

# **ANNUAL REPORT 2013**

**TrophyResort, Nyrt.**



**30 June 2014**

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## 1. Letter from the Board of Directors

*Dear Shareholders and Investors,*

We would like to present you 2013 Annual Report of TrophyResort, Nyrt.

We are pleased to inform that the year 2013 brought breakthrough for both of our business lines which are hotel business with additional medical services and project management. In 2013 sales revenues amounted to HUF 846.3mn (EUR 2.85mn), EBITDA amounted to HUF 308.0mn (EUR 1.04mn), while net profit amounted to HUF 122.7mn (EUR 0.41mn). Sales, EBITDA and net profit increased by 253%, 778% and 873%, respectively. EBITDA margin and net profit margin amounted to 36.4% and 14.5%, respectively.

In the last year the first hotel was under extensive renovation. The hotel has been closed since May 2012. Most of the reconstruction works will be completed by the end of 2014, while last investments relating to medical services will be finished in the first half of 2015. The complex wellness center will consist of four-star superior hotel with a healthcare center and further facilities providing entertainment and leisure opportunities.

We plan several further investments in the hotel business. Our strategy is to purchase existing hotels, renovate and enhance them to provide additional wellness and medical services. We have already identified 2 additional hotels that we would like to include into our chain by the end of 2015.

Due to reconstruction works of the first hotel we expect project management branch to remain our main activity in terms of sales revenue in 2014. We expect 2014 sales revenue to increase at least by 20% based on the growth of project management branch. In the second half of 2014 we will start to sell timeshares which may additionally improve our financial results.

We are pleased to inform that we are proceeding to introduce TrophyResort, Nyrt. shares into NewConnect. Our goal is to list the company on the regulated market of WSE in the next 2 years.

Sincerely,

Petronella Öregné Kocsis

Chairman of the Board of Directors of TrophyResort, Nyrt.

## 2. Selected financial information

Selected financial information	In thousands of HUF		In thousands of EURO	
	2013	2012	2013	2012
Net sales revenue	846 266	239 724	2 850	820
Depreciation	27 303	17 778	92	61
Operating profit or loss	280 736	17 324	946	59
Profit or loss before tax	135 336	15 838	456	54
Profit or loss on ordinary activities	122 678	12 603	413	43
Profit or loss after tax	122 678	12 603	413	43
Total assets	2 399 656	2 301 102	8 083	7 867
Shareholders' equity	1 538 242	1 484 220	5 181	5 074
Long-term investments	176	563 926	1	1 928
Receivables	370 795	359 887	1 249	1 230
Liquid assets of free disposal	1 438	1 812	5	6
Long-term and subordinated liabilities	191 985	83 216	647	285
Current liabilities	669 429	733 666	2 255	2 508
Operation cash-flow	50 400	47 170	170	161
Investment cash-flow	-60 926	-728 181	-205	-2 490
Financial cash-flow	10 152	681 078	34	2 329
Variation of financial assets	-374	67	-1	0

NBP exchange rates:

