



**J&T SECURITIES MANAGEMENT  
LIMITED**

REPORT AND FINANCIAL STATEMENTS  
31 December 2014

# J&T SECURITIES MANAGEMENT LIMITED

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## REPORT AND FINANCIAL STATEMENTS

31 December 2014

<b>CONTENTS</b>	<b>PAGE</b>
Board of Directors and other Officers	1
Report of the Board of Directors	2
Independent auditor's report	3 - 4
Statement of profit or loss and other comprehensive income	5
Statement of financial position	6
Statement of changes in equity	7
Cash flow statement	8
Notes to the financial statements	9 - 33
Additional information to the Statement of profit or loss and other comprehensive income	34 - 37

# J&T SECURITIES MANAGEMENT LIMITED

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## BOARD OF DIRECTORS AND OTHER OFFICERS

<b>Board of Directors:</b>	Jarmila Janosova
<b>Company Secretary:</b>	PA.TY. Secretarial Limited
<b>Independent Auditors:</b>	KPSA CHARTERED ACCOUNTANTS 15 Themistokli Dervi Street 1st floor, P.O. Box 27040 1641, Nicosia Cyprus
<b>Registered office:</b>	Akropoleos, 59-61 SAVVIDES CENTER, 1st floor, Flat / Office 102 P.C. 2012, Nicosia, Cyprus
<b>Banker:</b>	J&T Banka, a.s.
<b>Registration number:</b>	HE260821

# J&T SECURITIES MANAGEMENT LIMITED

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## REPORT OF THE BOARD OF DIRECTORS

The Board of Directors presents its report and audited financial statements of the Company for the year ended 31 December 2014.

### **Principal activities**

The principal activities of the Company, which are unchanged from last year, are the holding of investments and trading in listed securities, as well as the provision of financing.

### **Review of current position, future developments and significant risks**

The Company's development to date, financial results and position as presented in the financial statements are not considered satisfactory and the Board of Directors is making an effort to reduce the Company losses.

The main risks and uncertainties faced by the Company and the steps taken to manage these risks, are described in note 3 of the financial statements.

### **Results**

The Company's results for the year are set out on page 5.

### **Dividends**

The Board of Directors does not recommend the payment of a dividend.

### **Share capital**

There were no changes in the share capital of the Company during the year under review.

### **Board of Directors**

The member of the Company's Board of Directors as at 31 December 2014 and at the date of this report is presented on page 1. The sole director was a member of the Board of Directors throughout the year ended 31 December 2014.

In accordance with the Company's Articles of Association the sole director presently member of the Board continues in office.

There were no significant changes in the remuneration of the Board of Directors.

### **Independent Auditors**

The Independent Auditors, KPSA, have expressed their willingness to continue in office and a resolution giving authority to the Board of Directors to fix their remuneration will be proposed at the Annual General Meeting.

By order of the Board of Directors,



PA.TY. SECRETARIAL LIMITED  
Secretary

Nicosia, 28 April 2015

**KPSA**

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Cyprus

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1066 Nicosia  
Cyprus

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Internet: www.kpsa.com.cy

## **Independent auditor's report**

### **To the Members of J&T Securities Management Limited**

#### **Report on the financial statements**

We have audited the accompanying financial statements of J&T Securities Management Limited (the "Company"), which comprise the statement of financial position as at 31 December 2014, and the statement of profit or loss and other comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### *Board of Directors' responsibility for the financial statements*

The Board of Directors is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### *Auditor's responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Opinion*

In our opinion, the financial statements give a true and fair view of the financial position of J&T Securities Management Limited as at 31 December 2014, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

## Independent auditor's report (continued)

### To the Members of J&T Securities Management Limited

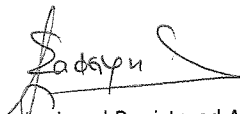
#### Report on other legal requirements

Pursuant to the additional requirements of the Auditors and Statutory Audits of Annual and Consolidated Accounts Laws of 2009 and 2013, we report the following:

- We have obtained all the information and explanations we considered necessary for the purposes of our audit.
- In our opinion, proper books of account have been kept by the Company, so far as appears from our examination of these books.
- The Company's financial statements are in agreement with the books of account.
- In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Cyprus Companies Law, Cap. 113, in the manner so required.
- In our opinion, the information given in the report of the Board of Directors is consistent with the financial statements.

#### Other matter

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 34 of the Auditors and Statutory Audits of Annual and Consolidated Accounts Laws of 2009 and 2013 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.

  
Stelios Saphiris  
Certified Public Accountant and Registered Auditor  
for and on behalf of

**KPSA**  
**CHARTERED ACCOUNTANTS**

Nicosia, 28 April 2015

# J&T SECURITIES MANAGEMENT LIMITED

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 December 2014

	Note	2014 €	2013 €
<b>Revenue</b>	5	<b>3.281.358</b>	6.530.587
Net profit from investing activities	6	<b>712.235</b>	1.504.016
Change in fair value of derivative financial instruments		<b>(454.902)</b>	(731.772)
Administration expenses		<b>(79.573)</b>	(54.834)
Other expenses	7	<b>(48.167)</b>	(115.903)
<b>Operating profit</b>	8	<b>3.410.951</b>	7.132.094
Finance costs	9	<b>(5.593.584)</b>	(5.066.473)
<b>(Loss)/profit before tax</b>		<b>(2.182.633)</b>	2.065.621
Tax	10	<b>(109.681)</b>	(163.246)
<b>Net (loss)/profit for the year</b>		<b>(2.292.314)</b>	1.902.375
<b>Other comprehensive income</b>		<b>-</b>	-
<b>Total comprehensive (expense) / income for the year</b>		<b>(2.292.314)</b>	1.902.375

The notes on pages 9 to 33 form an integral part of these financial statements.

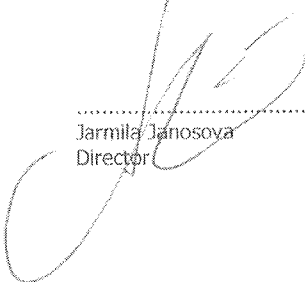
# J&T SECURITIES MANAGEMENT LIMITED

## STATEMENT OF FINANCIAL POSITION

31 December 2014

	Note	2014 €	2013 €
<b>ASSETS</b>			
<b>Non-current assets</b>			
Non-current loans receivable	12	<u>68.505.571</u>	-
		<u>68.505.571</u>	-
<b>Current assets</b>			
Trade and other receivables	13	130.721	15.132.217
Loans receivable	12	4.822.093	34.130.682
Available-for-sale financial assets	11	-	36.284.345
Financial assets at fair value through profit or loss	14	40.194.378	24.239.826
Cash at bank and in hand	15	<u>1.546</u>	414
		<u>45.148.738</u>	109.787.484
<b>Total assets</b>		<u>113.654.309</u>	109.787.484
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	16	11.000	11.000
Share premium		50.914.000	50.914.000
Retained earnings		<u>4.914.061</u>	7.206.375
<b>Total equity</b>		<u>55.839.061</u>	58.131.375
<b>Non-current liabilities</b>			
Borrowings	17	<u>35.432.860</u>	-
		<u>35.432.860</u>	-
<b>Current liabilities</b>			
Trade and other payables	18	1.355.340	316.713
Borrowings	17	20.967.367	51.176.150
Current tax liabilities	19	<u>59.681</u>	163.246
		<u>22.382.388</u>	51.656.109
<b>Total liabilities</b>		<u>57.815.248</u>	51.656.109
<b>Total equity and liabilities</b>		<u>113.654.309</u>	109.787.484

On 28 April 2015 the Board of Directors of J&T Securities Management Limited authorised these financial statements for issue.

  
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Jarmila Janosova  
Director

The notes on pages 9 to 33 form an integral part of these financial statements.



# J&T SECURITIES MANAGEMENT LIMITED

## STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2014

	Share capital €	Share premium €	Treasury debentures €	Retained earnings €	Total €
<b>Balance at 1 January 2013</b>	<b>11.000</b>	<b>50.914.000</b>	-	<b>5.304.000</b>	<b>56.229.000</b>
<b>Comprehensive income</b>					
Net profit for the year	-	-	-	1.902.375	1.902.375
<b>Balance at 31 December 2013/ 1 January 2014</b>	<b>11.000</b>	<b>50.914.000</b>	-	<b>7.206.375</b>	<b>58.131.375</b>
<b>Comprehensive income</b>					
Net loss for the year	-	-	-	(2.292.314)	(2.292.314)
<b>Balance at 31 December 2014</b>	<b>11.000</b>	<b>50.914.000</b>	-	<b>4.914.061</b>	<b>55.839.061</b>

Share premium is not available for distribution.

