

**OPINION AND REPORT  
ON THE FINANCIAL STATEMENTS  
FOR 2011**

**"SOLVER"  
SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ  
43-300 BIELSKO-BIAŁA, UL. DWORKOWA 5**

PREPARED BY  
THE AUDITOR OFFICE OF  
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## AUDITOR OPINION

- I To Shareholders of "SOLVER" Spółka z ograniczoną odpowiedzialnością in Bielsko-Biała, ul. Dworkowa 5.
- II We audited the financial statements of "SOLVER" Spółka z o.o prepared for the period from 1 January 2011 to 31 December 2011, including:
1. Introduction to the financial statements
  2. Balance sheet prepared as of 31 December 2011, which records total assets and total equity and liabilities both amounting to PLN 10 179 920.59
  3. Profit and loss account for the period from 1 January 2011 to 31 December 2011, which records the net loss of PLN 94 157.38
  4. Statement of changes in equity for the financial year from 1 January 2011 to 31 December 2011, which records decrease by PLN 326 519.53
  5. Statement of cash flows, which records decrease by PLN 97 776.66
  6. Supplementary information and explanatory notes.

The head of the Company is responsible for the preparation of financial statements in accordance with applicable regulations.

The head of the Company must ensure that financial statements and a report on the Company's activities comply with the requirements of the Accounting Act of 29 September 1994 (Journal of Laws No. 2009.152.223, as amended).

Our duty was to audit and present our opinion whether the financial statements complied with applicable accounting principles (policy) and presented the true and fair view, in all material aspects, of the Company's assets, financial position and performance, as well as the books of account based on which the financial statements were prepared were kept correctly.

- III. We conducted our audit on the basis of:
1. Chapter 7 of the Accounting Act of 29 September 1994 (consolidated text: Journal of Laws No. 2009.152.1223, as amended),
  2. Polish Financial Auditing Standards issued by the Board of Statutory Auditors in Poland;

3. the Commercial Companies Code of 15 September 2000 (Journal of Laws No. 2000.94.1037, as amended).

We planned and conducted the audit in such a manner so that to obtain rational assurance to issue our opinion on the financial statements. In particular, the audit comprised the verification of accounting principles (policy) and substantial estimations applied by the Company, the verification, mostly on a test basis, of accounting evidence and records forming the basis for figures and disclosures shown in the financial statements, as well as the overall evaluation of the financial statements.

We believe that the audit provided a sufficient basis to issue a reliable opinion thereon.

IV. In our opinion, the audited financial statements, including figures and verbal explanations:

- a) present true and fair information that is necessary to evaluate the Company's assets and financial position as of 31 December 2011, and the Company's financial performance in the period from 1 January 2011 to 31 December 2011;
- b) were prepared in accordance with applicable accounting principles (policy) and on the basis of the books of account;
- c) comply with legal regulations and the Company's Articles of Incorporation that influence the content of the financial statements.

V. The report on the Company's activities is complete within the meaning of Art. 49.2 of the Accounting Act and information presented therein that come from the audited financial statements comply with the financial statements.

VI. The Company did not file the audited financial statements for 2010 for publication with Monitor B.

Bielsko-Biała, 12 March 2012

Key Auditor  
Czesława Klimunt-Kowalska  
Reg. No. 8197

**SUPPLEMENTARY REPORT  
ON THE AUDIT OF THE FINANCIAL STATEMENTS  
FOR THE PERIOD  
FROM 1 JANUARY 2011 TO 31 DECEMBER 2011**

## 1. BACKGROUND INFORMATION

### 2. Identification of the audited Company

- (a) Name of the audited company:  
SOLVER Spółka z ograniczoną odpowiedzialnością
- (b) Address and registered office:  
43-300 Bielsko-Biała, ul. Dworkowa nr 5.
- (c) The Company was incorporated on the basis of the Articles of Incorporation prepared in the form of a notarial deed on 21 May 1996, Reg. A No. 2329/1996. The Company was recorded in the National Court Register under the number 0000132567 on 25 September 2002. The Company was established for an unlimited period of time.
- (d) The Company's share capital as of 31.12.2011 was PLN 9 562 000.00 and is divided into 19 124 shares of PLN 500.00 each.
- (e) The Company's shareholders are:

	Number of	Value of shares (PLN)	% share in the capital
ING Bank Śląski S.A	15 739	7 869 500.00	82.30
Fundacja ING Banku Śląskiego S.A.	3 385	1 692 500.00	17.70
Total	19124	9 562 000.00	100.00%

- (f) Core activity:
1. PKD 92 – Activities connected with culture, recreation and sport
  2. PKD 70, 52 Z – Preparation and delivery of food to external recipients (catering)
  3. PKD 55 – Hotels and restaurants

- (g) Tax and statistical registration

On the basis of the NIP 4 decision of 5 September 1996, the Second Tax Office in Bielsko-Biała assigned the Taxpayer Identification Number (NIP) 937-13-86-837 to the Company.

