011, the International Accounting Standards Board published a document entitled "Mandatory effective date and transition disclosures" as amendments to IFRS 9 and IFRS 7. The amendment to IFRS 9 changes the initial effective date of IFRS 9 from 1 January 2013 or thereafter to 1 January 2015 or thereafter, with voluntary early adoption permitted. The Board also made amendments to IFRS 7, requiring additional disclosures related to transitioning from IAS 39 to IFRS 9, depending on the date of first application of IFRS 9 (i.e. before 2013, after 2013 or after 2013). The postponement of the mandatory application date of IFRS 9 is a result of postponing the Board's work on other parts of the project aimed at replacing IAS 39 with IFRS 9.

The amendment will result in delayed adoption by the Company of the standard with respect to the original date due to high probability of the EU approving IFRS 9 only in its full version.

2.2 Reporting for operating segments

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

2. APPLIED ACCOUNTING PRINCIPLES (continued)

Identifying reporting segments

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

The "retail business" - "retail" segment

The "retail business" segment covers primarily the sale of footwear, shoe care products and small leather products. CCC S.A. carries out sales in its own locations in Poland, targeting retail customers. Retail sales are conducted via the chains: CCC, BOTI, LASOCKI/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, shoe care products, small leather products), the method of distribution of goods and the types of customers (sale conducted in own stores and addressed to retail customers), the "retail business" segment covers financial information jointly for the CCC, BOTI, LASOCKI/QUAZI chains, while the operating segments have been combined under IFRS 8, forming a reporting segment called "retail business".

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

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

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

Other disclosures related to reporting segments

The following items do not apply: earnings on transactions with other business segments of the same entity, the entity's share in the profit or loss of affiliated entities and joint ventures and material non-cash items other than depreciation.
CCC SA does not present in a report the information about major customers, as revenues from a single external customer does not exceed 10% of revenues of CCC SA.

2.3 Valuation of items denominated in foreign currencies

Functional currency and presentation currency

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

2. APPLIED ACCOUNTING PRINCIPLES (continued)

Transactions and balances

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

2.4 Fixed assets

Fixed assets are presented at their purchase price or cost of manufacturing, less amortization and potential depreciation. Land is not subject to depreciation.
Fixed assets under construction are presented on the balance sheet at their cost of manufacturing less any depreciation. Costs of external financing are capitalized and entered as appreciation of a fixed asset.

Depreciation of a fixed asset begins once it is deemed ready for use. It is carried out in accordance with the applicable rules. Depreciation is calculated using the linear method by estimating the life cycle of an asset, presented below for the following groups:

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

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

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

1. The shop has been in operation for at least 24 months,
2. The shop 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.

2.5 Intangible assets

The Company applies the (historical) cost model to all items in a class: (initial) cost less amortization and depreciation. The rules of depreciation of intangible assets are the same as the rules applicable to property, plant and equipment.
It is assumed that the life of intangible assets does not exceed twenty years from the time each asset is fit for use. Depreciation of intangible assets is linear.
If there are occurrences or changes that indicate that the balance sheet value of intangible assets may not be recoverable, they are reviewed for potential depreciation.

In this asset group, the Company recognizes and discloses intangible assets under construction. Depreciation of an asset begins once it is deemed ready for use. It is carried out in accordance with the applicable rules.
The change in the recognition occurred in 2012 and includes investments in software used in the Company's day-to-day operations.

2. APPLIED ACCOUNTING PRINCIPLES (continued)

2.6 Revaluation of non-financial assets

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

2.7 Financial assets

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

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

Loans and receivables and investments held to maturity are valued at amortised cost using an effective interest rate.

2.8 Revaluation of financial assets

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

2. APPLIED ACCOUNTING PRINCIPLES (continued)

2.9 Inventory

Inventory is disclosed at the cost of purchase (or cost of manufacturing) or the net sale price, whichever is lower.
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.

2.10 Trade receivables

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

2.11 Cash

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

2.12 Capital

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

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

2.13 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. APPLIED ACCOUNTING PRINCIPLES (continued)

2.14 Loans and borrowings

Loans and borrowings are entered at their purchase price corresponding to the fair value of obtained cash, less the expenditures related to obtaining loans or borrowings. Interest and commissions on loans are entered in the income statement under debit, with the exception of interest and commissions pertaining to the financing of fixed assets.

2.15 Current and deferred income tax

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

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

Deferred income tax assets
Deferred income tax assets are determined in the amount of the sum designated to be deducted from income tax in connection with negative transitional differences that will cause a reduction of the taxable base and deductible tax loss, determined taking into account the prudency principle.

The Company presents the net amount of the deferred tax assets and liability if IFRSs do so.

2.16 Employee benefits

In the reporting period, the Company pays contributions for the mandatory public retirement plan, depending on the amount of gross remuneration disbursed, in accordance with the applicable laws. The public plan is financed on a pay-as-you-go basis, i.e. the Company is required to pay contributions in the amount defined as a percentage of the applicable remuneration and only when they are payable, and if it no longer employs the persons covered by the system, it will not be required to pay any additional benefits. The public plan is a defined retirement plan. The cost of contributions is entered in the income statement in the same period as the remuneration associated therewith, under item “Cost of remunerations and employee benefits”.
The Company determines Provisions for future retirement benefits and service anniversary awards on the basis of actuarial valuation.
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 per cent of their monthly salary base, after 15 years of service, is the equivalent of 150 per cent of their monthly salary base, after 20 years of service, is the equivalent of 200 per cent of their monthly salary base, and after 25 years of service, is the equivalent of 250 per cent of their monthly salary base.
Retiring employees are entitled to a one-off benefit in the amount of a one-month salary.

2. APPLIED ACCOUNTING PRINCIPLES (continued)

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

The Company recognizes Provisions for bonuses due for the financial period and payable after the end of the financial year. The value is determined after the end of the financial year.
The Company establishes Provisions for the instituted "Incentive Scheme" (employee stock options). Costs are entered in the statement of comprehensive income under "costs of management and administration". The scheme value is determined on the basis of actuarial valuation.

2.17 Provisions

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

2.18 Recognizing revenue

Revenue from sale is recognized at fair value of the payment for the sale of goods and services received or payable in a normal course of the Company's business. Revenue is disclosed after deducting value-added tax, returns, rebates and discounts.
Revenue from sale includes revenue from the sale of goods, products and services generated as part of day-to-day business activity (i.e. revenue from the sale of goods, product, ready-made products after rebates, VAT and other sales taxes).
Dividend income is recognized upon gaining the right to receive payment.

Revenue from the sale of goods - franchise sale

The Company 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.

Revenue from the sale of goods - retail

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

2. APPLIED ACCOUNTING PRINCIPLES (continued)

Revenue from the sale of services

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

2.19 Leasing

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

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

2.20 Dividend

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

2.21 Income from subsidies

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

3. MANAGEMENT OF FINANCIAL RISK

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

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

amounts are denominated in PLN '000, unless indicated otherwise

3. MANAGEMENT OF FINANCIAL RISK

- Change of interest rate risk. CCC S.A. is exposed to the risk of interest rate changes in relation to the loan agreements concluded. The loans are subject to a variable interest rate based on WIBOR. Interest rate increases will affect the amount of interest the Company pays on loans and interest on liabilities under lease and term deposits, where the effect is insignificant.

  The Company does not use hedging instruments that would mitigate the effect of changes in cash flows resulting from interest rate fluctuations on the Company's financial performance.

  The Company is exposed to the following types of interest rate risk:
  • Cash flow risk (variable interest rate) – loans and borrowings.

- 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.

- 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. to the risk of financing customers. To remain a leader on the footwear market, CCC S.A. uses the sales credit feature, which enhances the company's appeal to wholesalers. The age structure of receivables is presented in note 10. Other sale is carried out in cash. Hence, the credit risk in this regard is negligible. Available cash is deposited only in bank accounts and term deposits of renowned Polish banks. The Company held term deposits in highly-rated established banks.

Details are set out in details in note 25.

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

The Company's debt ratios as on 31 December 2013 and 31 December 2012 are as follows:

	31.12.2013	31.12.2012
Total loans (note 16)	358,748	332,876
Minus: cash and cash equivalents	92,654	99,611
Net debt	266,094	233,265
Total equity capital	403,135	359,060
Invested capital	669,229	592,325
Debt ratio	**39,8%**	**39,4%**

The change in the ratio is in line with the efforts made by the Management Board, and the ratio is at a level anticipated by the Company.