31.12.2012: 1 EUR = 292,49 HUF

31.12.2013: 1 EUR = 296,89 HUF

### 3. Financial report of 2013

TrophyResort Nyrt					
STATEMENT OF FINANCIAL POSITIONS (according to the provisions of IAS/IFRS)					
No.	Description / '000 HUF	Reference	31.12.2012	31.12.2013	changes %
<b>1 A</b>	<b>Current assets</b>		<b>361 718</b>	<b>409 447</b>	<b>13%</b>
2 I.	Liquid assets	No. 7	1 812	1 438	-21%
3 1.	Liquid assets of free disposal		1 812	1 438	-21%
4 2.	Separated liquid assets				
5 3.	Promptly realizable liquid securities				
6 II.	Short-term investments, securities	No. 6			
7 1.	Held-to-maturity securities signifying a creditor relationship				
8 2.	Securities signifying a creditor or an owner relationship marked out for sale				
9 3.	Other securities signifying a creditor or an owner relationship				
10 III.	Receivables	No. 5	359 887	370 795	3%
11 1.	Accounts receivable (trade debtors)		164 509	72 329	-56%
12 2.	Bills of exchange receivables				
13 3.	Non consolidated receivables from affiliated undertakings				
14 4.	Advances given for products and services				
15 5.	Deposits and cautions				
16 6.	Other receivables		195 378	298 466	53%
17 7.	Expectedly returning sum of deferred tax receivables				
18 8.	Positive balance of the expenses and revenues of constructions under way				
19 IV.	Inventories	No. 4	19	37 214	195763%
20 1.	Finished products				
21 2.	Work in progress, intermediate and semi-finished products				
22 3.	Animals for breeding and fattening, other livestock				
23 4.	Raw materials and consumables		11		-100%
24 5.	Goods for resale		8	37 214	465075%
25 V.	Deferred expenses	No. 8			
<b>26 B</b>	<b>Long-term investments</b>	No. 3	<b>563 926</b>	<b>176</b>	<b>-100%</b>
27 I.	Long-term financial investments		563 750		-100%
28 1.	Held-to-maturity securities signifying a creditor relationship				
29 2.	Other securities signifying a creditor relationship or an owner relationship under 20 per cent				
30 3.	Investments concerning undertakings taken into consolidation				
31 4.	Investments into not consolidated (affiliated) undertakings		563 750		-100%
32 II.	Investments into investment trusts				
33 III.	Long-term receivables and loans		176	176	
34 IV.	Subordinated receivables				
35 V.	Investments on tangible assets				
<b>36 C</b>	<b>Immovables and personalities used in production</b>	No. 2	<b>1 375 458</b>	<b>1 990 033</b>	<b>45%</b>
37 I.	Land and buildings, rights to immovables		885 223	875 818	-1%
38 II.	Plant, machinery, vehicles		138 392	115 432	-17%
39 III.	Tools of great value				
40 IV.	Leased assets		3 380	2 340	-31%
41 V.	Biological assets, natural resources				
42 VI.	Assets in course of construction		348 463	996 443	186%
<b>43 D</b>	<b>Intangible assets</b>	No. 1			
44 I.	Capitalized value of research and development				
45 II.	Concessions, licenses and similar rights and assets (not connected to immovables)				
46 III.	Intellectual properties				
47 IV.	Goodwill				
<b>48</b>	<b>Total assets</b>		<b>2 301 102</b>	<b>2 399 656</b>	<b>4%</b>

TrophyResort Nyrt					
STATEMENT OF FINANCIAL POSITIONS (according to the provisions of IAS/IFRS)					
No.	Description / '000 HUF	Reference	31.12.2012	31.12.2013	changes %
<b>49 E</b>	<b>Current liabilities</b>	No. 10	<b>733 666</b>	<b>669 429</b>	<b>-9%</b>
50 1.	Accounts payable (trade creditors)		313 272	212 722	-32%
51 2.	Bills of exchange payable				
52 3.	Short-term credits and loans		220 661	143 335	-35%
53 4.	Advances received			28 031	
54 5.	Non consolidated short-term payables to affiliated undertakings				
55 6.	Deferred revenues		162 427	209 792	29%
56 7.	Deferred tax liabilities				
57 8.	Other short-term liabilities		37 306	75 549	103%
<b>58 F</b>	<b>Long-term and subordinated liabilities</b>	No. 9	<b>83 216</b>	<b>191 985</b>	<b>131%</b>
59 1.	Long-term credits and loans		81 310	190 426	134%
60 2.	Debts on issue of bonds, convertible bonds				
61 3.	Leasing liabilities		1 906	1 559	-18%
62 4.	Non consolidated long-term payables to affiliated undertakings				
63 5.	Other long-term liabilities				
64 6.	Subordinated liabilities				
65 7.	Expected (future) liabilities				
<b>66 G</b>	<b>Shareholders' equity</b>	No. 11	<b>1 484 220</b>	<b>1 538 242</b>	<b>4%</b>
67 I.	Issued capital		1 462 260	1 466 930	0%
68 II.	(-) Ownership shares repurchased at book value			-73 326	
69 III.	Assets given in excess of shares				
70 IV.	Accumulated profit reserve and current profit after tax		21 960	144 638	559%
71 V.	Differences resulting from market valuation				
72 VI.	Participation of external owners				
<b>73</b>	<b>Total equity and liabilities</b>		<b>2 301 102</b>	<b>2 399 656</b>	<b>4%</b>