The Polish Statistical Office assigned the identification number (Regon) 070708530 to the audited company on the basis of the certificate of 18 January 2008.

- (h) In the audited year, the composition of the Company Board of Directors did not change and was made of one person. The Chairman of the Board of Directors was Andrzej Josiek.
- (i) As of 31.12.2011, the Company employed 61 persons. Average yearly headcount was 52.2 FTEs.

### 3. General information about the audit

- (a) The financial statements for the audited period from 1 January 2011 to 31 December 2011 are composed of:

- introduction to the financial statements
- balance sheet prepared as of 31 December 2011,  
which records total assets and total equity and liabilities of PLN 10 179 920.59
- profit and loss account prepared for the period from  
1 January 2011 to 31 December 2011, which records  
the net loss of PLN 94 157.38
- statement of cash flows, which records decrease by PLN 97 776.66
- statement of changes in equity, which records decrease by PLN 326 519.53
- supplementary information and explanatory notes.

(b) Basis of the audit

The financial statements were audited on the basis of the agreement No. 5/2011 of 10 February 2012 between the audited company and the Auditor Office of Czesława Klimunt-Kowalska in Bielsko-Biała, as an entity authorised to audit financial statements (Reg. No. 2091).

The Auditor Office of Czesława Klimunt-Kowalska was chosen to audit the financial statements on the basis of the resolution of 6 February 2012.

The audit was conducted at the Company's premises from 20 February to 10 March 2012 by Czesława Klimunt- Kowalska, Auditor, recorded in the list of the Polish Board of Statutory Auditors under the number 8197.

Both the entity authorised to audit financial statements, as well as the auditor conducting the audit on this entity's behalf confirm that they are indifferent and independent of the audited company within the meaning of Art. 66.2 of the Accounting Act.

(c) Financial statements for the previous year

The financial statements for 2010 were audited by the Auditor Office of Czesława Klimunt-Kowalska, who issued an unqualified opinion thereon.

The financial statements were approved at the General Assembly of Shareholders on the basis of the resolution No. 1/2011 of 19 March 2011.

On the basis of the resolution No. 2/2011 of 12 March 2011, the General Assembly of Shareholders decided to allocate the whole net profit of PLN 232 362.15, as recognised in the profit and loss account of 2010, to pay dividend to the shareholders.

The financial statements for 2010 were filed with the District Court in Bielsko-Biała on 17 March 2011.

The Company did not publish the financial statements in Monitor Polski B.

## **I. EVALUATION OF THE REGISTRATION SYSTEM AND RELATED INTERNAL CONTROL SYSTEM**

### **1. Auditor's findings**

- (a) During the audit, the scope of the audit was not limited and the Company provided all data and information requested by the auditor, made a statement that data disclosed in the books of account were complete and all contingent liabilities were disclosed, as well as a statement that no important events had taken place after the balance-sheet date till the statement date.
- (b) The closing balance as of 31 December 2010 was correctly included in the books of account as the opening balance as of 1 January 2011
- (c) The Company keeps current documentation that describes its accounting principles (policy) in accordance with the requirements of the amended Accounting Act.
- (d) The books of account are kept in the electronic data processing system. The company keeps current documentation referred to in Art. 10 of the Accounting Act, including accounting principles (policy). In our opinion, the Company's accounting principles (policy) are adjusted to the specific nature of the Company's activities. The documentation includes regulations on all issues which the head of the Company is authorised to.
- (e) Business operations are evidenced in a complete, transparent manner and are correctly classified in the books of account. Book records are correct, complete and based on book evidence.
- (f) The financial statements were prepared on the basis of the accurately kept books of account.
- (h) The books of account are kept correctly and archived on such carriers where records are permanent. The computer system is subject to data protection with the use of passwords.
- (i) All items that influence the Company's gross profit (loss) from business activity were recognised completely and correctly in all material aspects.
- (j) The gross profit (loss) was correctly transformed into the net profit (loss).