4. MATERIAL MANAGEMENT ESTIMATES

Employee benefits

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

Operating segments

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

Depreciation of non-financial assets

Once a year, the Company examines its property, plant and equipment for depreciation in accordance with the accounting policy set out in note 2.4. For assets pertaining to each store, as cash-generating centres, operating for at least two years and showing negative results, an analysis of the current value of future cash flows is carried out on the basis of current budgets. Thus-obtained value is compared to the value of assets and if a shortage is identified, depreciation is entered. In 2013, an impairment write-off was made on non-financial assets in the amount of 974,000 PLN.

Impairment loss of inventories

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

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 2013, the 2013-2015 incentive scheme was launched.
The Scheme will be carried out after the end of 2015, and the value of payments to employees will depend on the number of participants. Details are set out in note 17.

Functional currency

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

Provisions for guarantee repairs

The company 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.

amounts are denominated in PLN '000, unless indicated otherwise

5. INFORMATION ON BUSINESS SEGMENTS

Period from 01.01.2013 to 31.12.2013	Retail business	Franchise and other business			Unassigned items	Total
	Poland	Poland	EU	Other		
Sales revenue	1,256,134	19,503	210 562	22,439	2,954	1 511 592
Prime cost of sale	(635,791)	(14,207)	(185 867)	(19,952)	-	(855 817)
Sales Gross profit	**620,343**	**5,296**	**24 695**	**2,487**	**2,954**	**655 775**
Cost of sales and management	(516,541)	(2 877)	(16 485)	(4 027)	-	(539 930)
Balance of other revenues and operating costs	(9,747)	270	(679)	380	-	(9 776)
Operating profit	**94,055**	**2,689**	**7 531**	**(1,160)**	**2,954**	**106 069**
Balance of earnings and financial costs	(14,108)	(309)	(3 260)	(435)	27,910	9 798
Profit before tax	**79,947**	**2,380**	**4 271**	**(1,595)**	**30,864**	**115 867**
Income tax					(17471)	(17 471)
Net profit						**98 396**
Net profit disclosed in the statements of the financial results and other comprehensive income						**98 396**

Assets, including:	670 122	19 474	290 575	27 063	26 151	1 033 385
Fixed assets	244 009	2 623	69 622	3 818	21 676	341 748
Deferred tax assets	3 937	97	177	-	-	4 211
Cost of interest	(11 549)	(250)	(3 194)	(351)	-	(15 343)
Depreciation	(25 152)	(147)	(1 936)	(208)	-	(27 443)

amounts are denominated in PLN '000, unless indicated otherwise

5. INFORMATION ON BUSINESS SEGMENTS (continued)

Period from 01.01.2012 to 31.12.2012	Retail business	Franchise and other business			Unassigned items	Total
	Poland	Poland	EU	Other		
Sales revenue	1 119 034	19 582	98 982	19 649	1 434	1 258 681
Prime cost of sale	(555 291)	(14 559)	(83 834)	(17 303)	-	(670 987)
Sales Gross profit	**563 743**	**5 023**	**15 148**	**2 346**	**1 434**	**587 694**
Cost of sales and management	(480 877)	(2 123)	(7 278)	(2 448)	-	(492 726)
Balance of other revenues and operating costs	(5 432)	481	(1 746)	571	-	(6 126)
Operating profit	**77 434**	**3 381**	**6 124**	**469**	**1 434**	**88 842**
Balance of earnings and financial costs	(15 352)	(651)	(1 765)	(774)	(771)	(19 313)
Profit before tax	**62 082**	**2 730**	**4 359**	**(305)**	**663**	**69 529**
Income tax					(12 355)	(12 355)
Net profit						**57 174**
Net profit disclosed in the statements of the financial results and other comprehensive income						**57 174**

Assets, including:	706 594	23 071	137 476	22 698	21 945	911 784
- Fixed assets	264 376	3 378	52 831	5 532	21 924	348 041
- Deferred tax assets	4 322	168	297	-	-	4 787
Cost of interest	(12 344)	(498)	(1 979)	(599)	-	(15 420)
Depreciation	(32 839)	(241)	(1 448)	(362)	-	(34 890)

amounts are denominated in PLN '000, unless indicated otherwise

6. COSTS BY TYPE

	01.01.2013 31.12.2013	01.01.2012 31.12.2012
Depreciation of fixed assets and intangible assets	27 443	34 890
Consumption of materials and energy	37 900	29 245
Cost of lease	180 467	171 134
Cost of outsourced services	105 512	81 522
Taxes and fees	1 687	2 574
Cost of salaries	133 989	128 379
Cost of employee benefits	28 991	28 254
Cost of promotion and advertising	17 089	13 177
Other costs	5 512	4 602
Changes in prepayments and accruals	1 340	(1 051)
Prime cost of sale of goods	855 817	670 987
Total	**1 395 747**	**1 163 713**

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 2013	**262 582**	**80 886**	**32 951**	**9 946**	**546**	**-**	**386 911**
Increases due to:	**30 658**	**3 601**	**1 811**	**1 149**	**31 343**	**977**	**69 539**
- investments in third-party facilities	29 061	-	-	-	29 717	-	58 778
- own investment outlays	1 597	-	-	-	1 626	-	3 223
- purchase	-	3 601	1 811	1 149	-	-	6 561
- disclosures	-	-	-	-	-	977	977
Decreases due to:	**25 859**	**1 670**	**1 910**	**733**	**30 658**	**-**	**60 830**
- liquidation	24 771	615	51	362	-	-	25 799
- sales	1 088	1 055	1 859	371	-	-	4 373
- completed investments	-	-	-	-	30 658	-	30 658
As of 31 December 2013	**267 381**	**82 817**	**32 852**	**10 362**	**1 231**	**977**	**395 620**
AMORTISATION AND DEPRECIATION							
As of 1 January 2013	**69 679**	**14 984**	**8 548**	**7 580**	**-**	**-**	**100 791**
Depreciation for the period of 1.01-31.12	19 073	8 697	2 804	1 102	-	-	31 676
Write-downs	(2 750)	-	-	-	-	-	(2 750)
Decreases due to sales or Liquidation	10 280	183	1 863	344	-	-	12 670
As of 31 December 2013	**75 722**	**23 498**	**9 489**	**8 338**	**-**	**-**	**117 047**
NET VALUE							
As of 1 January 2013	**192 903**	**65 902**	**24 403**	**2 366**	**546**	**-**	**286 120**
As of 31 December 2013	**191 659**	**59 319**	**23 363**	**2 024**	**1 231**	**977**	**278 573**

amounts are denominated in PLN '000, unless indicated otherwise

7. TANGIBLE ASSETS (continued)

	Land, buildings and structures	Machines and equipment	Means of transportations	Other	Fixed assets under construction	Total
GROSS VALUE						
As of 1 January 2012	**176 175**	**21 887**	**31 773**	**9 123**	**110 002**	**348 960**
Increases due to:	**96 933**	**59 520**	**2 396**	**1 175**	**47 180**	**207 204**
- investments in third-party facilities	37 979	-	-	-	32 836	70 815
- own investment outlays	58 954	20 123	-	-	14 344	93 421
- purchase	-	39 397	2 396	1 175	-	42 968
Decreases due to:	**10 526**	**521**	**1 218**	**352**	**156 636**	**169 253**
- liquidation	10 526	521	-	352	-	11 399
- sale	-	-	1 218	-	-	1 218
- completed investments	-	-	-	-	156 636	156 636
As of 31 December 2012	**262 582**	**80 886**	**32 951**	**9 946**	**546**	**386 911**
AMORTISATION AND DEPRECIATION						
As of 1 January 2012	**50 248**	**8 113**	**7 265**	**6 433**	**-**	**72 059**
Depreciation for the period of 1.01-31.12	17 670	7 169	2 521	1 329	-	28 689
Write-downs	6 174	-	-	-	-	6 174
Decreases due to sales or liquidation	4 413	298	1 238	182	-	6 131
As of 31 December 2012	**69 679**	**14 984**	**8 548**	**7 580**	**-**	**100 791**
NET VALUE						
As of 1 January 2012	**125 927**	**13 774**	**24 508**	**2 690**	**110 002**	**276 901**
As of 31 December 2012	**192 903**	**65 902**	**24 403**	**2 366**	**546**	**286 120**