Companies which do not distribute 70% of their profits after tax, as defined by the relevant tax law, within two years after the end of the relevant tax year, will be deemed to have distributed as dividends 70% of these profits. Special contribution for defence at 20% for the tax years 2012 and 2013 and 17% for 2014 and thereafter will be payable on such deemed dividends to the extent that the shareholders (companies and individuals) are Cyprus tax residents. The amount of deemed distribution is reduced by any actual dividends paid out of the profits of the relevant year at any time. This special contribution for defence is payable by the Company for the account of the shareholders.

The notes on pages 9 to 33 form an integral part of these financial statements.

# J&T SECURITIES MANAGEMENT LIMITED

## CASH FLOW STATEMENT

Year ended 31 December 2014

	2014	2013
Note	€	€
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>(Loss)/profit before tax</b>	<b>(2,182,633)</b>	2,065,621
Adjustments for:		
Exchange difference arising on the translation of non current assets in foreign currencies	-	368,082
Unrealised exchange loss /(profit)	<b>77,963</b>	(390,188)
Profit from the sale of available-for-sale financial assets	<b>(169,123)</b>	(31,248)
Profit from the sale of financial assets at fair value through profit or loss	<b>(39,517)</b>	-
Change in fair value of derivative financial instruments	<b>454,902</b>	731,772
Fair value losses/(gains) on financial assets at fair value through profit or loss	<b>2,424,260</b>	(1,246,174)
Dividend income	5 <b>(10,737)</b>	(522,611)
Interest income	5 <b>(1,976,275)</b>	(4,549,105)
Interest expense	9 <b>1,785,089</b>	3,784,057
	<b>363,929</b>	210,206
<b>Cash flows from operations before working capital changes</b>	<b>23,313,738</b>	(13,896,065)
Decrease/(increase) in trade and other receivables	<b>(18,343,729)</b>	12,595,515
(Increase)/decrease in financial assets at fair value through profit or loss	<b>(454,902)</b>	(731,772)
Increase in derivative financial instruments	<b>1,038,627</b>	139,733
Increase in trade and other payables	<b>5,917,663</b>	(1,682,383)
<b>Cash flows from/(used in) operations</b>	<b>1,079,582</b>	4,474,532
Interest received	<b>10,737</b>	522,611
Dividends received	<b>(213,246)</b>	(61,148)
Tax paid	<b>6,794,736</b>	3,253,612
<b>Net cash flows from operating activities</b>	<b>6,794,736</b>	3,253,612
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payment for purchase of available-for-sale financial assets	<b>(30,067,549)</b>	(216,587,458)
Loans granted	<b>(85,389,495)</b>	(27,399,841)
Loans repayments received	<b>38,799,033</b>	21,445,599
Proceeds from sale of available-for-sale financial assets	<b>66,521,017</b>	198,435,088
<b>Net cash flows used in investing activities</b>	<b>(10,136,994)</b>	(24,106,612)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payments on repurchase of own debentures	<b>(7,030,920)</b>	-
Repayments of borrowings	<b>(137,173,248)</b>	(209,771,835)
Proceeds from borrowings	<b>106,394,605</b>	234,474,267
Unrealised exchange (loss)	<b>(168,776)</b>	(323,281)
Interest paid	<b>(1,113,764)</b>	(3,526,138)
Proceeds from issue of debentures	<b>43,238,400</b>	-
Repayment of expenses from issue of debentures	<b>(802,907)</b>	-
<b>Net cash flows from financing activities</b>	<b>3,343,390</b>	20,853,013
<b>Net increase in cash and cash equivalents</b>	<b>1,132</b>	13
Cash and cash equivalents:		
At beginning of the year	<b>414</b>	401
<b>At end of the year</b>	15 <b>1,546</b>	414

The notes on pages 9 to 33 form an integral part of these financial statements.

# J&T SECURITIES MANAGEMENT LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

### 1. Incorporation and principal activities

#### Country of incorporation

The Company J&T Securities Management Limited (the "Company") was incorporated in Cyprus on 14 January 2010 as a private limited liability company under the Cyprus Companies Law, Cap. 113. Its registered office is at Akropoleos, 59-61, SAVVIDES CENTER, 1st floor, Flat / Office 102, P.C. 2012, Nicosia, Cyprus.

#### Principal activities

The principal activities of the Company, which are unchanged from last year, are the holding of investments and trading in listed securities, as well as the provision of financing.

### 2. Accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented in these financial statements unless otherwise stated.

#### Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) and the requirements of the Cyprus Companies Law, Cap.113. The financial statements have been prepared under the historical cost convention as modified by the revaluation of land and buildings, investment property, available-for-sale financial assets, and financial assets and financial liabilities at fair value through profit or loss.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires Management to exercise its judgment in the process of applying the Company's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on Management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

#### Adoption of new and revised IFRSs

During the current year the Company adopted all the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning on 1 January 2014. This adoption did not have a material effect on the accounting policies of the Company.

At the date of approval of these financial statements, standards and interpretations were issued by the International Accounting Standards Board which were not yet effective. Some of them were adopted by the European Union and others not yet. The Board of Directors expects that the adoption of these accounting standards in future periods will not have a material effect on the financial statements of the Company.

# J&T SECURITIES MANAGEMENT LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

### 2. Accounting policies (continued)

#### Revenue recognition

Revenues earned by the Company are recognised on the following bases:

- **Income from investments in securities**

Dividend from investments in securities is recognised when the right to receive payment is established. Withheld taxes are transferred to profit or loss. Interest from investments in securities is recognised on an accruals basis.

Profits or losses from the sale of investments in securities represent the difference between the net proceeds and the carrying amount of the investments sold and is transferred to profit or loss.

The difference between the fair value of investments at fair value through profit or loss as at 31 December 2014 and the mid cost price represents unrealised gains and losses and is included in profit or loss in the period in which it arises. Unrealised gains and losses arising from changes in the fair value of available-for-sale financial assets are recognised in equity. When available-for-sale financial assets are sold or impaired, the accumulated fair value adjustments are included in profit or loss as fair value gains or losses on investments, taking into account any amounts charged or credited to profit or loss in previous periods.

- **Interest income**

Interest income is recognised on a time-proportion basis using the effective interest method.

- **Dividend income**

Dividend income is recognised when the right to receive payment is established.

#### Finance income

Finance income includes interest income which is recognised based on an accrual basis.

#### Finance costs

Interest expense and other borrowing costs are charged to profit or loss as incurred.

#### Foreign currency translation

(1) **Functional and presentation currency**

Items included in the Company's financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Euro (€), which is the Company's functional and presentation currency.

(2) **Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. Translation differences on non-monetary items such as equities held at fair value through profit or loss are reported as part of the fair value gain or loss.

# J&T SECURITIES MANAGEMENT LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

### 2. Accounting policies (continued)

#### **Tax**

Current tax liabilities and assets are measured at the amount expected to be paid to or recovered from the taxation authorities, using the tax rates and laws that have been enacted, or substantively enacted, by the reporting date.

#### **Dividends**

Dividend distribution to the Company's shareholders is recognised in the Company's financial statements in the year in which they are approved by the Company's shareholders.

#### **Financial instruments**

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

#### Trade receivables

Trade receivables are measured at initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

#### Loans granted

Loans originated by the Company by providing money directly to the borrower are categorised as loans and are carried at amortised cost. This is defined as the fair value of cash consideration given to originate those loans as is determined by reference to market prices at origination date. All loans are recognised when cash is advanced to the borrower.

An allowance for loan impairment is established if there is objective evidence that the Company will not be able to collect all amounts due according to the original contractual terms of loans. The amount of the provision is the difference between the carrying amount and the recoverable amount, being the present value of expected cash flows including amounts recoverable from guarantees and collateral, discounted at the original effective interest rate of loans.

# J&T SECURITIES MANAGEMENT LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

### 2. Accounting policies (continued)

#### Financial instruments (continued)

##### Financial assets

##### *(1) Classification*

The Company classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available for-sale financial assets. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of financial assets at initial recognition.