### **Internal control**

The internal control system was audited to a sufficient extent to present the auditor opinion. Internal control procedures are applied on a continuous basis to reduce the risk of irregularities. Book records include complete and transparent business operations based on accurately classified correct accounting documents. On the basis of the evaluation of control measures, the auditor confirms that control measures are good and information provided by the Company's accountancy are deemed to be trustful.

The internal control system connected with the accounting system ensures that documents confirming business operations, outflow and inflow of materials, products, cash, as well as wages and salaries are recognised well in the books.

### **Inventory**

The Company inventoried the following items as of the closure balance date:

- asset stock taking
- cash in hand as of 31.12.2011
- inventories of materials and goods as of 31.12.2011
- fixed assets as of 31.12.2011

- the confirmation of balances by banks and business partners
- cash in bank accounts as of 31.12.2011
- trade receivables as of 31.12.2011

Inventory and stock-taking dates and frequency were obeyed. There were not inventory differences.

## II. EVALUATION OF ECONOMIC AND FINANCIAL SITUATION

- During the audit, it was found that the Company recorded the gross loss of PLN 94 157.38 in 2011. The Company's performance deteriorated by PLN 326 000.
- The Company's profitability and changes therein in the last three years were evaluated on the basis of the following profit and loss accounts for the years 2009 - 2011.

in PLN '000

PROFIT AND LOSS ACCOUNT	2009	2010	2011	Structure			Rate of growth	
							2010/09	2011/10
Sales	5152	5 381	5269	100.00%	100.00%	100.00%	104.44%	97.92%
Operating expenses	5097	5 588	5409	98.93%	103.85%	102.63%	109.63%	96.81%
Gross profit (loss) from sale	55	-207	-140	1.07%	-3.85%	-2.65%	-376.36%	x
Other operating income	23	508	16	0.45%	9.44%	0.30%	2208.70%	3.15%
Other operating expenses	5	15	2	0.10%	0.28%	0.00%	300.00%	20.00%
Profit (loss) from operating activities	73	286	-126	1.42%	5.31%	-2.39%	391.78%	x
Financial income	14	21	31	0.27%	0.39%	0.59%	150.00%	147.6%
Financial expenses	0	2	0	x	0.04%	x	x	x
Loss (profit) from business activities	87	305	-95	1.69%	5.67%	1.80%	350.57%	x
Extraordinary gains (losses)	0	0	0	x	x	x	x	x
Profit (loss) before tax	87	305	-95	1.69%	5.67%	1.80%	350.57%	x
Income tax, including deferred tax	29	73	1	0.56%	1.36%	0.00%	251.72%	1.37%
Profit (loss) after tax	58	232	-94	1.13%	4.31%	1.80%	400.00%	x

The data of the analysed period show that sales in 2011 was smaller than in the previous year by PLN 112 000, although in spite of smaller sales, the loss was smaller by PLN 67 000. The Company's turnovers in 2011 were 2.06% smaller, while expenses dropped relatively by 3.20%. IN the previous years, the Company recorded the loss from sale of 3.85% and minimum profitability, which resulted form its policy and the specific character of its services, as well as the fact that its assets were not fully used because of a reduced demand for its services.

In 2011, other operating income and expenses were insignificant, but operating expenses were covered with other operating income.

As regards financial income, the Company used free financial resources to obtain interest income. The interest reduced its loss from operating activities.



## Analysis of the rate of growth and structure of assets:

in PLN '000

ASSETS	2009	2010	2011	Structure (%)			Rate of growth (%)	
				2009	2010	2011	10/09	11/10
Fixed assets	8972.0	8508.4	8 274.5	88.09%	80.96%	81.28%	94.83%	97.25%
Intangibles								
Tangible fixed assets	8 871.3	8 461.3	8 224.7	87.10%	80.51%	80.79%	95.37%	97.20%
Long-term receivables	23.23	21.1	22.6	0.23%	0.20%	0.22%	90.95%	107.11%
Long-term investments								
Long-term prepayments	77.5	26.0	27.2	0.76%	0.82%	0.27%	33.55%	104.61%
Current assets	1 212.7	2 001.0	1 905.4	11.91%	19.04%	18.72%	164.96%	95.20%
Inventories	20.20	25.4	24.5	0.20%	0.24%	0.24%	125.00%	96.46%
Short-term receivables	479.1	450.6	443.3	4.70%	4.29%	4.36%	94.15%	98.38%
Short-term investments	503.5	1246.2	1 148.5	4.95%	11.86%	11.28%	247.22%	92.16%
Short-term prepayments	209.9	278.8	289.1	2.06%	2.65%	2.84%	132.86%	103.69%
<b>TOTAL ASSETS</b>	<b>10 184.7</b>	<b>10 509.5</b>	<b>10179.9</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>103.19%</b>	<b>96.86%</b>

In the analysed period, the Company total assets decreased. In 2011, the balance-sheet total decreased by 3.14\$ in comparison to 2010, while in 2010 it increased by 3.19% in comparison to 2009. In 2011, assets were comparable to 2009.