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

Tangible assets representing collateral for loans and guarantees	31.12.2013	31.12.2012
Ordinary mortgage over property up to the value of	530 000	252 500

Machines and technical equipment used under finance lease agreements where the Company is the lessee	31.12.2013	31.12.2012
Outlays on fixed assets under finance lease	150	423
Accumulated depreciation	(150)	(368)
Net book value	**-**	**55**

Changes in impairment write-downs on fixed assets	01.01.2013 31.12.2013	01.01.2012 31.12.2012
As at the beginning of the period	6 174	-
a) increase	974	6 174
b) decrease	3 724	-
- use	3 724	-
Write-downs on inventory as of the end of the period	**3 424**	**6 174**

The value of write-downs for impairment of fixed assets was recognized as a correction of other operating expenses for the current period.

amounts are denominated in PLN '000, unless indicated otherwise

8. INTANGIBLE ASSETS

	Patents and licences	Intangible assets under construction	Total
GROSS VALUE			
As of 1 January 2013	**5 942**	**2 907**	**8 849**
Increases in the period of 01.01. - 31.12.	398	198	596
Decreases in the period of 01.01. - 31.12.	22	-	22
As of 31 December 2013	**6 318**	**3 105**	**9 423**

AMORTISATION			
As of 1 January 2013	**1 882**	**-**	**1 882**
Amortisation in the period of 01.01. - 31.12.	1 127	-	1 127
Correction of depreciation in the period of 01.01. - 31.12.	-	-	-
As of 31 December 2013	**3 009**	**-**	**3 009**
NET VALUE			
As of 1 January 2013	**4 060**	**2 907**	**6 967**
As of 31 December 2013	**3 309**	**3 105**	**6 414**

	Patents and licences	Intangible assets under construction	Total
GROSS VALUE			
As of 1 January 2012	**1 443**	**6 040**	**7 483**
Increases in the period of 01.01. - 31.12.	4 520	64	4 584
Decreases in the period of 01.01. - 31.12.	21	3 197	3 218
As of 31 December 2012	**5 942**	**2 907**	**8 849**
AMORTISATION			
As of 1 January 2012	**1 088**	**-**	**1 088**
Amortisation in the period of 01.01. - 31.12.	**794**	**-**	**794**
Correction of depreciation in the period of 01.01. - 31.12.	**-**	**-**	**-**
As of 31 December 2012	**1 882**	**-**	**1882**
NET VALUE			
As of 1 January 2012	**355**	**6 040**	**6 395**
As of 31 December 2012	**4 060**	**2 907**	**6 967**

9. NON-CURRENT INVESTMENTS

Investments in subsidiaries	31.12.2013	31.12.2012
Shares in non-listed companies	55 932	53 671

amounts are denominated in PLN '000, unless indicated otherwise

9. NON-CURRENT INVESTMENTS (continued)

Non-current financial investments include shares in subsidiaries:

Company name	Registered office of the company	Country	31.12.2013	31.12.2012
CCC Factory Sp. z o.o.	Polkowice	Poland	15 559	15 036
CCC Czech s.r.o.	Prague	The Czech Republic	31 893	31 579
CCC Slovakia s.r.o.	Bratislava	Slovakia	22	22
CCC Hungary Shoes Kft.	Budapest	Hungary	355	146
CCC Austria Ges.m.b.H.	Graz	Austria	628	-
CCC Shoes Ayakkabicilik Ticaret Limited Sirketi	Istambul	Turkey	89	-
CCC Obutev d.o.o.	Maribor	Slovenia	208	-
CCC Hrvatska d.o.o.	Zagreb	Croatia	211	-
CCC Germany GmbH	Frankfurt am Mein	Germany	850	-
NG2 Suisse s.a.r.l	Zug	Switzerland	892	892
Continental Trust Fund No. 968	USA	USA	5 225	5 996
Total			**55 932**	**53 671**

Impairment write-offs on financial assets:

	01.01.2013 31.12.2013	01.01.2012 31.12.2012
State at the beginning of the period	4 731	3 960
a) increase	771	771
Write-downs on financial assets as at the end of the period	**5 502**	**4 731**

The impairment write-down on financial assets concerns Continental Trust Fund No. 968.
The Company's shares in subsidiaries of which none is listed, basic information on the subsidiaries and the value of the shares were as follows:

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

amounts are denominated in PLN '000, unless indicated otherwise

9. NON-CURRENT INVESTMENTS (CONTINUED)

The Company's shares in subsidiaries of which none is listed, basic information on the subsidiaries and the value of the shares in 2012 were as follows:

	Book value of shares	Assets	Liabilities	Revenues	Profit/ Loss	Shares held (%)
CCC Factory Sp. z o.o.	15 036	147 220	14 153	131 971	13 949	100%
CCC Boty Czech s.r.o.	31 579	51 815	27 931	121 635	6 872	100%
CCC Obuv Sk s.r.o.	22	15 953	14 958	19 374	955	100%
CCC Hungary Shoes Kft.	146	13 712	12 853	5 810	734	100%
Continental Trust Fund no. 968	5 996	5 996	-	-	-	100%
NG2 Suisse s.a.r.l	892	253 569	3 013	26 148	16 167	100%

10. TRADE AND OTHER RECEIVABLES

	31.12.2013	31.12.2012
Trade receivables, of which:	114 822	66 596
- *affiliates*	*99 807*	*40 895*
- *other entities*	*15 015*	*25 701*
Prepayments for deliveries	31 142	19 905
Receivables from taxes	743	6 194
Prepayments and accruals	29 637	4 085
Loans granted, of which:	30 779	7 352
from affiliates	25 830	1 523
- Non-current	829	818
- Current	25 001	705
from other entities	4 949	5 829
- Non-current	-	465
- Current	4 949	5 364
Other Non-current receivables	-	-
Total	**207 123**	**104 132**

The average time for payment of amounts due is 35 days. After the deadline elapses, statutory interest is charged. The Company made write-downs on the receivables in the amount of 619,000 PLN. Write-downs on receivables are recognised under cost of sales.

Past-due trade receivables, by receivables outstanding for:

	31.12.2013	31.12.2012
a) up to 1 month	13 788	4 622
b) 1-3 months	8 324	2 573
c) 3-6 months	5 977	1 548
d) more than 6 months	4 202	4 647
(Gross) trade, total, past-due receivables	**32 291**	**13 390**
e) write-downs on the value of past-due trade receivables	619	609
(Net) trade, total, past-due receivables	**31 672**	**12 781**

amounts are denominated in PLN '000, unless indicated otherwise

10. TRADE AND OTHER RECEIVABLES (continued)

Changes in write-downs on current receivables:

	01.01.2013 31.12.2013	01.01.2012 31.12.2012
As of the beginning of the period	609	546
a) increase	79	75
b) decrease (due to)	69	12
liquidation	*69*	*12*
Write-downs on the receivables as of the end of the period	**619**	**609**

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

Granted loans

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

As of 31 December 2013

Entity name	Amount	Amount utilised	Interest	Payment due date	Interest rate	Collaterals
3S Retail sp. z o.o	500,000 USD	150 tys. USD (452,000. PLN)	-	31.12.2014	5,0%	none
CCC Austria Ges.m.bH	2,000,000 EUR	1.950 tys. EUR (8,088,000. PLN)	24	31.12.2014	1,5%	none
CCC Germany GmbH	2,000,000 EUR	1.200 tys. EUR (4,977,000 PLN)	11	31.12.2014	1,5%	none
CCC Hrvatska d.o.o.	2,000,000 EUR	200 tys. EUR (829,000 PLN)	8	31.12.2014	1,5%	none
CCC Hungary Shoes Kft.	500,000 HUF	390.000 tys. HUF (5,448,000 PLN)	106	31.12.2014	7,5%	none
CCC Obutev d.o.o.	500,000 EUR	200 tys. EUR (829,000 PLN)	7	31.12.2014	1,5%	none
CCC Shoes Ayakkabicilik Ticaret Limited Sirketi	4,000,000 TRY	3.300 tys. TRY (4,660,000 PLN)	8	31.12.2014	9,0%	none
CCC Slovakia s.r.o.	1,000,000 EUR	200 tys. EUR (829,000 PLN)	7	01.03.2017	LIBOR 6M+margin	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
Zawodowa Grupa Kolarska (Professional Cycling Team)	2,200,000PLN	2,200,000 PLN	31	28.02.2014	WIBOR 1M+margin	blank promissory note