- Financial assets at fair value through profit or loss

This category has two sub-categories: financial assets held for trading and those designated at fair value through profit or loss at inception. A financial asset is classified as held for trading if acquired principally for the purpose of selling in the short term. Financial assets designated as at fair value through profit or loss at inception are those that are managed and their performance is evaluated on a fair value basis, in accordance with the Company's documented investment strategy. Information about these financial assets is provided internally on a fair value basis to the Company's key management personnel. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within twelve months from the reporting date.

- Loans and receivables

Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market and for which there is no intention of trading the receivable. They are included in current assets, except for maturities greater than twelve months after the reporting date. These are classified as non current assets. The Company's loans and receivables comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

- Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets, unless management intends to dispose of the investment within twelve months of the reporting date.

##### *(2) Recognition and measurement*

Regular way purchases and sales of financial assets are recognised on trade-date which is the date on which the Company commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in profit or loss. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are carried at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of the "financial assets at fair value through profit or loss" category are presented in profit or loss in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the profit or loss when the Company's right to receive payments is established.

# J&T SECURITIES MANAGEMENT LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

### 2. Accounting policies (continued)

#### Financial instruments (continued)

##### Financial assets (continued)

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Company establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same and discounted cash flow analysis, making maximum use of market inputs and relying as little as possible on entity specific inputs. Equity investments for which fair values cannot be measured reliably are recognised at cost less impairment.

Changes in the fair value of monetary securities denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. The translation differences on monetary securities are recognised in profit or loss, while translation differences on non-monetary securities are recognised in other comprehensive income. Changes in the fair value of monetary and non-monetary securities classified as available-for-sale are recognised in other comprehensive income.

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in other comprehensive income are included in profit or loss as gains and losses on available-for-sale financial assets.

Interest on available-for-sale securities calculated using the effective interest method is recognised in the profit or loss. Dividends on available-for-sale equity instruments are recognised in profit or loss when the Company's right to receive payments is established.

The Company assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets the cumulative loss which is measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss, is removed from equity and recognised in profit or loss.

For financial assets measured at amortised cost, if in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of available for sale equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. In respect of available for sale debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

##### Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprise cash at bank and in hand.

# J&T SECURITIES MANAGEMENT LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

### 2. Accounting policies (continued)

#### Financial instruments (continued)

##### Borrowings

Borrowings are recorded initially at the proceeds received, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

##### Trade payables

Trade payables are initially measured at fair value and are subsequently measured at amortised cost, using the effective interest rate method.

##### Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

##### Derivatives

Derivative financial instruments are initially accounted for at cost and subsequently measured at fair value. Fair value is calculated using the current values, discounted cash flow analysis or option valuation methods. Derivatives are recorded as assets when their fair value is positive and as liabilities when their fair value is negative. The adjustments on the fair value of derivatives held at fair value through profit or loss are transferred to profit or loss.

#### **Derecognition of financial assets and liabilities**

##### Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired;
- the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- the Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

##### Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.



# J&T SECURITIES MANAGEMENT LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

### 2. Accounting policies (continued)

#### Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the statement of financial position.

#### Share capital

Ordinary shares are classified as equity. The difference between the fair value of the consideration received by the Company and the nominal value of the share capital being issued is taken to the share premium account.

#### Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Company expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

#### Non-current liabilities

Non-current liabilities represent amounts that are due more than twelve months from the reporting date.

#### Comparatives

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

### 3. Financial risk management

#### Financial risk factors

The Company is exposed to market price risk, interest rate risk, credit risk, liquidity risk, currency risk and capital risk management arising from the financial instruments it holds. The risk management policies employed by the Company to manage these risks are discussed below:

#### 3.1 Market price risk

Market price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices. The Company's available-for-sale financial assets and financial assets at fair value through profit or loss are susceptible to market price risk arising from uncertainties about future prices of the investments. The Company's market price risk is managed through diversification of the investment portfolio.

#### 3.2 Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. Borrowings issued at variable rates expose the Company to cash flow interest rate risk. Borrowings issued at fixed rates expose the Company to fair value interest rate risk. The Company's management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

# J&T SECURITIES MANAGEMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

### 3. Financial risk management (continued)

#### 3.3 Credit risk

Credit risk arises when a failure by counter parties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the reporting date. The Company has no significant concentration of credit risk. The Company has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history and monitors on a continuous basis the ageing profile of its receivables.

#### 3.4 Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The Company has procedures with the object of minimising such losses such as maintaining sufficient cash and other highly liquid current assets and by having available an adequate amount of committed credit facilities.

The following tables detail the Company's remaining contractual maturity for its financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows.

<b>31 December 2014</b>	Carrying amounts	Contractual cash flows	3 months or less	Between 3-12 months	Between 1-5 years	More than 5 years
	€	€	€	€	€	€
Bank loans	15.433.023	15.433.023	13.767.780	1.665.243	-	-
Debentures	35.897.313	35.897.313	-	464.453	35.432.860	-
Other loans	4.813.913	4.813.913	-	4.813.913	-	-
Trade and other payables	1.339.901	1.339.901	-	1.339.901	-	-
Loans from related companies	255.978	255.978	-	255.978	-	-
	<b>57.740.128</b>	<b>57.740.128</b>	<b>13.767.780</b>	<b>8.539.488</b>	<b>35.432.860</b>	<b>-</b>

31 December 2013	Carrying amounts	Contractual cash flows	3 months or less	Between 3-12 months	Between 1-5 years	More than 5 years
	€	€	€	€	€	€
Bank loans	18.632.024	18.632.024	14.498.083	4.133.941	-	-
Trade and other payables	300.946	300.946	-	300.946	-	-
Loans from related companies	32.544.126	32.544.126	-	32.544.126	-	-
	<b>51.477.096</b>	<b>51.477.096</b>	<b>14.498.083</b>	<b>36.979.013</b>	<b>-</b>	<b>-</b>

#### 3.5 Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Company's measurement currency. The Company is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the Euro, US Dollar and Czech koruna. The Company's management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

#### 3.6 Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Company's overall strategy remains unchanged from last year.

#### Fair value estimation

The fair values of the Company's financial assets and liabilities approximate their carrying amounts at the reporting date.

# J&T SECURITIES MANAGEMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

### 4. Critical accounting estimates and judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

- **Provision for bad and doubtful debts**

The Company reviews its trade and other receivables for evidence of their recoverability. Such evidence includes the customer's payment record and the customer's overall financial position. If indications of irrecoverability exist, the recoverable amount is estimated and a respective provision for bad and doubtful debts is made. The amount of the provision is charged through profit or loss. The review of credit risk is continuous and the methodology and assumptions used for estimating the provision are reviewed regularly and adjusted accordingly.

- **Income taxes**

Significant judgment is required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

- **Fair value of financial assets**

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Company uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at each reporting date. The fair value of the financial assets available for sale has been estimated based on the fair value of these individual assets.

- **Impairment of available-for-sale financial assets**

The Company follows the guidance of IAS 39 in determining when an investment is other-than-temporarily impaired. This determination requires significant judgment. In making this judgment, the Company evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost and the financial health and near-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

### 5. Revenue

	2014	2013
	€	€
Dividend income	10.737	522.611
Interest income	200.919	3.326.681
Loan interest income	1.775.356	1.222.424
Net gain on trading in financial instruments	1.294.346	212.697
Net fair value gains on financial assets at fair value through profit or loss	-	1.246.174
	<u>3.281.358</u>	<u>6.530.587</u>

# J&T SECURITIES MANAGEMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

### 6. Net profit from investing activities

	2014	2013
	€	€
Profit from sale of available-for-sale financial assets	169.123	37.443
Profit from sale of financial assets at fair value through profit or loss	40.012	-
Exchange profit	2.927.855	1.472.768
Loss from sale of available-for-sale financial assets	-	(6.195)
Loss from sales of financial assets at fair value through profit or loss	(495)	-
Fair value losses on financial assets at fair value through profit or loss	(2.424.260)	-
	<u>712.235</u>	<u>1.504.016</u>

### 7. Other expenses

	2014	2013
	€	€
Broker commission and charges	48.167	115.903
	<u>48.167</u>	<u>115.903</u>

### 8. Operating profit

	2014	2013
	€	€
Operating profit is stated after (crediting)/charging the following items:		
Profit from sale of available-for-sale financial assets (Note 11)	(169.123)	(37.443)
Directors' fees	476	472
Auditors' remuneration for the statutory audit of annual accounts	13.000	13.000
Auditors' remuneration - prior years	2.470	2.340
	<u>2.470</u>	<u>2.340</u>