The Company's total assets mostly comprise fixed assets, whose share dropped from 88.09% in 2009 to 81.28% in the audited period. When established, the Company was equipped with fixed assets were it provides it services. The drop of fixed assets by 6.81% results from the yearly amortisation of fixed assets, which exceeds amounts spent for investments and the sale of two apartments in 2010.

The Company's current assets decreased by PLN 95 600 in comparison to 2010. This drop applies to short-term investments. Other elements of current assets, including inventories, short-term receivables and prepayments, show minor differences that do not influence the Company's financial situation.

The following table presents the Company's equity and liabilities.

in PLN '000

	EQUITY AND LIABILITIES	2009	2010	2011	Structure			Rate of growth	
A.	Equity	9 804.2	10 036.6	9 710.0	97.26%	95.50%	95.38%	102.37%	96.75%
I.	Share capital	9 562.0	9 562.0	9 562.0	93.89%	90.98%	93.93%	100.00%	100.00%
II.	Called up share capital								
III.	Own shares								
IV.	Supplementary capital	184.4	242.2	242.2	1.81%	2.30%	2.38%	131.34%	100.00%
V.	Revaluation reserve								
VI.	Other reserves								
VII.	Profit (loss) of previous years								
VIII.	Net profit (loss)	57.8	232.4	-94.2	0.57%	2.21%	-0.92%	402.08%	X
IX.	Net profit deductions during the financial year								
B.	Payables and provisions for payables	380.5	472.9	469.9	3.40%	4.50%	4.62%	124.28%	99.37%
I.	Provisions for payables	58.6	136.8	143.1	0.58%	1.30%	1.41%	152.20%	104.61%
II.	Long-term payables								
III.	Short-term payables	127.3	147.3	140.4	1.25%	1.40%	1.38%	115.71%	95.32%
IV.	Accruals	194.6	188.8	186.4	1.91%	1.80%	1.83%	97.02%	98.73%
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>10 184.7</b>	<b>10 509.5</b>	<b>10 179.9</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>103.19%</b>	<b>96.86%</b>

The structure of sources of finance did not change much during the years. The main and biggest source of finance is equity, which amounted PLN 9 710 000. While, the share of short-term payables in financing the Company's activities is small and constitutes 1.38%, i.e. PLN 140 400 in absolute terms.

4. Profitability ratios were as follows:

				%
Ratio	Description	2009	2010	2011
1. Gross profit rate	$\frac{\text{gross profit} * 100}{\text{total income}}$	1.68	5.16	-1.77
2. Net profitability	$\frac{\text{net profit (loss)} * 100}{\text{net sales of products and goods}}$	1.13	4.31	-1.79
3. Gross return on sales	$\frac{\text{profit/loss from sale} * 100}{\text{net sales of products and goods}}$	1.07	-3.85	-2.66
4. Return on assets	$\frac{\text{net profit (loss)} * 100}{\text{total assets}}$	0.57	1.15	-0.92
5. Return on equity	$\frac{\text{net profit (loss)} * 100}{\text{equity}}$	0.59	2.31	-0.97

The Company's profitability in the audited period was negative, including both negative operating activities, as well as negative return on assets and equity. While in the previous years 2009-2010, the Company recorded profit, except from gross return on sales.

5. Indebtedness ratios were as follows:

Ratio	Description	2009	2010	2011
Indebtedness rate	$\frac{\text{total payables}}{\text{total assets}}$	0.02	0.03	0.01
share of capital in financing total assets of the company	$\frac{\text{equity}}{\text{total assets}}$	0.98	0.98	0.95
payables to equity	$\frac{\text{total payables}}{\text{equity} + \text{provisions}}$	0.02	0.03	0.01
share of loans and advances in total payables	$\frac{\text{loans and advances}}{\text{total payables}}$	x	x	x
Sustainability of financing	$\frac{\text{equity} + \text{provisions} + \text{long-term payables}}{\text{assets}}$	0.98	0.97	0.97

The above figures confirm that the Company was equipped with assets to carry out its activity and does not need to take loans. In addition, given the type of its activities, the Company does not need to keep inventories and freeze its financial resources. The Company's debt in the last three years was small and resulted from payment due dates. In 2011, the share of equity in financing the Company's activities decreased from 0.98 to 0.95 since the Company did not earn income in the audited year and paid dividends for 2010.