* The loan was repaid after the balance sheet date.

amounts are denominated in PLN '000, unless indicated otherwise

10. TRADE AND OTHER RECEIVABLES (continued)

Granted loans

As of 31 December 2012

Entity name	Amount	Amount utilised	Interest	Payment due date	Interest rate	Collaterals
3S Retail sp. z o.o	1,500,000. USD	900,000 USD 2,788,000 PLN	25	31.12.2014	fixed	pledge over shares
Miejski Klub Sportowy Polkowice (Sports Club)	3,000,000 PLN	3,000,000 PLN	16	31.12.2013	WIBOR 1M+margin	blank promissory note
CCC Slovakia s.r.o.	1,000,000 EUR	200,000 EUR 818,000 PLN	4	01.03.2017	LIBOR 6M+margin	none
CCC Hungary Shoes Kft.	200,000 HUF	50,000 HUF 699,000 PLN	2	31.12.2013	7,5%	none

Current trade receivables and prepayments (currency structure):

	31.12.2013	31.12.2012
a) in Polish currency	12 071	14 199
b) in foreign currencies (by currency and upon conversion to PLN)	133 893	72 302
- USD	9 256	5 685
- converted to PLN	29 809	19 190
- EUR	8 030	3 854
- converted to PLN	33 607	15 866
- CZK	145 344	133 722
- converted to PLN	21 990	21 840
- HUF	4 026 667	661 645
- converted to PLN	56 249	9 255
-RON	(15 302)	3 985
- converted to PLN	(14 173)	3 665
- LVL	776	424
- converted to PLN	4 580	2 486
- HRK	3 377	-
- converted to PLN	1 839	-
- TRY	(6)	-
- converted to PLN	(8)	-
Total current trade receivables and prepayments	**145 964**	**86 501**

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

	31.12.2013	31.12.2012
- USD	3,0120	3,0996
- EUR	4,1472	4,0882
- CZK	0,1513	0,1630
- 100 HUF	1,3969	1,3977
- RON	0,9262	0,9197
- LVL	5,9009	5,8595
- HRK	0,5444	-
- TRY	1,4122	-

amounts are denominated in PLN '000, unless indicated otherwise

11. INVENTORY

	31.12.2013	31.12.2012
Goods	392 921	359 583
Capitalised cost of packaging	681	1 075
Write-down on the value of inventory	(5 124)	(4 162)
Total	**388 478**	**356 496**

Changes in write-downs on inventory	**01.01.2013 31.12.2013**	**01.01.2012 31.12.2012**
As of the beginning of the period	4 162	706
a) increases	3 104	5 654
b) decreases	2 142	2 198
Write-downs on inventory as of the end of the period	**5 124**	**4 162**

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 the balance sheet date in PLN 320.0 million (as of 31 December 2012: PLN 244.3 million).

12. CASH

	31.12.2013	31.12.2012
Cash in the bank and petty cash fund	80 155	72 324
Short-term deposits	12 499	27 287
Total	**92 654**	**99 611**

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

13. CAPITAL

Share capital	**Number of shares**	**(of which ordinary shares)**	**Nominal value**	**Share capital**
As of 31 December 2012	38 400 000	31 750 000	0,10 PLN	3 840
As of 31 December 2013	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.

amounts are denominated in PLN '000, unless indicated otherwise

13. CAPITAL (continued)

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

Shareholder	Number of shares (quantity)	percentage share in the share capital (%)	number of votes at the General Meeting (quantity)	share in the overall number of votes at the General Meeting (%)
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.

As on the date of preparing the 2013 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 31.12.2013 r.:

Shareholder	Number of shares (quantity)	percentage share in the share capital (%)	number of votes at the General Meeting (quantity)	share in the overall number of votes at the General Meeting (%)
Luxprofi s.a.r.l. *(an entity controlled by Dariusz Miłek)*	13 360 000	34,79	18 110 000	40,20
Leszek Gaczorek	3 010 000	7,84	4 760 000	10,57
ING OFE *	2 718 693	7,08	2 718 693	6,03
Aviva OFE *	3 174 451	8,27	3 174 451	7,05

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

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 31.12.2012 r.:

Shareholder	Number of shares (quantity)	percentage share in the share capital (%)	number of votes at the General Meeting (quantity)	share in the overall number of votes at the General Meeting (%)
Luxprofi s.a.r.l. *(an entity controlled by Dariusz Miłek)*	15 360 000	40,00	20 110 000	44,64
Leszek Gaczorek	3 010 000	7,84	4 760 000	10,57
ING OFE	3 075 096	8,01	3 075 096	6,83
Aviva OFE	2 940 451	7,66	2 940 451	6,53

* data stem from the annual structure of assets of the Funds ING OFE and Aviva OFE as of 31.12.2012 r.

amounts are denominated in PLN '000, unless indicated otherwise

13. CAPITAL (continued)

Share premium	Value
As of 31 December 2012	74 586
As of 31 December 2013	74 586

Other capitals	Value
As of 31 December 2012	-
As of 31 December 2013	2 196

Retained profits	Value
As of 31 December 2012	280 634
Dividend disbursement	(61 440)
Net profit for the period	98 396
As of 31 December 2013	**317 590**

14. TRADE AND OTHER LIABILITIES

Current liabilities	31.12.2013	31.12.2012
Trade liabilities, of which:	189 468	135 346
- affiliates	127 979	89 137
- other entities	61 489	46 209
Liabilities under customs duty and taxes, of which: Liabilities under CIT were deleted	17 100	14 317
- liabilities under VAT	15 725	12 934
- liabilities under customs duty	1 375	1 383
Liabilities towards employees	16 570	18 327
Other liabilities	15 746	10 887
TOTAL	**238 884**	**178 877**

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

a. Current trade receivables (currency structure):

	31.12.2013	31.12.2012
a) in Polish currency	182 467	130 409
b) in foreign currencies (by currency and upon conversion to PLN)	7 001	4 937
- USD	871	197
- converted to PLN	2 623	611
- EUR	1 053	1 041
- converted to PLN	4 367	4 257
- CZK	39	345
- converted to PLN	6	56
- HUF	331	952
- converted to PLN	5	13
Total current trade receivables:	**189 468**	**135 346**

amounts are denominated in PLN '000, unless indicated otherwise

14. TRADE AND OTHER LIABILITIES (continued)

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

	31.12.2013	31.12.2012
- USD	3,0120	3,0996
- EUR	4,1472	4,0882
- CZK	0,1513	0,1630
- 100 HUF	1,3969	1,3977

b. *Liabilities under finance lease*

	31.12.2013	31.12.2012
Liabilities under finance lease payable within:	-	3
- one year	-	3
- one to five years	-	-
- more than five years	-	-
Total	**-**	**3**
Minus future interest:	**-**	**-**
current value of future liabilities	**-**	**3**
Lessened by amounts due within twelve months (included in current liabilities)	**-**	**3**
Liabilities payable in the period after twelve months	**-**	**-**

The Company used office equipment under finance lease agreements with the option to purchase the equipment. Object of the lease agreement after its completion in 2013 became the property of the Company. All lease liabilities were denominated in Polish zlotys.