### 9. Finance costs

	2014	2013
	€	€
<b>Finance costs</b>		
<b>Interest expense</b>		
Loan interest	698.268	2.953.696
Bank overdraft interest	566	248
Loan interest on REPO agreements	611.439	825.561
Debenture interest	474.816	-
Interest on taxes	-	4.552
<b>Other finance expenses</b>		
Bank charges	30	9
<b>Net foreign exchange transaction losses</b>		
Realised exchange loss	3.268.950	1.090.997
Unrealised exchange loss	539.515	191.410
	<u>5.593.584</u>	<u>5.066.473</u>

# J&T SECURITIES MANAGEMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

### 10. Tax

	2014	2013
	€	€
Corporation tax - current year	<u>109.681</u>	163.246
<b>Charge for the year</b>	<u><b>109.681</b></u>	<u>163.246</u>

The tax on the Company's results before tax differs from the theoretical amount that would arise using the applicable tax rates as follows:

	2014	2013
	€	€
(Loss)/profit before tax	<u>(2.182.633)</u>	<u>2.065.621</u>
Tax calculated at the applicable tax rates	<u>(272.829)</u>	258.203
Tax effect of expenses not deductible for tax purposes	<u>868.545</u>	215.428
Tax effect of allowances and income not subject to tax	<u>(491.461)</u>	(325.226)
10% additional charge	<u>5.426</u>	14.841
<b>Tax charge</b>	<u><b>109.681</b></u>	<u>163.246</u>

The corporation tax rate is 12,5%.

Under certain conditions interest income may be subject to defence contribution at the rate of 30%. In such cases this interest will be exempt from corporation tax. In certain cases, dividends received from abroad may be subject to defence contribution at the rate of 20% for the tax years 2012 and 2013 and 17% for 2014 and thereafter.

### 11. Available-for-sale financial assets

	2014	2013
	€	€
Balance at 1 January	<u>36.284.345</u>	18.414.464
Additions	<u>30.067.549</u>	216.587.458
Disposals	<u>(66.552.813)</u>	(201.676.176)
Interest for the year	<u>200.919</u>	3.326.681
Exchange differences	<u>-</u>	(368.082)
<b>Balance at 31 December</b>	<u><b>-</b></u>	<u>36.284.345</u>
Current portion	<u>-</u>	<u>36.284.345</u>

	Fair values	Cost	Fair values	Cost
	2014	2014	2013	2013
	€	€	€	€
Securities listed on a Stock Exchange	<u>-</u>	<u>-</u>	<u>36.284.345</u>	<u>36.230.000</u>
	<u>-</u>	<u>-</u>	<u>36.284.345</u>	<u>36.230.000</u>

Available-for-sale financial assets, comprising principally marketable equity securities, are fair valued annually at the close of business on 31 December. For investments traded in active markets, fair value is determined by reference to Stock Exchange quoted bid prices. For other investments, fair value is estimated by reference to the current market value of similar instruments or by reference to the discounted cash flows of the underlying assets. Equity investments for which fair values cannot be measured reliably are recognised at cost less impairment.

Available-for-sale financial assets are classified as non-current assets, unless they are expected to be realised within twelve months from the reporting date or unless they will need to be sold to raise operating capital.

# J&T SECURITIES MANAGEMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

### 11. Available-for-sale financial assets (continued)

The following are included in profit or loss with respect to available-for-sale financial assets:

	2014	2013
	€	€
Profit from sale of available-for-sale financial assets	169.123	37.443
Loss from sale of available-for-sale financial assets	-	(6.195)
Net profit on available-for-sale financial assets	<u>169.123</u>	<u>31.248</u>

During 2013, the following significant transactions were concluded:

(i) On 13 September 2013, the Company ("Purchaser") entered into a "Contract on Purchase of Securities" with Mingle Consultancy Limited ("Seller"), for the acquisition of 12.000 bonds in Istrokapital, CZ a.s., of nominal value of €500,00 per bond. The purchase consideration for the bonds acquired is €6.455.000.

(ii) On 31 December 2013, the Company ("Seller") entered into a "Contract on Purchase of Securities" with Stomarli Holdings Limited ("Purchaser"), for the disposal of 15.850 bonds in Istrokapital, CZ a.s., of nominal value of €500,00 per bond. The purchase consideration for the bonds disposed is €7.969.027,78.

On 31 December 2013, the Company held 22.474 listed coupon bonds in J&T Global Finance III, s.r.o. held with J&T Banka, a.s. and 13.756 bonds in J&T Global Finance III, s.r.o. held with PPF banka a.s. The 13.756 bonds in J&T Global Finance III, s.r.o. are used as a pledge on the REPO agreement with PPF banka a.s. Based on the agreement, the Company sold and agreed to purchase back these bonds for a total of €10.999.297,60 plus interest.

During 2014, the Company disposed all listed coupon bonds held.

### 12. Non-current loans receivable

	2014	2013
	€	€
Balance at 1 January	34.130.682	11.051.808
New loans granted	85.389.495	27.399.841
Repayments	(39.677.696)	(22.647.795)
Interest charged	1.775.356	1.222.424
Adjusting entry with Loan payable	-	17.104.404
Assignment of loans	(8.312.242)	-
Exchange differences	22.069	-
<b>Balance at 31 December</b>	<u>73.327.664</u>	<u>34.130.682</u>
	2014	2013
	€	€
Loans receivable	-	7.970.338
Loans to related companies (Note 20)	<u>73.327.664</u>	<u>26.160.344</u>
	73.327.664	34.130.682
Less current portion	<u>(4.822.093)</u>	<u>(34.130.682)</u>
Non-current portion	<u>68.505.571</u>	<u>-</u>

# J&T SECURITIES MANAGEMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

### 12. Non-current loans receivable (continued)

The loans are repayable as follows:

	2014	2013
	€	€
Within one year	4.822.093	34.130.682
Between one and five years	<u>68.505.571</u>	-
	<u>73.327.664</u>	<u>34.130.682</u>

The exposure of the Company to credit risk is reported in note 3 of the financial statements.

The fair values of non-current receivables approximate to their carrying amounts as presented above.

Loans receivable relate to the following:

(i) On 26 November 2012, the Company ("Creditor") entered into a Credit Contract with J&T Private Equity B.V. ("Debtor") for the provision of a loan with a credit limit in the amount of €20.000.000, which bears interest at the rate of 4% per annum and is repayable until 30 December 2013.

Per Amendment No.1 signed on 1st January 2013, the credit limit increased to €35.000.000.

The parties have agreed that part of the amount by which the credit limit is increased by this Amendment No.1, is represented by the amount of €17.104.403,71 which is deemed as provided by signing the Credit Contract 07/JSML/2013 by both parties on 1st January 2013.

The parties confirm that the provided principal of the loan is in the amount of €28.121.290,29 on the date of signing of Amendment No.1, i.e. 1st January 2013.

According to Amendment No.2 signed on 17 May 2013, the credit limit increased to €44.000.000.

Per Amendment No.3 signed on 30 December 2013, the repayment date was extended until 31 December 2014.

According to the Novation Agreement signed on 1st January 2014, the parties agree to replace the outstanding obligations originating from the Credit Contract.

On the date of signing the Novation Agreement, the Debtor owes to the Creditor the amount of €26.160.343,58 ("Obligation 1"), consisting of principal €26.106.503,89 and accrued interest €53.839,69.

The Parties have agreed that Obligation 1 becomes extinct on the day of signing the Novation Agreement, and the total amount owed shall be replaced by four new loans according to New Credit Contracts between the Parties as follows:

- (1) Credit Contract 8/JSML/2014 with the principal amount of €18.628.341,45;
- (2) Credit Contract 9/JSML/2014 with the principal amount of €1.459.654,98;
- (3) Credit Contract 10/JSML/2014 with the principal amount of €2.488.377,23; and
- (4) Credit Contract 11/JSML/2014 with the principal amount of €3.583.969,92.

(ii) On 31 December 2013, the Company ("Seller") entered into a "Contract on Purchase of Securities" with Stomarli Holdings Limited ("Purchaser"), for the disposal of 15.850 bonds in Istrokapital, CZ a.s., of nominal value of €500,00 per bond. The purchase consideration for the bonds disposed is €7.969.027,78, bears interest at the rate of 6% per annum and is payable until 30 June 2014.