**6. Liquidity ratios were as follows (a comparative analysis):**

Ratio	Description	2009	2010	2011
Working capital (PLN '000)	current assets – current payables	832	1854	1765
Share of working capital in assets	$\frac{\text{working capital}}{\text{total assets}}$	0.08	0.18	0.17
Current liquidity ratio 1	$\frac{\text{total assets} - \text{fixed assets}}{\text{short-term payables}}$	10.32	13.90	13.57
Quick liquidity ratio 2	$\frac{\text{total assets} - \text{fixed assets} - \text{inventories} - \text{prepayments}}{\text{short-term payables}}$	7.72	11.51	11.34
Liquidity ratio 3	$\frac{\text{held-for-trading securities} + \text{cash}}{\text{short-term payables} + \text{long-term payables}}$	3.96	8.46	8.18
Coverage of payables with receivables	$\frac{\text{short-term receivables} + \text{long-term receivables}}{\text{short-term payables} + \text{long-term payables}}$	4.14	8.60	3.16
Debtor days	$\frac{\text{average receivables} * 365}{\text{sales of products} + \text{sales of goods and materials}}$	42.19	28.18	27.75
Days of supply	$\frac{\text{average inventories} * 365}{\text{own cost of products sold} + \text{value of goods and materials sold}}$	1.15	1.49	1.62
Creditor days	$\frac{\text{average trade payables} * 365}{\text{cost to manufacture products sold} + \text{value of goods and materials sold}}$	2.92	2.65	1.29

As regards financial liquidity, the Company's situation is very good. Its working capital is positive and decreased by PLN 89 000 in the audited year. Such working capital is reflected by liquidity ratios that are much above a correct threshold. The recommended liquidity ratio 1 should be at least 1.4 to 3.0, while the Company's ratio is much higher and is 13.57, which shows that the Company's financial situation is very good.

In comparison to the previous year, the coverage of payables with receivables dropped significantly and was 3.16 (2010: 8.60). However, the Company's receivables are still above its payables.

Turnover ratios in days shortened, which is a positive phenomenon.

**7. Going concern**

The audit, basic profitability, indebtedness and liquidity ratios, as well as the ratio analysis show that there are no threats to the continuation of the Company's business activities.

#### IV. FINANCIAL DATA

##### Profit and loss account

##### 1. Net sales and sales equivalents (single-step format):

	12 months to 31 December 2010	12 months to 31 December 2011
Sales of products	5 447 579.24	5 265 431.39
Change in products	-78 188.00	- 6 323.00
Sales of goods and materials	<u>11 291.89</u>	<u>10 540.60</u>
	<u>5 380 683.13</u>	<u>5 269 648.99</u>

The Company earns income mainly from the sale of services provided by its own training and recreational centres. In the profit and loss account, the Company's income is carried at net amount (without VAT). The moment the income is generated is the provision of a service for a business partner.

##### 2. Cost by type (single-step format)

	12 months to 31 December 2010	12 months to 31 December 2011
Depreciation	429 355.37	419 956.72
Material and power consumption	1 159 804.08	1 196 154.15
Outsourcing	823 971.48	782 990.52
Taxes and charges	208 656.42	231 823.53
Wages and salaries	1 997 820.25	1 749 794.01
Insurance and other benefits	396 902.03	362 015.01
Other cost by nature	564 155.80	659 902.43
Value of goods and materials sold	<u>7 204.48</u>	<u>6 779.15</u>
	<u>5 587 869.91</u>	<u>5 409 415.52</u>

Cost by nature decreased in 2010 by 3.20%, while sales and sales equivalents dropped by 2.06%, which contributed to the reduction of loss from operating activities.

The Company mainly incurs costs related to employees, material and power consumption and outsourced services since such costs form 80.08% of all costs by nature. This is caused by the specific character of the Company's services. Taking into account the growth of costs in comparison to the previous year, employee costs and taxes and charges were below that level since they increased only by 4.27%.

##### Material and power consumption

Material and power consumption increased by 3.07% in comparison to 2010. This group of expenses mainly comprises the cost of electricity, thermal energy, water and food articles bought by the Company.