15. MINIMUM VALUE OF FUTURE PAYMENTS UNDER OPERATING LEASE

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

	31.12.2013	31.12.2012
- up to 1 year	128 468	127 908
- one to five years	513 873	511 632
- more than 5 years	256 938	255 816
TOTAL	**899 279**	**895 356**

In the case of many stores (especially those located at shopping centres), lease fees have two components: a fixed fee and a conditional fee based on the store's revenue. The conditional fee usually corresponds to 5-7 per cent of the store's revenue. The Company is also a party of subleasing agreements, which follow the principles of operating lease. Revenue from subleasing fees on the terms of operating lease for the period of twelve months of 2013 and 2012 is as follows:

	01.01.2013 31.12.2013	01.01.2012 31.12.2012
Revenue from operating subleases	12 454	8 481

amounts are denominated in PLN '000, unless indicated otherwise

16. LOANS AND BORROWINGS

Long-term loans	31.12.2013	31.12.2012
Long-term bank loan	158 000	88 000

Short-term loans and borrowings	31.12.2013	31.12.2012
Overdraft facility	169 809	244 876
Borrowings	30 939	-
Total short-term loans and borrowings	**200 748**	**244 876**

Total loans and borrowings	**358 748**	**332 876**

As of 31 December 2013

Bank name/entity	Type of loan	Limit amount	Amount utilised	Date of expiry	Financial terms	Collaterals
Bank Handlowy w Warszawie SA	Revolving	86,000,000	56,000,000	26.02.2015	WIBOR + margin	Capped mortgage; Pledge over inventory
Bank Handlowy w Warszawie SA	Overdraft facility	64,000000	-	26.02.2015	WIBOR + margin	
mBank SA	Overdraft facility	55,000,000	14,322,000	30.12.2015	WIBOR + margin	Capped mortgage
mBank SA	Investment	18,000,000	18,000,000	30.12.2016	WIBOR + margin	Capped mortgage
mBank SA	Revolving	30,000,000	30,000,000	27.03.2014	WIBOR + margin	Capped mortgage
ING Bank Śląski SA	Revolving	100,000,000	70,000,000	29.01.2015	WIBOR + margin	Capped mortgage; Pledge over inventory
PKO BP SA	Multi-purpose credit limit*, including:	120,000,000	40,357,000	26.10.2015	WIBOR + margin	Pledge over inventory
PKO BP SA	*Overdraft facility*	*Up to 75,000,000*	*20,357,000*	*26.10.2015*	WIBOR + margin	*Capped mortgage; Pledge over inventory*
PKO BP SA	*Revolving*	*Up to 100,000,000*	*20,000,000*	*26.10.2015*	WIBOR + margin	*Capped mortgage; Pledge over inventory*
Bank Pekao SA	Overdraft facility	100, 000,000	*99,113,000*	08.10.2014	WIBOR + margin	Capped mortgage
Bank Millennium SA	Overdraft facility	25,000,000	17,000	03.12.2014	WIBOR + margin	None
NG2 Suisse	Loan	-	30,939,000	31.12.2014	Fixed interest	None

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

Financial terms of the loans incurred do not differ significantly from market conditions. The fair value of loans incurred does not differ materially from its carrying value.

Under the long-term loan agreement concluded with BRE Bank S.A., the Parent Company was required, among other things, to maintain the operating margin and the liquidity ratio on the level set out in the agreement. Failure to fulfill the above requirements does not bear loan maturity consequences but solely authorizes the Bank to increase the margin. The Parent Company did not meet these requirements in the reporting period so the Bank did not increase the interest rate of the loan.
As on the balance sheet date, the Company was using the overdraft facility granted it by BRE Bank S.A. in the amount of PLN 14,322,000, and had used up an investment loan of PLN 18,000,000 and revolving loan of PLN 30,000,000. After the balance sheet date the Company signed the annexes to the agreements concluded with z mBank S.A. and Bank Pekao S.A. Detailed information on the concluded annexes are included in the note 30.

amounts are denominated in PLN '000, unless indicated otherwise

16. LOANS AND BORROWINGS (continued)

As of 31 December 2013

Name of the bank/entity	Type	Limit amount	Amount utilised	Date of expiry	Financial terms	Collaterals
mBank SA	Guarantee cap	15,000,000	10,959,000	30.09.2016	Commission	None
Societe Generale SA	Guarantee cap	12,000,000	7,216,000	04.2014	Commission	None
BZ WBK SA	Guarantee cap	40,000,000 PLN and 12,000,000 EUR	6,577,000 PLN and 4,421,000 EUR (18,336,000 PLN)	29.04.2015	Commission	Pledge over inventory
PKO BP SA	Guarantee cap*	20, 000,000	4,838,000	26.10.2015	Commission	Of main agreement
Raiffeisen Bank Polska SA	Guarantee cap	3,000,000USD	1,860,000 USD (5,603,000 PLN)	17.08.2015	Commission	None
Bank Pekao SA	Guarantee cap*	5,000,000	201,000	08.10.2015	Commission	Of main agreement

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

As of 31 December 2012

Name of the bank/entity	Type	Limit amount	Amount utilised	Date of expiry	Financial terms	Collaterals
Bank Handlowy w Warszawie SA	Revolving	36,000,000	36,000,000	27.02.2013	WIBOR + margin	Capped mortgage; Pledge over inventory
Bank Handlowy w Warszawie SA	Overdraft facility	64,000,000	62,938,000	27.02.2013	WIBOR + margin	
mBank SA	Overdraft facility	55,000,000	25,830,000	30.12.2015	WIBOR + margin	Capped mortgage
mBank SA	Investment	24,000,000	24,000,000	31.12.2016	Commission	Capped mortgage
ING Bank Śląski SA	Revolving	70,000,000	70,000,000	29.01.2015	WIBOR + margin	Capped mortgage; Pledge over inventory
PKO BP SA	Multi-purpose credit limit*, including:	75,000,000	69,880,000	27.10.2013	WIBOR + margin	Pledge over inventory
PKO BP SA	*Overdraft facility*	*Up to 50,000,000*	*49, 880,000*	*27.10.2013*	WIBOR + margin	Pledge over inventory
PKO BP SA	*Revolving*	*Up to 70,000,000*	*20, 000,000*	*27.10.2013*	WIBOR + margin	Pledge over inventory
NG2 Suisse	Loan	-	44,228,000	31.12.2013	Fixe interest rate	None
The financial terms of the loans incurred do not vary materially from market terms.						

Name of the bank/entity	Type	Limit amount	Amount utilised	Date of expiry	Financial terms	Collaterals
mBank SA	Guarantee cap	5,000,000	-	13.11.2015	Commission	None
Societe Generale SA	Guarantee cap	12,000,000	9,799,000	Not specified	Commission	None
BZ WBK SA	Guarantee cap	20,000,000 PLN and 6,000,000 EUR	11,614,000 PLN and 5,121,000 EUR	29.04.2014	Commission	Pledge over inventory
PKO BP SA	Guarantee cap*	5,000,000	-	27.10.2013	WIBOR + margin	Pledge over inventory
Raiffeisen Bank Polska SA	Guarantee cap	800,000 USD	578,000 USD	15.08.2014	Commission	None

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

17. SHARE-BASED PAYMENTS

The 2010-2013 incentive scheme

In the balance sheet year, the Company had a scheme providing benefits in the form of shares, settled on equity instruments. Under the scheme, the entity received employee services as remuneration for the Company's equity instruments (stock options). The fair value of the employee services received in return for awarding the options was recorded as a cost. The granting by the Company of options for its equity instruments to employees of the Group's subsidiaries is treated as a capital contribution. The fair value of the received employee services, calculated by reference to the fair value of the date of the grant, is to be recorded throughout the period of acquiring the rights in the form of an increase of the balance of investments into subsidiaries together with a corresponding increase in shareholders' equity.

In 2012, the Company wrote off the accumulated cost of measuring the employee stock option plan to cost of general management and administration. Hence, the balance of the costs of general management and administration of PLN 5,096,000 is comprised of the value of the cost of measuring the employee stock option plan written off in the amount of PLN 8,382,000 and the costs of general management and administration (PLN -3,286,000).

As the objectives of the Incentive Scheme adopted by the Extraordinary General Meeting of Shareholders of CCC S.A. on 12 November 2009 were not fulfilled, the right of subscription of series E shares by the persons eligible under the Scheme was not exercised.

The 2013-2015 incentive scheme

In order to establish in the Company mechanisms to motivate the members of Management Board, members of the management boards of the subsidiaries, key employees and associates of the Company, to undertake actions that will ensure both long-term growth of the Company's goodwill and consistent increase in net profits, while keeping in mind the need to minimise the turnover of senior management, the Company resolved to commence a subscription warrant-based incentive scheme. The scheme provides the participants with the opportunity to subscribe for the Company's shares in the future. On 19 December 2013, the Extraordinary Meeting of Shareholders of CCC S.A. adopted resolutions, among other things, on the conditional increase of the share capital of the Company and on the issuance of subscription warrants with full exclusion of shareholders' right of subscription of shares issued as part of the contingent capital and subscription warrants in relation to commencing an incentive scheme for existing and future Management Board members, existing and future members of the management board of the subsidiaries and the management of the Company. The resolution provides for a conditional increase in the share capital of the Company by no more than PLN 76,800 (seventy-six thousand eight hundred zlotys) by way of issuing no more than 768,000 (seven hundred sixty-eight thousand) ordinary bearer series E shares with a nominal value of PLN 0.10 (10/100 zloty) each (the "Series E Shares" or "Employee Shares") and issuance of a maximum total of 768,000 (seven hundred sixty-eight thousand) registered series A subscription warrants (the "Subscription Warrants"), each of which carries the right to subscribe for 1 (one) Series E Share (the "Subscription Warrants"), with full exclusion of shareholders' right of subscription with respect to the Series E Shares and Subscription Warrants.