On 31 December 2013, the Company concluded a "Subordination Agreement" with Stomarli Holdings Limited ("Debtor") and other Senior Creditors and Subordinated Creditors, according to which out of the total balance of €7.970.337,76 on 31 December 2013 (principal €7.969.027,78 and accrued interest €1.309,98) due by the Debtor, the amount of €7.900.000 is considered to be subordinated debt.

Therefore, the Debtor and Subordinated Creditors (with the Company being one of them) agree that any discharge of all or any part of the subordinated obligations shall be deferred and subordinated to a full and complete discharge of all of the priority obligations.

# J&T SECURITIES MANAGEMENT LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

### 12. Non-current loans receivable (continued)

The subordination of the subordinated obligations shall apply until the full and complete discharge of all priority obligations.

However, on 19 September 2014, the Company ("Assignor") assigned the loan receivable from Stomarli Holdings Limited ("Debtor") to Milees Limited ("Assignee"), amounting to €8.312,241,80 (outstanding principal €7.969.027,78 and accrued interest €343.214,02), for the remuneration of €8.312,241,80. The remuneration was received on 19 September 2014.

(iii) On 1st January 2014, the Company ("Creditor") concluded the following Credit Contracts with J&T Private Equity B.V. ("Debtor"):

(1) Credit Contract 8/JSML/2014 for a loan with a credit limit of €38.000.000, bearing interest at the 2 weekly repo announced by the European Central Bank (ECB) plus a margin of 1% per annum, which is repayable until 31 December 2016.

The amount of €18.628.341,45 arising from the Termination Agreement signed on 1st January 2014 is part of this loan.

(2) Credit Contract 9/JSML/2014 for a loan with a credit limit of €5.000.000, bearing interest at 4,75% per annum, which is repayable until 31 December 2016.

The amount of €1.459.654,98 arising from the Termination Agreement signed on 1st January 2014 is part of this loan.

(3) Credit Contract 10/JSML/2014 for a loan with a credit limit of €5.000.000, bearing interest at 6,15% per annum, which is repayable until 31 December 2016.

The amount of €2.488.377,23 arising from the Termination Agreement signed on 1st January 2014 is part of this loan.

(4) Credit Contract 11/JSML/2014 for a loan with a credit limit of €5.000.000, bearing interest at 6,95% per annum, which is repayable until 31 December 2016.

The amount of €3.583.969,92 arising from the Termination Agreement signed on 1st January 2014 is part of this loan.

(iv) Additional Agreements concluded during 2014 relate to the following:

(1) On 31 January 2014, the Company ("Creditor") concluded Credit Contract 12/JSML/2014 with J&T Private Equity B.V. ("Debtor") for a loan with a credit limit of €2.500.000, bearing interest at 2,80% per annum, which is repayable until 31 December 2016.

The loan was fully settled on 06 June 2014.

(2) On 10 March 2014, the Company ("Creditor") concluded Credit Contract 13/JSML/2014 with J&T Private Equity B.V. ("Debtor") for a loan with a credit limit of €2.000.000, bearing interest at 6,75% per annum, which is repayable until 31 December 2016.

(3) On 12 March 2014, the Company ("Creditor") concluded Credit Contract 14/JSML/2014 with J&T Private Equity B.V. ("Debtor") for a loan with a credit limit of €5.000.000, bearing interest at 4,05% per annum, which is repayable until 31 December 2016.

The loan was fully settled on 01 August 2014.

(4) On 27 June 2014, the Company ("Creditor") concluded Credit Contract 16/JSML/2014 with J&T Private Equity B.V. ("Debtor") for a loan with a credit limit of CZK 100.000.000, bearing interest at 4,85% per annum, which is repayable until 27 December 2014.

Per Amendment No.1 signed on 02 September 2014, the credit limit increased to CZK 104.650.000.



# J&T SECURITIES MANAGEMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

### 12. Non-current loans receivable (continued)

Per Amendment No.2 signed on 10 December 2014, the repayment date has been extended until 01 June 2015.

(5) On 08 July 2014, the Company ("Creditor") concluded Credit Contract 18/JSML/2014 with J&T Private Equity B.V. ("Debtor") for a loan with a credit limit of €934.093,18, bearing interest at 4,85% per annum, which is repayable until 08 January 2015.

Per Amendment No.1 signed on 05 January 2015, the repayment date has been extended until 01 June 2015.

(6) On 10 September 2014, the Company ("Creditor") concluded Credit Contract 19/JSML/2014 with J&T Private Equity B.V. ("Debtor") for a loan with a credit limit of €11.500.000, bearing interest at 8,35% per annum, which is repayable until 31 December 2016.

(7) On 19 September 2014, the Company ("Creditor") concluded Credit Contract 20/JSML/2014 with J&T Private Equity B.V. ("Debtor") for a loan with a credit limit of €1.000.000, bearing interest at the 2 weekly repo announced by the European Central Bank (ECB) plus a margin of 1% per annum, which is repayable until 31 December 2016.

(8) On 19 September 2014, the Company ("Assignor") entered into an Assignment Agreement with Milees Limited ("Assignee") for the assignment of the receivable towards Stomarli Holdings Limited amounting to €8.312.241,80, which consists of principal in the amount of €7.969.027,78 and accrued interest in the amount of €343.214,02, which results from the Contract on Purchase of Securities signed on 31 December 2013. The remuneration for the assignment of the receivable amounts to €8.312.241,80 and it is payable on the same day. The amount was indeed settled on the same day.

(9) On 22 October 2014, the Company ("Creditor") concluded Credit Contract 21/JSML/2014 with J&T Private Equity B.V. ("Debtor") for a loan with a credit limit of CZK 600.000.000, bearing interest at 7,35% per annum, which is repayable until 22 October 2018.

(10) On 05 November 2014, the Company ("Creditor") concluded Credit Contract 22/JSML/2014 with J&T Private Equity B.V. ("Debtor") for a loan with a credit limit of CZK 601.350.000, bearing interest at 2,50% per annum, which is repayable until 22 October 2018.

The effective interest rates on receivables (current and non current) were as follows:

	2014	2013
Loans receivable	-	6%
Loans to related companies	<b>2weekly Repo + 1% / 2,80% - 8,35%</b>	4%

### 13. Trade and other receivables

	2014	2013
	€	€
Trade receivables	<b>68.059</b>	-
Receivables from related companies (Note 20)	-	99.118
Deposits and prepayments	<b>62.662</b>	-
Derivative financial instruments	-	813.665
Other receivables	-	14.219.434
	<b><u>130.721</u></b>	<b><u>15.132.217</u></b>

The fair values of trade and other receivables due within one year approximate to their carrying amounts as presented above.

# J&T SECURITIES MANAGEMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

### 13. Trade and other receivables (continued)

On 31 December 2014, Trade receivables relate to the balances of broker accounts held with J&T Banka, a.s.

During 2014, the following took place:

(I) Derivative financial instruments relate to the following: On 20 January 2012, the Company ("Transferor") entered into an Option Contract to sell securities with Roudno Investments Limited ("Transferee") according to which, the Transferee is obliged to buy 15.000 JOJ Media House, a.s. bonds of nominal value of €1.000 from the Transferor upon payment.

The Transferor may exercise the Put option until 31 December 2014, after which, the Contract will be terminated. The Transferor did not exercise the Put option until the agreed date and the Contract was terminated.

(II) Deposits and prepayments relate to the Special Arrangement to the Agreement with the Administrator signed on 23 September 2014 relating to the issue of the Company's debentures, according to which, the Company agrees to pay to the Administrator an annual remuneration of 0,15% of the overall volume of the issue of bonds, which is payable on the issue date for the first year and for each subsequent year, on the anniversary thereof.

During 2013, the following took place:

(I) Derivative financial instruments relate to the following:

On 12 December 2013, the Company entered into a Master Agreement for financial transactions with J&T Integris Group Limited according to which the parties may enter into derivative financial transactions.

(II) Other receivables relate mainly to the following:

On 22 October 2013, Tatry Mountain Resorts, a.s. resolved to decrease its share capital. This resulted in a decrease in the nominal value of its share from €33,00 per share to €7,00 per share. The total receivable amount of the Company from the decrease of the share capital amounts to €13.806.754.