#### Wages, salaries, income taxes, social insurance premiums and similar benefits

Employee costs (wages and salaries + social insurance) decreased in comparison to 2010 by 11.81%, i.e. much more than the general drop of cost by nature, which was 3.20 %.

#### Outsourcing and other expenses

Outsourcing and other expenses decreased by PLN 41 000, i.e. 4.98%, in comparison to the previous year. They mostly comprise the cost of sports events, winter and summer holidays for children, rehabilitation holidays, a rent for the Student House, centre maintenance expenses like renovations, periodical inspections, washing services, insurance, etc.

Costs by nature were correctly recognised in the Company's books and classified to the accurate period and category.

### **3. Other operating income (single-step format)**

	<b>12 months to 31 December 2010 PLN</b>	<b>12 months to 31 December 2011 PLN</b>
Commission on health-resort fees	-	2 975.00
Additional contribution to junior employee education	33 918.54	12 929.41
Profit from sale of fixed assets	432 710.75	-
Compensation from insurance	29 754.31	-
Other	<u>11 950.94</u>	<u>46.27</u>
	<u>508 334.54</u>	<u>15 932.68</u>

Additional contribution for the education of junior employees is provided by the Municipal Education Administration.

**4. Other operating expenses (single-step format):**

	<b>12 months to 31 December 2010 PLN</b>	<b>12 months to 31 December 2011 PLN</b>
Impairment of receivables	5 616.00	2 548.10
Cost of renovation of premises, paid from insurance	9 421.42	-
Other expenses	<u>441.99</u>	<u>192.58</u>
	<u>15 479.41</u>	<u>15 932.68</u>

**5. Financial income (single-step format):**

	<b>12 months to 31 December 2010 PLN</b>	<b>12 months to 31 December 2011 PLN</b>
Interest on deposits and account	21 308.98	31 161.26
Interest on receivables	<u>48.60</u>	<u>90.89</u>
	<u>21 357.58</u>	<u>31 252.15</u>

In 2011, the Company did not incur financial expenses and paid its payables on a timely basis.

Other income and expenses and operating income and financial income were recognised and evidenced correctly in the books and classified to a correct period and category.

**6. Income tax (single-step format):**

	<b>12 months to 31 December 2010 PLN</b>	<b>12 months to 31 December 2011 PLN</b>
Income tax input in accordance with CIT 8	87 999.00	0.00
Deferred income tax	<u>- 14 856.00</u>	<u>1 201.00</u>
	<u>73 143.00</u>	<u>1 201.00</u>

**7.(a) Income tax input:**

<b>Gross loss</b>	<b>95 358.38</b>
<b>Non-deductibles in 2011</b>	<b>+ 85 506.09</b>
<b>Non-deductibles of previous financial periods that are deductibles in 2011</b>	<b><u>- 14 125.02</u></b>
<b>Tax loss</b>	<b><u>23 977.31</u></b>

## 7.(b) Deferred income tax:

12 months do  
31 December 2011

Change in deferred income tax assets 1 201.00

1 201.00

Deferred income tax assets changed as a result of changes in provisions for retirement benefits.

## Balance sheet – Assets

### 7. Intangibles

	1 January 2011 PLN	31 December 2011 PLN
Other intangibles	<u>0.00</u>	<u>0.00</u>
	<u>0.00</u>	<u>0.00</u>

	Other intangibles	Total
<b>Beginning value</b>		
<i>As of 1.01.2011</i>	18 740.01	18 740.01
+ increase	669.42	669.42
- decrease	15 123.53	15 123.53
<i>As of 31.12.2011</i>	4 285.90	4 285.90
<b>Amortisation</b>		
<i>As of 1.01.2011</i>	18 740.01	18 740.01
+ current amortisation	669.42	669.42
- decrease z	15 123.53	15 123.53
<i>As of 31.12.2011</i>	4 285.90	4 285.90
<b>Net book value</b>	<b>0.00</b>	<b>0.00</b>

The Company did not record any intangibles in its balance sheet.