The right of subscription of the Series E Shares may be exercised by Eligible Persons provided that the total consolidated net profit of the Company's group for the financial years 2013, 2014 and 2015 is at least PLN 620,000,000 (six hundred twenty million Polish zlotys).

According to the Article 3 par. 8 of the resolution, the Supervisory Board was authorised to adopt a resolution determining the list of Eligible Persons and to determine detailed principles governing the issuance and exercise of Subscription Warrants.

As on the date of signing the financial statements, the Supervisory Board approved the list of Eligible Persons and determined the detailed principles referred to above.

The Management Board believes, taking the results achieved by the Company in 2013 into consideration, the implementation of the program after the first year of its duration is probable.

Valuation of the program referred to the cost of the financial result in 2013 amounted to 523,000 PLN.

amounts are denominated in PLN '000, unless indicated otherwise

18. DEFERRED TAX

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

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

Deferred tax liabilities	31.12.2013	31.12.2012
Accelerated tax depreciation	-	439
Computed interest	213	111
Other	-	23
Deferred tax liabilities	**213**	**573**

Deferred tax assets	31.12.2013	31.12.2012
Costs after the balance sheet date	353	437
Provisions for liabilities	1 249	1 927
Depreciation of assets	2 776	2 863
Other	46	133
Deferred tax assets	**4 424**	**5 360**

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

19. PROVISIONS

Provisions for warranty repairs	01.01.2013 31.12.2013	01.01.2012 31.12.2012
As of 1 January	**2 379**	**2 015**
Establishment of provisions during the year	245	765
Liquidation of the provision	-	-
Utilisation of the provisions	605	401
As of 31 December	**2 019**	**2 379**
Provisions up to 1 year	2 019	2 379
Provisions for more than 1 year	-	-

The Company 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.

20. EMPLOYMENT AND EMPLOYEE BENEFITS

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

Number of employees	31.12.2013	31.12.2012
Administrative employees	382	342
Employees at stores	4 797	4 683
Employees in warehouses	379	358
Total	**5 558**	**5 383**

amounts are denominated in PLN '000, unless indicated otherwise

20. EMPLOYMENT AND EMPLOYEE BENEFITS (continued)

Cost of employment	01.01.2013 31.12.2013	01.01.2012 31.12.2012
Salaries	133 989	128 379
Social security contributions	24 166	23 644
Other employee benefits	4 825	4 610
Total	**162 980**	**156 633**

Provisions for employee benefits

The actuarial assumptions adopted in the valuation presume a discount rate of 4.5 per cent (3.75 per cent in 2012) and the expected employee turnover rate of 31,18 per cent per year (25 per cent in 2012) and a 2.0 per cent rate of salary base growth (3,5 per cent in 2012).

Balance sheet as of 31 December 2013

Description	Retirement severance payments	Disability benefits	The jubilee bonuses	Death benefits	The total amount of provisions
Obligation at beginning of period	**76**	**43**	**1 942**	**-**	**2 061**
Correction of undepreciated gains (-) and losses (+) actuarial BO - other comprehensive income	-	-	-	-	**-**
Opening balance after adjustments	**76**	**43**	**1 942**	**-**	**2 061**
Write-off provision	4	-	203	3	**210**
Interest expense	3	2	70	-	**75**
(Gains) and losses recognized in other comprehensive income	(65)	(34)	-	-	**(99)**
(Gains) and losses recognized in the income statement	-	-	(534)	-	**(534)**
The cost of past employment	-	-	-	65	**65**
Paid benefits	-	-	(174)	-	**(174)**
Obligation at the end of period	**18**	**11**	**1 507**	**68**	**1 604**

Description	Retirement severance payments	Disability benefits	The jubilee bonuses	Death benefits	The total amount of provisions
Current provision	2	2	388	9	400
Non-current provision	16	9	1 120	59	1 204
The total amount of provisions	**18**	**11**	**1 507**	**68**	**1 604**

amounts are denominated in PLN '000, unless indicated otherwise

20. EMPLOYMENT AND EMPLOYEE BENEFITS (continued)

Income statement for the 12 months ended 31 December 2013

Description	Retirement severance payments	Disability benefits	The jubilee bonuses	Death benefits	The total amount of provisions
Write-off provision	(4)	-	(203)	(3)	**(210)**
Interest expense	(3)	(2)	(70)	-	**(75)**
Return on assets (expected)	-	-	-	-	**-**
Actuarial gains and (losses) recognized in the income statement	-	-	533	(65)	**468**
Depreciation of write-off provisions of the previous year	-	-	-	-	**-**
Reduction / Plan liquidation	-	-	-	-	**-**
Net	**(7)**	**(2)**	**260**	**(68)**	**183**

Other comprehensive income for 12 months ended 31 December 2013

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

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	(1)	-	(42)	-	**(43)**
Change in demographic assumptions	-	-	56	-	**56**
Other changes (experience adjustment)	(63)	(34)	(547)	-	**(644)**
Total actuarial gains and losses	**(64)**	**(34)**	**(533)**	**-**	**(631)**

21. REVENUES AND OPERATING AND FINANCIAL COSTS

Other operating revenue	01.01.2013 31.12.2013	01.01.2012 31.12.2012
Profit on currency exchange differences	1 994	1 152
Received interest	711	1 402
Liquidated provisions	816	446
Inventory surplus	3 987	4 175
Received compensation	917	-
Other operating revenue	1 317	1 916
Total	**9 742**	**9 091**

amounts are denominated in PLN '000, unless indicated otherwise

21. REVENUES AND OPERATING AND FINANCIAL COSTS (continued)

Other operating cost	01.01.2013 31.12.2013	01.01.2012 31.12.2012
Loss on sale of fixed assets	10 733	4 818
Establishment of provisions	-	1 183
Interest	139	422
Inventory shortages	5 575	6 002
Paid licenses and copyrights	1 663	-
Other operating expenses	1 408	2 792
Total	**19 518**	**15 217**

Financial revenue	01.01.2013 31.12.2013	01.01.2012 31.12.2012
Revenue from interest on the current account and other	903	406
Received dividends	28 681	-
Other financial revenue	260	602
Total	**29 844**	**1 008**

Financial costs	01.01.2013 31.12.2013	01.01.2012 31.12.2012
Interest on loans and borrowings	15 343	15 418
Interest on finance lease	-	2
Surplus of negative exchange rate differences over positive ones	2 483	584
Impairment write-offs on financial assets	771	771
Commission paid	560	273
Other financial costs	889	3 273
Total	**20 046**	**20 321**

Interest on loans and borrowings	01.01.2013 31.12.2013	01.01.2012 31.12.2012
Value of interest charged, of which:	15 343	15 793
Interest recognised in costs	15 343	15 419
Capitalised interest for investments	-	374

22. INCOME TAX

Income tax	01.01.2013 31.12.2013	01.01.2012 31.12.2012
Profit before tax	115 867	69 529
Tax at the 19 per cent rate	22 015	13 211
Tax effect of non-deductible costs	(5 449)	-
Current income tax	330	783
Deferred tax	16 896	13 993
Profit before tax	575	(1 638)
Income tax	**17 471**	**12 355**

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

amounts are denominated in PLN '000, unless indicated otherwise

23. EARNINGS PER SHARE

Earnings	01.01.2013 31.12.2013	01.01.2012 31.12.2012
Net profit for the year for the purpose of calculating earnings per share to be distributed among the Company's shareholders	98 396	57 174
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	**98 396**	**57 174**

Number of shares issued	31.12.2013	31.12.2012
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	2013	2012
Ordinary	2,56 PLN	1.49 PLN
Diluted	2,56 PLN	1.49 PLN

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

24. DIVIDEND

	Year 2013	Year 2012
Value of dividend disbursements	61 440	61 440
Value per 1 share	1,60 PLN	1,60 PLN