### 14. Financial assets at fair value through profit or loss

	2014	2013
	€	€
Balance at 1 January	24.239.826	35.589.167
Additions	23.387.389	9.504.438
Disposals	(5.004.143)	(12.010.107)
Change in fair value	(2.424.260)	1.246.174
Difference from decrease of share capital of TMR	-	(10.089.846)
Exchange differences	(4.434)	-
<b>Balance at 31 December</b>	<b>40.194.378</b>	<b>24.239.826</b>
Less non-current portion	-	-
Current portion	<b>40.194.378</b>	<b>24.239.826</b>

	Fair values	Cost	Fair values	Cost
	2014	2014	2013	2013
	€	€	€	€
Securities listed on a Stock Exchange	<b>40.194.378</b>	<b>38.067.995</b>	24.239.826	19.638.526
	<b>40.194.378</b>	<b>38.067.995</b>	24.239.826	19.638.526

The financial assets at fair value through profit or loss are marketable securities and are valued at market value at the close of business on 31 December by reference to Stock Exchange quoted bid prices. Financial assets at fair value through profit or loss are classified as current assets because they are expected to be realised within twelve months from the reporting date.

# J&T SECURITIES MANAGEMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

### 14. Financial assets at fair value through profit or loss (continued)

In the cash flow statement, financial assets at fair value through profit or loss are presented within the section on operating activities as part of changes in working capital. In the statement of profit or loss and other comprehensive income, changes in fair values of financial assets at fair value through profit or loss are recorded in operating income.

The Company's investments which exceeded 5% of the class "Securities listed on a Stock Exchange" and/or 5% of net asset are shown below:

Investment	Type of investment	Percentage in the investment category	Percentage of net assets	2014	2013
				€	€
Tatry mountain resorts, a.s.	Security	16,40%	40,03%	<u>22.332.176</u>	-
				<u>22.332.176</u>	-

# J&T SECURITIES MANAGEMENT LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

### 14. Financial assets at fair value through profit or loss (continued)

(A) During 2013, the following were the most significant transactions concluded:

(a) On 10 June 2013, the Company ("Purchaser") entered into a Contract on purchase of securities with Webis, s.r.o. ("Seller") for the acquisition of 40.000 ordinary shares in the share capital of Tatry mountain resorts, a.s. ("Issuer") for the purchase consideration of €1.786.000.

(b) On 31 December 2013, the Company holds 153.297 shares in Tatry mountain resorts, a.s. (TMR) and 863.982 in Best Hotel Properties a.s. (BHP).

In addition, the Company also holds 344.733 shares in TMR and 227.990 in BHP, which are used as a pledge on the various REPO agreements with other financial institutions. Based on the various agreements, the Company sold and agreed to purchase back the above shares for a total of €7.416.478,04 (CZK 185.859.683,42 and €640.034) plus interest.

Finally, the Company holds 3.000.000 unit certificates in the mutual fund Nas Druhy Realitny s.p.f., which were acquired on 10 December 2011.

(B) During 2014, the following were the most significant transactions concluded:

(a) On 5 March 2014, the Company ("Seller") concluded an "Agreement on Purchase of Securities" with Nikroc Investments Limited ("Purchaser") for the sale of 52.400 shares in Tatry mountain resorts, a.s. (TMR) for the price of €1.129.220, which is payable not later than 7 March 2014. The consideration was received on 6 March 2014.

(b) On 3 April 2014, the Company ("Seller") concluded an "Agreement on Purchase of Securities" with Amylok Trading Limited ("Purchaser") for the sale of 139.595 shares in Tatry mountain resorts, a.s. (TMR) for the price of €2.980.353,25, which is payable not later than 7 April 2014. The consideration was received on 4 April 2014.

(c) On 09 June 2014, the Company ("Purchaser") entered into a Contract on purchase of securities with Best Hotel Properties a.s. ("Seller") for the acquisition of 4.117 securities in the share capital of Tatry mountain resorts, a.s. for the purchase price of €84.604,35.

(d) On 09 June 2014, the Company ("Purchaser") entered into an Agreement on purchase of securities with Contigy Development Limited ("Seller") for the acquisition of 37.617 securities in the share capital of Tatry mountain resorts, a.s. for the purchase price of €773.029,35.

(e) On 09 June 2014, the Company ("Purchaser") entered into a Contract on purchase of securities with Webis, s.r.o. ("Seller") for the acquisition of 212.429 securities in the share capital of Tatry mountain resorts, a.s. for the purchase price of €4.365.415,95.

(f) On 09 June 2014, the Company ("Purchaser") entered into an Agreement on purchase of securities with Levos Limited ("Seller") for the acquisition of 27.851 securities in the share capital of Tatry mountain resorts, a.s. for the purchase price of €572.338,05.

(g) On 10 June 2014, the Company ("Purchaser") entered into a Contract on purchase of securities with Best Hotel Properties a.s. ("Seller") for the acquisition of 216.917 securities in the share capital of Tatry mountain resorts, a.s. for the purchase price of €4.457.644,35.

(h) On 09 September 2014, the Company ("Purchaser") entered into an Agreement on purchase of securities with Nagosen Limited ("Seller") for the acquisition of 157.900 securities in the share capital of Tatry mountain resorts, a.s. for the purchase price of €3.795.916.

(i) On 09 September 2014, the Company ("Purchaser") entered into an Agreement on purchase of securities with Nundina Limited ("Seller") for the acquisition of 105.257 securities in the share capital of Tatry mountain resorts, a.s.

# J&T SECURITIES MANAGEMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

### 14. Financial assets at fair value through profit or loss (continued)

for the purchase price of €2.530.378,28.

(j) On 11 September 2014, the Company ("Purchaser") entered into an Agreement on purchase of securities with Nagosen Limited ("Seller") for the acquisition of 350.000 securities in the share capital of Best Hotel Properties a.s. for the purchase price of €5.113.500.

(k) On 31 December 2014, the Company holds 148.476 shares in Tatry mountain resorts, a.s. (TMR) and 1.291.872 in Best Hotel Properties a.s. (BHP).

In addition, the Company also holds 899.983 shares in TMR and 150.100 in BHP, which are used as a pledge on the various REPO agreements with other financial institutions. Based on the various agreements, the Company sold and agreed to purchase back the above shares for a total of €3.812.863,54 (CZK 87.279.525,02 and €665.913) plus interest (with various parties) and also sold and agreed to purchase back the above shares for a total of €11.488.853,48 plus interest with PPF banka a.s.

Finally, the Company holds 71 pieces of fixed rate perpetual notes of J&T Banka 10% PERP, which were acquired during the year.

### 15. Cash at bank and in hand

Cash balances are analysed as follows:

	2014	2013
	€	€
Cash at bank and in hand	<u>1.546</u>	<u>414</u>
	<u>1.546</u>	<u>414</u>

#### Currency:

	2014	2013
	€	€
United States Dollars	15	13
Euro	1.197	376
Czech koruna	<u>334</u>	<u>25</u>
	<u>1.546</u>	<u>414</u>

### 16. Share capital

	2014	2014	2013	2013
	Number of shares	€	Number of shares	€
<b>Authorised</b>				
Ordinary shares of €1 each	<u>11.000</u>	<u>11.000</u>	<u>11.000</u>	<u>11.000</u>
<b>Issued and fully paid</b>				
Balance at 1 January	<u>11.000</u>	<u>11.000</u>	<u>11.000</u>	<u>11.000</u>
<b>Balance at 31 December</b>	<u>11.000</u>	<u>11.000</u>	<u>11.000</u>	<u>11.000</u>

# J&T SECURITIES MANAGEMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

### 17. Borrowings

	2014	2013
	€	€
Balance at 1 January	51.176.150	9.824.865
Additions	149.636.005	234.474.266
Repayments	(138.289.447)	(213.294.933)
Interest for the year	1.784.523	3.781.017
Exchange differences	(73.177)	(713.469)
Adjusting entry with Loan receivable	-	17.104.404
Capitalised expenses	(802.907)	-
Repurchase of own long term debentures	(7.030.920)	-
<b>Balance at 31 December</b>	<b>56.400.227</b>	<b>51.176.150</b>

	2014	2013
	€	€
<b>Current borrowings</b>		
Bank loans	15.433.023	18.632.024
Debentures	464.453	-
Other loans	4.813.913	-
Loans from related companies (Note 20)	255.978	32.544.126
	<u>20.967.367</u>	<u>51.176.150</u>
<b>Non current borrowings</b>		
Debentures	35.432.860	-
	<u>35.432.860</u>	<u>-</u>
<b>Total</b>	<b>56.400.227</b>	<b>51.176.150</b>

Maturity of non-current borrowings:

	2014	2013
	€	€
Between two and five years	35.432.860	-
	<u>35.432.860</u>	<u>-</u>

On 31 December 2014, the bank loans are secured as follows:

- By a pledge of 137.870 shares in Tatry mountain resorts, a.s. (TMR) and 150.100 in Best Hotel Properties a.s. (BHP) (2013: 344.733 shares in TMR and 227.990 shares in BHP).
- By a pledge of 762.113 shares in Tatry mountain resorts, a.s. (TMR) (2013: nil shares in TMR, 13.756 bonds in J&T Global Finance III, s.r.o. (JTFG III)).