## 8. Changes in the gross value and amortisation of fixed assets in the audited period:

	Land	Buildings, structures	Plant and machinery	Means of transport	Other fixed assets	Fixed assets under construction	Total
<b>Beginning value</b>							
<i>As of 1.01.2011</i>	615 181.87	9 200 297.26	516 610.12	215 840.88	593 663.10	9 503.70	11 151 096.93
+ increase		101 295.03	79 582.67		11 288.36	153 189.82	345 355.88
- decrease					40 527.22	162 693.52	203 220.74
<i>As of 31.12.2011</i>	615 181.87	9 301 592.29	596 192.79	215 840.88	564 424.24	-	11 293 232.07
<b>Amortisation</b>							
<i>As of 1.01.2011</i>	63 322.24	1 729 401.66	259 082.87	95 389.56	542 551.29	-	2 689 747.62
+ current amortisation		295 318.65	44 419.32	43 168.18	36 381.15	-	419 287.30
- decrease z					40 527.22		40 527.22
<i>As of 31.12.2011</i>	63 322.24	2 24 720.31	303 502.19	138 557.74	538 405.22		3 068 507.70
<b>Net book value</b>	<b><u>551 859.63</u></b>	<b><u>7 276 871.98</u></b>	<b><u>292 690.60</u></b>	<b><u>77 283.14</u></b>	<b><u>26 019.02</u></b>		<b><u>8 224 724.37</u></b>
<b>Structure</b>	<b><u>6.71%</u></b>	<b><u>88.48%</u></b>	<b><u>3.56%</u></b>	<b><u>0.94%</u></b>	<b><u>0.31%</u></b>		<b><u>100.00%</u></b>

Fixed assets were recognised in the balance sheet as net (deducted by amortisation). Fixed assets comprise assets used for the Company's purposes, which are complete and useful as of the date they are put into operation for a period longer than a year. Fixed assets whose unit value does not exceed PLN 3 500 are recognised in the record of fixed assets and amortised on a one-off basis.

Fixed assets and intangibles are subject to depreciation deductions on the basis of the depreciation plan which specifies rates and amounts of monthly and yearly deductions.

The Company depreciates its fixed assets and intangibles at depreciation rates set out in the corporate income tax act.

## 9. Long-term prepayments

	1 January 2011 PLN	31 December 2011 PLN
Deferred income tax assets	<u>25 988.00</u>	<u>27 189.00</u>
	<u>25 988.00</u>	<u>27 189.00</u>

Long-term prepayments comprise deferred income tax to be settled in the following period.



## 10. Inventories

	1 January 2011 PLN	31 December 2011 PLN
Goods	<u>25 448.42</u>	<u>24 548.71</u>
<b>Inventories</b>	<u>25 448.42</u>	<u>24 548.71</u>

Inventories of tangible current assets comprise food and packages, which were confirmed during the inventory as of 31 December 2011. There were no inventory differences. Goods are measured at actual buying prices. Inventories are released on a FIFO basis.

## 11. Short-term receivables

	1 January 2011 PLN	31 December 2011 PLN
Trade receivables from affiliates:	364 694.90	389 693.94
up to 12 months	364 694.90	389 693.94
Trade receivables from other entities:	13 460.45	17 077.69
up to 12 months	13 114.02	8 688.93
taxes, subsidies, customs, social insurance (b)	37 887.62	18 098.95
other	34 524.29	26 849.78
<b>Gross receivables</b>	<b>450 913.69</b>	<b>451 720.36</b>
Impairment of receivables	<u>346.43</u>	<u>8 388.76</u>
<b>Net receivables</b>	<u>450 567.26</u>	<u>5 409 415.52</u>

The Company measured its trade receivables as of 31 December 2011. Unpaid receivables as of 29 February 2012 amounted PLN 8 388.76. The Company wrote those receivables down. Trade receivables are recognised in the balance sheet at an amount receivable.

## 10. Taxes, subsidies, customs, social and health insurance, and other benefits

	1 January 2011 PLN	31 December 2011 PLN
VAT to be carried forward	35 528.00	226.83
Overpaid corporate income tax	28 708.00	16 275.00
Overpaid social insurance premiums	-	1 597.129
<b>Total</b>	<u>25 448.42</u>	<u>18 098.95</u>

## 11. Other receivables

Other receivables comprise:

- loans granted from the Social Benefit Fund that are repayable within 12 months: PLN 26 849.78

## 12. Short-term investments

	1 January 2011 PLN	31 December 2011 PLN
Cash in hand	8 408.75	8 953.91
Cash in bank accounts and deposits	1 237 830.97	1 139 509.15
	<u>1 246 239.72</u>	<u>1 148 463.06</u>

The balance of cash in bank accounts and deposits was confirmed as of 31 December 2011. The balance of cash was verified during the inventory as of 31 December 2011.