25. FINANCIAL INSTRUMENTS

Financial instruments by type:
Assets according to the balance sheet

Loans and receivables	Value
31 December 2013	
Non-current	**56 761**
Investments in subsidiaries	55 932
Loans and receivables	829
Current	**267 063**
Receivables other than prepayments	174 409
Cash and cash equivalents	92 654
TOTAL	**323 824**
31 December 2011	
Non-current	**54 954**
Investments in subsidiaries	53 671
Loans and receivables	1 283
Current	**176 361**
Receivables other than prepayments	76 750
Cash and cash equivalents	99 611
TOTAL	**231 315**

amounts are denominated in PLN '000, unless indicated otherwise

25. FINANCIAL INSTRUMENTS (continued)

Liabilities according to the balance sheet

Other financial liabilities	Value
31 December 2013	
Non-current	**158 000**
Loans and borrowings	158 000
Liabilities under financial lease	-
Current	**422 532**
Loans and borrowings	200 748
Liabilities under finance lease	-
Trade liabilities and other non-tax liabilities	221 784
Total	**580 532**
31 December 2012	
Non-current	**88 000**
Loans and borrowings	88 000
Liabilities under financial lease	-
Current	**409 439**
Loans and borrowings	244 876
Liabilities under finance lease	3
Trade liabilities and other non-tax liabilities	164 560
Total	**497 439**

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

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 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	293 321	(110 653)	182 668	-	-	182 668
Total	**293 321**	**(110 653)**	**182 668**	**-**	**-**	**182 668**

As of 31 December 2012	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	157 987	(79 954)	78 033	-	-	78 033
Total	**157 987**	**(79 954)**	**78 033**	**-**	**-**	**78 033**

amounts are denominated in PLN '000, unless indicated otherwise

25. FINANCIAL INSTRUMENTS (continued)

(b) Financial liabilities

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

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	302 437	(80 653)	221 784	-	-	221 784
Total	**302 437**	**(80 653)**	**221 784**	**-**	**-**	**221 784**

As of 31 December 2012	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	221 882	(57 322)	164 560	-	-	164 560
Total	**221 882**	**(57 332)**	**164 560**	**-**	**-**	**164 560**

Currency risk
If foreign currency exchange rates denominated in the twelve-month period ended on 31 December 2013 had been 5 per cent higher/lower, the profit for that period would have been PLN 14,177,000 lower/higher (in the twelve-month period ended 31 December 2012: PLN 9,293,000).

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

Variable interest rate instruments	31.12.2013	31.12.2012
Financial liabilities		
Loans and borrowings	358 748	332 876
Total	**358 748**	**332 876**

If foreign currency exchange rates denominated in the Polish zloty in the twelve-month period ended on 31 December 2013 had been 1 percentage point higher/lower, the profit for that period would have been PLN 3,345,000 lower/higher (in the twelve-month period ended 31 December 2012: PLN 3,149,000).

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

amounts are denominated in PLN '000, unless indicated otherwise

25. FINANCIAL INSTRUMENTS (continued)

The maturity structure of trade liabilities, short- and long-term loans and borrowings as at 31 December 2013 and 31 December 2012 is presented in the tables below:

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

31.12.2012	Trade liabilities	Loan payments	Interest and other charges	Total
up to 1 year	135 346	244 876	10 524	390 746
1-2 years	-	58 000	6 345	64 345
2-5 years	-	30 000	1 265	31 265
more than 5 years	-	-	-	-
Total	**135 346**	**332 876**	**18 134**	**486 356**

Credit risk

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

	31.12.2013	31.12.2012
Shares in subsidiaries	55 932	53 671
Trade receivables and other receivables	174 409	76 750
Cash and cash equivalents	92 654	99 611
Total	**322 995**	**230 032**

The age structure of receivables by maturity date together with information about write-downs on receivables is set out in note 10.
The Company's main financial asset are funds in bank accounts, cash, trade receivables and other receivables, which represent the maximum credit risk exposure in relation to financial assets. The Company's credit risk is primarily attributed to trade receivables.

The amounts disclosed in the statement of financial position are net amounts, taking into account write-downs on the value of questionable receivables, estimated by the Management Board of the Company on the basis of previous experience and their assessment of the current business environment. These receivables concern customers working long-term with the Company and, in the Company's opinion, the risk in this regard is negligible.
Credit risk associated with financial instruments in the form of funds in bank accounts and cash is limited due to the fact that the parties to the transactions are banks with high credit scores received from international rating agencies. The Company does not have a significant concentration of credit risk. The risk is distributed among a large number of partners and customers.
The ratings of credit institutions in 2013 were as follows: PKO BP SA (A- S&P), BZ WBK SA (BBB, Fitch), ING Bank Slaski SA (A, Fitch), mBank SA (BBB + S&P), Bank Handlowy in Warsaw SA (A-, Fitch), Pekao SA (BBB + S&P), Millennium Bank SA (BBB-, Fitch), Societe Generale SA (A; Fitch).

amounts are denominated in PLN '000, unless indicated otherwise

26. SUBSIDY

On 23 December 2009, CCC S.A. concluded an agreement on the financing of its investment into non-current assets with the Polish Agency for Enterprise Development. The Company requested a subsidy under the Innovative Economy Programme in connection with the project of constructing a high storage warehouse located in Polkowice. The final amount of the subsidy was set at PLN 38,484,000. For the duration of the project, the following performance bond was established:
-blank promissory note with a blank promissory note agreement,
-security for the amount of the subsidy, corresponding to the amount of the highest tranche of the advance in the form of a bank guarantee.
Under the financing agreement, the Beneficiary is required to ensure the durability of the results of the Project and maintain the investment in the Lower Silesia Province for a period of five years from the date of completion of the Project. In the above period, the Beneficiary is also required not to make substantial modifications to the Project. The Company does not breach the financing of its investment agreement.
In 2012, a subsidy in the amount of PLN 6,489,000 was received, and a subsidy of PLN 2,114,000 was recognised in the statement of comprehensive income.
In 2013, the amount of PLN 2,611,000 was recognised in the statement of comprehensive income.

27. TRANSACTIONS WITH RELATED PARTIES

	01.01.2013 31.12.2013*	01.01.2012 31.12.2012*
Subsidiaries:		
CCC Factory Sp. z o.o.:		
Sale to an affiliate	176	164
Purchase from an affiliate	189 262	130 970
Receivables from an affiliate	1	(1)
Liabilities towards an affiliate	104 227	84 149
CCC Czech s.r.o.:		
Sale to an affiliate	64 918	71 598
Purchase from an affiliate	16	1 579
Receivables from an affiliate	21 990	21 803
Liabilities towards an affiliate	-	-
CCC Slovakia s.r.o.:		
Sale to an affiliate	42 276	15 946
Purchase from an affiliate	6	59
Receivables from an affiliate	14 376	9 987
Receivables from loans	829	818
Receivables from interest on loans	7	4
Liabilities towards an affiliate	-	22
CCC Hungary Shoes Kft:		
Sale to an affiliate	77 148	9 375
Purchase from an affiliate	-	-
Receivables from an affiliate	56 248	9 073
Receivables from loans	5 448	699
Receivables from interest on loans	106	2
Liabilities towards an affiliate	-	-

amounts are denominated in PLN '000, unless indicated otherwise

27. TRANSACTIONS WITH RELATED PARTIES (continued)

NG2 Suisse s.a.r.l.:		
Sale to an affiliate	76	32
Purchase from an affiliate	31 615	25 496
Receivables from an affiliate	43	22
Liabilities towards an affiliate	19 946	4 988
Liabilities from loans from an affiliate	29 408	44 228
Liabilities from interest on loans	1 531	-
Receivables from a dividend	4 431	-
CCC Austria Ges. m.b.H.:		
Sale to an affiliate	6 236	-
Purchase from an affiliate	-	-
Receivables from an affiliate	5 781	-
Receivables from loans	8 087	-
Receivables from interest on loans	24	-
Liabilities towards an affiliate	-	-
CCC Shoes Ayakkabicilik Ticaret Limited Sirketi:		
Sale to an affiliate	54	-
Purchase from an affiliate	-	-
Receivables from an affiliate	(8)	-
Receivables from loans	4 660	-
Receivables from interest on loans	8	-
Liabilities towards an affiliate	-	-
CCC Obutev d.o.o.:		
Sale to an affiliate	1 469	-
Purchase from an affiliate	-	-
Receivables from an affiliate	1 271	-
Receivables from loans	829	-
Receivables from interest on loans	7	-
Liabilities towards an affiliate	-	-
CCC Hrvatska d.o.o.:		
Sale to an affiliate	2 804	-
Purchase from an affiliate	-	-
Receivables from an affiliate	2 496	-
Receivables from loans	829	-
Receivables from interest on loans	8	-
Liabilities towards an affiliate	-	-
CCC Germany GmbH:		
Sale to an affiliate	1 845	-
Purchase from an affiliate	-	-
Receivables from an affiliate	2 477	-
Receivables from loans	4 977	-
Receivables from interest on loans	11	-
Liabilities towards an affiliate	-	-