The weighted average effective interest rates at the reporting date were as follows:

	2014	2013
Bank loans	4%-8%	4%-6%
Debentures	6,25%	-
Other loans	4,50%	-
Loans from related companies	9%	6%

# J&T SECURITIES MANAGEMENT LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

### 17. Borrowings (continued)

#### (A) Loans from related parties

(i) On 1st January 2013, the Company ("Debtor") entered into Credit Contract 07/JSML/2013 with J&T Private Equity B.V. ("Creditor") for the provision of a loan with a credit limit in the amount of €30.000.000, which bears interest at the rate of 6% per annum and is repayable on 15 December 2014.

Per Amendment No.1 to the Credit Contract concluded on 26 November 2012 between the Company ("Creditor") and J&T Private Equity B.V. ("Debtor"), signed on 1st January 2013, according to which the credit limit increased to €35.000.000, the parties have agreed that part of the amount by which the credit limit is increased by this Amendment No.1, is represented by the amount of €17.104.403,71 which is deemed as provided by signing the Credit Contract 07/JSML/2013 by both parties on 1st January 2013.

Per Amendment No.1 to the Credit Contract 07/JSML/2013 signed on 21 June 2013, the credit limit increased up to the amount of €110.000.000 and is repayable until 15 December 2014.

According to Amendment No.2 to the Credit Contract 07/JSML/2013 signed on 03 July 2013, the credit limit increased up to the amount of €122.000.000 and is still repayable until 15 December 2014.

The loan was repaid in full by 19 September 2014.

(ii) On 11 June 2014, the Company ("Debtor") entered into Credit Contract 15/JSML/2014 with J&T Private Equity B.V. ("Creditor") for the granting of a loan with a credit limit in the amount of €30.000.000, which bears interest at the rate of 16,40% per annum and is repayable on 25 June 2014.  
The loan was settled on 24 June 2014.

(iii) On 30 June 2014, the Company ("Debtor") entered into Credit Contract 17/JSML/2014 with J&T Private Equity B.V. ("Creditor") for the granting of a loan with a credit limit in the amount of CZK 10.005.000, which bears interest at the rate of 9% per annum and is repayable on 30 June 2015.

Per Amendment No.1 signed on 07 July 2014, the principal amount was increased up to the amount of CZK 20.000.000.

#### (B) Bank Loans

Bank loans represent REPO agreements with financial institutions.

On 06 May 2013, the Company entered into an Agreement on the Exercise of Voting Rights Associated with Shares with J&T Banka. a.s. for the security of loans by transfer of securities.

On 31 December 2013, the bank loans represented REPO agreements for 344.733 shares in Tatry mountain resorts, a.s. and 227.990 in Best Hotel Properties a.s. Based on the various agreements, the Company sold and agreed to purchase back the above shares for a total of €7.416.478,04 (CZK 185.859.683,42 and €640.034) plus interest.

On 31 December 2013, the bank loans also represented a REPO agreement with PPF banka a.s. for 13.756 bonds in J&T Global Finance III, s.r.o. Based on the agreement, the Company sold and agreed to purchase back these bonds for a total of €10.999.297,60 plus interest.

On 31 December 2014, the bank loans represent REPO agreements for 137.870 shares in Tatry mountain resorts, a.s. and 150.100 in Best Hotel Properties a.s. Based on the various agreements, the Company sold and agreed to purchase back the above shares for a total of €3.812.863,54 (CZK 87.279.525,02 and €665.913) plus interest.

On 31 December 2014, the bank loans also represent a REPO agreement with PPF banka a.s. for 762.113 shares in Tatry mountain resorts, a.s. Based on the agreement, the Company sold and agreed to purchase back these bonds for a total of €11.488.853,48 plus interest.

# J&T SECURITIES MANAGEMENT LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

### 17. Borrowings (continued)

#### (C) Debentures

(i) On 17 July 2014, the Company ("Issuer") entered into a Mandate Agreement on provision of services related to the issue of the bonds with J&T IB and Capital Markets, a.s. ("Arranger"), for the issue of 400 fixed rate bonds of 6,25% per annum, with an interest period of 6 months, in the total principal amount of CZK 1.200.000.000, due in 2018.

The Company authorises the Arranger to proceed with various of services, since the Arranger is equipped with required experience for the provision of support to the Issuer.

On the issue date, the Company shall pay to the Arranger a remuneration of CZK 600.000 for the assistance to the Company within preparation of the documentation and CZK 3.000.000 for the intermediation of subscribers to the Company.

The remuneration shall be payable 7 days after the issue date.

Additionally, the Company is entitled to issue additional bonds up to the principal amount of CZK 600.000.000 during the issue period or in the additional issue period.

In addition to the remuneration, the Company shall pay to the Arranger all the documented costs connected with the issue of the bonds, legal costs, the costs of communication, notarial fees, costs of copying, costs of executing a final summary of documentation and the administrative costs of the Czech National Bank (CNB).

(ii) On 23 September 2014, the Company ("Issuer") entered into an Agreement with the J&T Banka, a.s. ("Administrator"), according to which the Administrator agrees that in relation to the issue of the bonds, it will act as an administrator, a listing agent and a calculation agent. The Administrator shall notify the Company of the total amount of financial means, which are to be remitted to the internal account of the Administrator.

The Company shall pay remuneration to the Administrator, in the manner and the maturity dates agreed by and between the Company and the Administrator in a Special Arrangement to this Agreement.

(iii) According to the Special Arrangement with the Administrator signed on the same date, the Company agrees to pay to the Administrator an annual remuneration of 0,15% of the overall volume of the issue of bonds, which is payable on the issue date for the first year and for each subsequent year, on the anniversary thereof.

(iv) Per the Agreement on Placement of Bonds signed on the same date between the Company ("Issuer") and J&T Banka, a.s. ("Lead Manager"), the Lead Manager intends to ensure the process of the subscription and purchase of bonds and to identify proper subscribers who will subscribe the entire issue of bonds.

The remuneration for the services provided shall be agreed in the Special Arrangement to this Agreement.

(v) According to the Special Arrangement to the Agreement on Placement of Bonds signed on the same date, the Company agrees to pay to the Lead Manager a remuneration of 1,50% of the overall volume of the bonds subscribed during the issue period or additional issue period, which is payable retrospectively on a monthly basis against an invoice issued by the Manager after the end of each calendar month of its activity as Manager for the previous calendar month.

The remuneration specified above is exclusive of the value added tax.

(vi) The Company has made the following two issues of bonds which are listed on the Prague Stock Exchange (PSE):

(1) On 22 October 2014, the Company issued 200 fixed rate bonds with the nominal value of each bond amounting to CZK 3.000.000, for the total amount of CZK 600.000.000. The maturity date is 22 October 2018. The interest payments are semi-annually with the first due on 22 April 2015.

(2) On 05 November 2014, the Company issued additionally 200 fixed rate bonds with the nominal value of each bond amounting to CZK 3.000.000, for the total amount of CZK 600.000.000. The maturity date is 22 October 2018. The interest payments are semi-annually with the first due on 22 April 2015.

(vii) However, on 10 December 2014, the Company has bought back 65 pieces of the bonds issued with nominal value of CZK 3.000.000 each, for the total amount of CZK 196.625.000 (CZK 195.000.000 plus accrued interest CZK 1.625.000).

#### (D) Other loans



# J&T SECURITIES MANAGEMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

### 17. Borrowings (continued)

(i) On 27 June 2014, the Company ("Debtor") entered into a Loan Contract with Vulkan akciová společnost ("Creditor") for the granting of a loan in the amount of CZK 100.000.000, which bears interest at the rate of 4,50% per annum and is repayable on 27 December 2014.

Per Amendment No.1 signed on 28 August 2014, the principal amount was increased up to the amount of CZK 104.650.000.

Per Amendment No.2 signed on 26 December 2014, the repayment date has been extended until 01 June 2015.