## 13. Short-term prepayments

Prepayments comprise costs to be settled in future, including:

- insurance policies	6 134.46	6 875.60
- rent down payment (the rental of a centre)	174 587.44	175 925.93
- expenses to prepare premises for sale	93 864.56	96 364.56
- subscription down payment	767.41	955.14
- other expenses	3 417.00	8 944.39
	<u>278 770.87</u>	<u>289 065.62</u>

## BALANCE SHEET – EQUITY AND LIABILITIES

### 14. Equity

	1 January 2011 PLN	31 December 2011 PLN
Share capital (a)	9 562 000.00	9 562 000.00
Supplementary capital (b)	242 174.01	242 174.01
Net profit/loss of the current year (c)	<u>232 362.15</u>	<u>- 94 157.38</u>
	<u>10 036 536.16</u>	<u>9 710 016.63</u>

### 15. Share capital

The Company's share capital is recognised at an amount specified in the National Court Register, i.e. PLN 9 562 000.00, and is divided into 19 124 shares of PLN 500.00 each.

## 16. Supplementary capital

As of 1 January 2011 and 31 December 2011

242 174.01

## 17. Profit (loss) of the current financial year

In the audited period, the Company recognised PLN 94 157.38 as its net loss resulting from the accurately prepared profit and loss account .

## 18. Provisions for payables

	1 January 2011 PLN	31 December 2011 PLN
Provisions for employee benefits (a)	<u>136 778.00</u>	<u>143 101.00</u>
	<b><u>136 778.00</u></b>	<b><u>143 101.00</u></b>

The Company establishes provisions for employee benefits. The provisions were measured in accordance with the actuarial valuation thereof.

## 19. Short-term payables

	1 January 2011 PLN	31 December 2011 PLN
Payables to other entities		
- loans and advances	-	-
- trade payables of up to 12 months (a)	52 207.25	30 031.13
- taxes, subsidies, customs and insurance	20 404.00	17 520.00
- wages and salaries	-	-
Other	-	-
Special funds	<u>74 727.09</u>	<u>92 887.04</u>
	<b><u>147 338.34</u></b>	<b><u>140 438.17</u></b>

## Trade payables

They comprise all trade debts that were correctly measured and allocated to the adequate reporting period. Trade payables comprise settlements with domestic business partners. Trade payables of PLN 30 031.13 were fully paid.

## **Taxes and social insurance**

	<b>1 January 2011 PLN</b>	<b>31 December 2011 PLN</b>
Taxes, including:		
- social insurance payables to Social Insurance (ZUS)	-	-
- payables to the budget, including:		
- VAT	-	-
- personal income tax	16 170.00	13 221.00
- premiums to the Fund for Rehabilitation of the Handicapped	<u>4 234.00</u>	<u>4 299.00</u>
	<u>20 404.00</u>	<u>17 520.00</u>

Till the audit date, the tax payables of PLN 17 520.00 were paid. The Company pays social insurance premiums in the month it pays wages and salaries to its employees, i.e. on the last day of each month.

## **Wages and salaries**

There are no payables related to wages and salaries since the Company pays wages and salaries at the end of each month.

## **Special funds**

As of 31 December 2011, the Social Benefit Fund amounted PLN 92 887.04. Expenses paid from the fund to employees depend on their life, family and financial situation. All expenses are paid on a discretionary basis.

## **20. Accruals**

	<b>1 January 2011 PLN</b>	<b>31 December 2011 PLN</b>
Other accruals, including:		
- short-term accruals	<u>188 799.07</u>	<u>186 364.79</u>
	<u>188 799.07</u>	<u>186 364.79</u>

Accruals comprise prepayments made by individual persons for their accommodation with the recreational centre in Krynica in 2011 and services that have been already invoiced, but will be provided in the following year.

## **21. Additional information**

Additional information includes an introduction to the financial statements and supplementary information and explanatory notes. It was prepared in accordance with guidelines set out in the appendix to the Accounting Act.

## **22. Statement of cash flows**

The statement of cash flows was prepared on the basis of the balance sheet and the profit and loss account, as well as detailed information resulting from the Company's books.

## **23. Statement of changes in equity**

The statement presents changes in the Company's equity in the period from 1 January 2011 to 31 December 2011.

## **24. Report on the Company's activities**

The report presents business and financial operations of 2011 that are important for the Company.

The report was prepared in triplicate. The report is made of 19 consecutively numbered and initialled pages.

Bielsko - Biała, 12 March 2012

Czesława Klimunt-Kowalska, Auditor  
Reg. No. 8197