amounts are denominated in PLN '000, unless indicated otherwise

27. TRANSACTIONS WITH RELATED PARTIES (continued)

Subsidiaries of the management		
MGC INWEST Sp. z o.o.:		
Sale to an affiliate	47	44
Purchase from an affiliate	-	52
Receivables from an affiliate	9	11
Liabilities towards an affiliate	-	-
Libra Project Sp. z o.o.:		
Sale to an affiliate	20	-
Purchase from an affiliate	37	98
Receivables from an affiliate	4	-
Liabilities towards an affiliate	6	48
ASTRUM Sp. z o.o.:		
Sale to an affiliate	14	31
Purchase from an affiliate	55	175
Receivables from an affiliate	-	2
Liabilities towards an affiliate	-	12
CUPRUM ARENA MGC INWEST Sp. z o.o. S.k.:		
Sale to an affiliate	90	-
Purchase from an affiliate	288	851
Receivables from an affiliate	-	-
Liabilities towards an affiliate	-	91
CUPRUM ARENA Sp. z o.o.:		
Sale to an affiliate	-	-
Purchase from an affiliate	-	851
Receivables from an affiliate	-	-
Liabilities towards an affiliate	10	91

** as on the balance sheet date for receivables and liabilities*

The transactions with related parties were concluded on market terms.
Reinvoicing income is netted.

Gross remuneration of management board members

Name and surname	Position	2013	2012
Dariusz Miłek	President of the Management Board	690	480
Mariusz Gnych*	Vice-President of the Management Board	510	420
Piotr Nowjalis	Vice-President of the Management Board	728	525
Total		**1 928**	**1 425**

*** for 2013, Mr. Dariusz Miłek also received, under the contract of employment, a remuneration of PLN 10,000 in a subsidiary CCC Factory Sp. z o.o.*

** for 2012, Mr. Mariusz Gnych also received a remuneration of PLN 90,000 for serving on the corporate bodies of subsidiary CCC Factory Sp. z o.o.*

*** for 2013, Mr. Mariusz Gnych also received a remuneration of PLN 105,000 for serving on the corporate bodies of subsidiary CCC Factory Sp. z o.o.*

*** for 2013, Mr. Piotr Nowjalis also received, under the contract of employment, a remuneration of PLN 10,000 in a subsidiary CCC Factory Sp. z o.o.*

amounts are denominated in PLN '000, unless indicated otherwise

27. TRANSACTIONS WITH RELATED PARTIES (continued)

Gross remuneration of supervisory board members

Name and surname	Position	2013	2012
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
Marcin Murawski	Member of the Supervisory Board	18	-
Piotr Nadolski	Member of the Supervisory Board	14	18
Jan Rosochowicz	Member of the Supervisory Board	4	-
Adam Szczepanik	Member of the Supervisory Board	-	13
Paweł Tamborski	Member of the Supervisory Board	-	1
Total		**96**	**92**

On 26 March 2013, the Extraordinary General Meeting of Shareholders of CCC S.A. appointed Mr. Jan Rosochowicz as a Supervisory Board Member. The Supervisory Board Member mandate expired on 26 June 2013.
On 23 January 2012, the Management Board of CCC S.A. was informed by Mr. Paweł Tamborski, Member of the Supervisory Board, about his resignation from membership in the Supervisory Board.
On 6 March 2012, the Extraordinary General Meeting of Shareholders of CCC S.A. appointed Mr. Adam Szczepanik as a Supervisory Board Member..
On 21 November 2012, the Management Board of CCC S.A. was informed by Mr. Adam Szczepanik, Member of the Supervisory Board, about his resignation from membership in the Supervisory Board.
On 19 December 2012, the Extraordinary General Meeting of Shareholders of CCC S.A. appointed Mr. Marcin Murawski as a Supervisory Board Member.
Management and Supervisory Board members do not collect any remuneration for their positions with CCC S.A., other than the salaries set out above.

28. CONTINGENT ASSETS AND LIABILITIES

Contingent assets and liabilities	31.12.2013	31.12.2012
I. Contingent assets	**31 500**	**33 800**
From other entities (on account of)	31 500	33 800
- guarantees and warranties received	31 500	33 800
II. Contingent liabilities	**76 269**	**70 440**
To affiliates (on account of)	-	-
- collaterals extended	-	-
To other entities (on account of)	76 269	70 440
- customs bonds	11 000	8 500
- other forms of warranties	53 730	50 038
- collaterals extended	11 539	11 902

Customs bonds provide a security for the repayment of customs receivables due to the Company's operation of customs warehouses, and their maturity date is 17 June 2013.
Other guarantees secure property leases and their maturity date is 30 September 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.

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

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

On 22 June 2012, CCC S.A. and PricewaterhouseCoopers Sp. z o.o. concluded an agreement on the review of the separate and consolidated financial statements for the first half-year of 2012, and the audit of the annual individual and consolidated financial statements prepared as on 31 December 2012. The net fee for the above services was PLN 150,000 for each audited financial year (of which: PLN 55,000 - for the review of the financial statements, PLN 95,000 - for the audit of the financial statements).
In addition, in 2012, PricewaterhouseCoopers Sp. z o.o. provided advisory services to the dominant entity. The net fee for these services was PLN 90,000.

30. EVENTS AFTER THE BALANCE SHEET DATE

On 25 March 2014, CCC S.A. signed an annex to the master agreement of a revolving loan of 27 March 2013, concluded with mBank SA (previously BRE Bank S.A.) with its registered office in Warsaw at Senatorska Street 18. The agreement increases a revolving loan to the amount of PLN 60,000,000, (previous amount: PLN 30,000,000). At the same time the payment due date is changed, it is on 27 March 2015 (previous date: 27 March 2014).
In connection with the conclusion of the annex to the abovementioned agreement, loan collateral has been modified in the form of increasing mortgage amount up to PLN 90,000,000.00 on the developed land belonging to the Issuer, located in the town of Polkowice at Strefowa Street 6, which is on the plot No. 83/32, 83/33, 83/37, 83/38 and 86/2 as well as a declaration of voluntary submission to enforcement up to PLN 80,000,000.00 with the possibility of the bank to grant the writ of execution the enforceability until 31.12.2016.

On March 5, 2014, the Company CCC SA signed an annex to the agreement of 9 October 2013 on the multipurpose credit limit with Bank Polska Kasa Opieki Społecznej SA, with its registered office in Warsaw at Grzybowska Street 53/57. The annex establishes additional collateral in the form of a surety limit granted by a related entity Company CCC Factory Sp. with o.o. and a declaration of submission to enforcement up to the amount of PLN 120,000,000.00 for surety credit agreement and PLN 5,000,000.00 with the surety of bank guarantees with the possibility of the Bank to grant the banking writ of execution the enforceability until 8 October 2018..

On 11.04.2014, the company CCC.EU limited liability company was established. CCC SA holds 100% of shares. The special purpose company was established for the purpose of future business restructuring within the supply chain and distribution of footwear in the Capital Group CCC.

amounts are denominated in PLN '000, unless indicated otherwise

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

	As of 31.12.2013	As of 31.12.2012	Balance sheet change	CF change	difference
Receivables	**214 026**	**104 132**	**(109 894)**	**(86 468)**	**23 426**
- adjustment reflecting loans granted	-	-	-	-	23 426
Liabilities	**239 768**	**178 877**	**60 891**	**63 567**	**(2 676)**
- adjustment of a change in investment liabilities	-	-	-	-	735
- adjustment of income tax	-	-	-	-	(3 411)
Provisions	**3 623**	**4 440**	**(817)**	**1 933**	**2 750**
- impairment write-down on fixed assets	-	-	-	-	2 750
Other adjustments	**2 967**	**(8 570)**	-	-	-
- impairment write-offs on financial assets	771	771	-	-	-
- valuation of the employee stock option plan	2 196	(9 341)	-	-	-

The financial statements were approved for publication by the Management Board of the Company on 30 April 2014 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 2014 r.