(ii) On 08 July 2014, the Company ("Debtor") entered into a Loan Contract with Vulkan akciová společnost ("Creditor") for the granting of a loan in the amount of €934.093,18, which bears interest at the rate of 4,50% per annum and is repayable on 08 January 2015.

Per Amendment No.1 signed on 02 January 2015, the repayment date has been extended until 01 June 2015.

### 18. Trade and other payables

	2014	2013
	€	€
Trade payables	559.518	-
VAT	2.169	2.321
Derivative financial instruments	7.686	278.840
Accruals	13.270	13.446
Other creditors	772.697	22.106
	<u>1.355.340</u>	<u>316.713</u>

The fair values of trade and other payables due within one year approximate to their carrying amounts as presented above.

### 19. Current tax liabilities

	2014	2013
	€	€
Corporation tax	59.681	163.246
	<u>59.681</u>	<u>163.246</u>

### 20. Related party transactions

As from 30 December 2013, the Company is controlled by J&T Private Equity Group Limited, incorporated in Cyprus, which owns 100% of the Company's shares. The ultimate controlling parties are nine non resident individuals and one resident individual.

The following transactions were carried out with related parties:

#### 20.1 Directors' remuneration

The remuneration of Directors and other members of key management was as follows:

	2014	2013
	€	€
Directors' fees	476	472
	<u>476</u>	<u>472</u>

# J&T SECURITIES MANAGEMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

### 20. Related party transactions (continued)

#### 20.2 Receivables from related parties (Note 13)

		2014	2013
<u>Name</u>	<u>Nature of transactions</u>	€	€
J&T Group (Broker accounts)	Trade	-	99.118
		<u>-</u>	<u>99.118</u>

#### 20.3 Loans to associated undertakings (Note 12)

		2014	2013
		€	€
J&T Private Equity B.V.		<u>73.327.664</u>	26.160.344
		<u>73.327.664</u>	<u>26.160.344</u>

#### 20.4 Loans from related undertakings (Note 17)

		2014	2013
		€	€
J&T Private Equity B.V.		<u>255.978</u>	32.544.126
		<u>255.978</u>	<u>32.544.126</u>

### 21. Contingent liabilities

The Company had no contingent liabilities as at 31 December 2014.

### 22. Commitments

The Company had no capital or other commitments as at 31 December 2014.

### 23. Events after the reporting period

There were no material events after the reporting period, which have a bearing on the understanding of the financial statements, except from the following.

On 21 January 2015, the Company ("Creditor") entered into a Loan Contract with Michal Horacek ("Debtor") for the granting of a loan in the amount of CZK 53.316.562,50, which bears interest at 6,5% per annum and is repayable until 15 February 2017. The interest is payable annually on the 21st of January of each year.

On 11 February 2015, the Company ("Creditor") entered into Credit Contract 23/JSML/2015 with J&T Private Equity B.V. ("Debtor") for the granting of a loan with a credit limit in the amount of CZK 1.348.000.000, which bears interest at 4,85% per annum and is repayable until 31 March 2015. The loan was partially settled on 03 March 2015 and fully settled on 16 March 2015.

On 27 March 2015, the Company ("Debtor") entered into Credit Contract 24/JSML/2015 with J&T Private Equity B.V. ("Creditor") for the granting of a loan with credit limit in the amount of €49.900.000, which bears interest at 5% per annum and is repayable until 31 March 2015. The loan was fully settled on 30 March 2015.

On 27 March 2015, the Company ("Seller") entered into an Agreement on transfer of the bonds for consideration with Endurance Office II Asset S.a r.l. ("Purchaser") for the disposal of 135 bonds in CPI Finance Netherlands B.V. for a purchase price of €50.000.000. The bonds bear interest at the rate of 5% per annum and are due on 15 December 2021. The purchase price is payable until 30 March 2015. The purchase price was indeed received on 30 March 2015.

# **J&T SECURITIES MANAGEMENT LIMITED**

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## **NOTES TO THE FINANCIAL STATEMENTS**

Year ended 31 December 2014

**Independent auditor's report on pages 3 and 4**

# J&T SECURITIES MANAGEMENT LIMITED

## DETAILED INCOME STATEMENT

Year ended 31 December 2014

	Page	2014 €	2013 €
<b>Revenue</b>			
Dividend income		10.737	522.611
Interest income		200.919	3.326.681
Loan interest income		1.775.356	1.222.424
Net gain on trading in financial instruments		1.294.346	212.697
Net fair value gains on financial assets at fair value through profit or loss		-	1.246.174
<b>Other operating income</b>			
Change in fair value of derivative financial instruments		(454.902)	(731.772)
Profit from sale of available-for-sale financial assets		169.123	37.443
Profit from sale of financial assets at fair value through profit or loss		40.012	-
Exchange profit		2.927.855	1.472.768
		<b>5.963.446</b>	7.309.026
<b>Operating expenses</b>			
Administration expenses	35	(79.573)	(54.834)
		<b>5.883.873</b>	7.254.192
<b>Other operating expenses</b>			
Broker commission and charges		(48.167)	(115.903)
Loss from sale of available-for-sale financial assets		-	(6.195)
Loss from sales of financial assets at fair value through profit or loss		(495)	-
Fair value losses on financial assets at fair value through profit or loss		(2.424.260)	-
		<b>3.410.951</b>	7.132.094
<b>Operating profit</b>			
Finance costs	36	(5.593.584)	(5.066.473)
		<b>(2.182.633)</b>	2.065.621
<b>Net (loss)/profit for the year before tax</b>			

# J&T SECURITIES MANAGEMENT LIMITED

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## OPERATING EXPENSES

Year ended 31 December 2014

	2014	2013
	€	€
<b>Administration expenses</b>		
Annual levy	<b>350</b>	350
Courier expenses	<b>1.166</b>	59
Certification and legalisation expenses	<b>3.332</b>	1.280
Auditors' remuneration for the statutory audit of annual accounts	<b>13.000</b>	13.000
Auditors' remuneration - prior years	<b>2.470</b>	2.340
Accounting fees	<b>11.900</b>	11.800
Legal fees	-	413
Other professional fees	<b>31.435</b>	24.308
Translation fees	<b>652</b>	517
Directors' fees	<b>476</b>	472
Administration and fees for bonds	<b>14.792</b>	295
	<b><u>79.573</u></b>	<b><u>54.834</u></b>

# J&T SECURITIES MANAGEMENT LIMITED

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## FINANCE COSTS

Year ended 31 December 2014

	2014 €	2013 €
<b>Finance costs</b>		
<b>Interest expense</b>		
Loan interest	698.268	2.953.696
Bank overdraft interest	566	248
Loan interest on REPO agreements	611.439	825.561
Debenture interest	474.816	-
Interest on taxes	-	4.552
<b>Other finance expenses</b>		
Bank charges	30	9
<b>Net foreign exchange transaction losses</b>		
Realised exchange loss	3.268.950	1.090.997
Unrealised exchange loss	539.515	191.410
	<u>5.593.584</u>	<u>5.066.473</u>

# J&T SECURITIES MANAGEMENT LIMITED

## COMPUTATION OF CORPORATION TAX

Year ended 31 December 2014

	Page	€	€
Net loss per income statement	34		(2.182.633)
<u>Add:</u>			
Broker commission and charges		48.167	
Loss from sales of financial assets at fair value through profit or loss		495	
Fair value losses on financial assets at fair value through profit or loss		2.424.260	
Unrealised exchange loss		539.515	
Annual levy		350	
Disallowed interest		669.509	
Realised exchange loss relating to trading in securities		<u>3.266.069</u>	
			<u>6.948.365</u>
			4.765.732
<u>Less:</u>			
Profit from sale of available-for-sale financial assets		169.123	
Profit from sale of financial assets at fair value through profit or loss		1.334.358	
Dividends received		10.737	
Change in fair value of derivative financial instruments		(454.902)	
Unrealised exchange profit		461.552	
Realised exchange gain relating to trading in securities		<u>2.410.818</u>	
			<u>(3.931.686)</u>
			<u>834.046</u>
<b>Chargeable income for the year</b>			

### Calculation of corporation tax

	Income €	Rate %	Total € c
<b>Tax at normal rates:</b>			
Chargeable income as above	<u>834.046</u>	12,50	104.255,75
Tax paid provisionally	<u>400.000</u>		<u>(50.000,00)</u>
			54.255,75
10% additional charge			<u>5.425,58</u>
<b>TAX PAYABLE</b>			<u>59.681,33</u>