Budapest, 14.05.2014

Öregné Kocsis Petronella

TrophyResort Nyrt					
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (according to the provisions of IAS/IFRS)					
No.	Description / '000 HUF		31.12.2012	31.12.2013	changes %
1	+ Net sales revenue	No. 12	239 724	846 266	253%
2	+/- Own performance capitalized	No. 13			
3	- Material costs	No. 13	177 367	493 713	178%
4	- Staff costs	No. 13	27 255	44 514	63%
5	- Depreciation	No. 13	17 778	27 303	54%
6	= Operating profit or loss		17 324	280 736	1521%
7	+ Income and profit from financial transactions	No. 14	7 668	20 737	170%
8	+ Other income and profit	No. 12	217 924	13 704	-94%
9	+ Expenses and losses from financial transactions	No. 14	22 368	55 009	146%
10	+ Other expenses and losses	No. 13	204 710	124 832	-39%
11	= Profit or loss before tax		15 838	135 336	755%
12	- Income tax		3 235	12 658	291%
13	= Profit or loss on ordinary activities	No. 15	12 603	122 678	873%
14	+/- Profit or loss on terminating activities				
15	- Income tax				
16	= After tax profit or loss on terminating activities	No. 15			
17	+/- Accumulated impact of changes in accounting policies				
18	- Income tax				
19	= After tax profit or loss from changes in accounting policies				
20	- Stakes of external owners				
21	= Profit or loss after tax		12 603	122 678	873%
22	Basic EPS (HUF/pieces)	No. 16	1,7238	16,7902	874%
23	Diluted EPS (HUF/pieces)	No. 16	1,7238	16,7902	874%

Budapest, 14.05.2014

Öregné Kocsis Petronella

TrophyResort Nyrt							
STATEMENT OF CASH FLOWS							
No.	Description / THUF	31.12.2012	Effect of revision	31.12.2013	Change		Ref.
					THUF	%	to notes
1	Modified profit before tax:	32 166		184 848	152 682	474,67%	15.
	From which:						
	+ Profit before tax of ordinary business activities	15 838		135 336	119 498	754,50%	
	- Correction due to interests received	-5 370		-3 535	1 835	34,17%	
	+ Corrections due to paid interests	21 698		53 047	31 349	144,48%	
2	Accounted depreciation	17 778		27 303	9 525	53,58%	13.
3	Accounted loss in value			8 476	8 476		13.
4	Difference between formation and utilization of provisions						9.
5	Fixed assets sold	-54 986		-17 202	37 784	68,72%	12., 14.
6	Variation in accounts payable (trade creditors)	178 754		-100 550	-279 304	-156,25%	10.
7	Variation in other short-term liabilities	17 127		66 274	49 147	286,96%	10.
	From which:						
	+ changes in other short term liabilities in statement of financial position	129 185		113 639	-15 546	-12,03%	
	- correction due to non-repayable financial assets received	-112 058		-47 365	64 693	57,73%	
8	Variation in trade debtors	-96 358		83 704	180 062	186,87%	5.
	From which:						
	- changes in trade debtors in statement of financial positions	-96 358		92 180	188 538	195,66%	
	+ corrections due to bad debt provisions			-8 476	-8 476		
9	Variation in curr. assets (w/o trade debtors and liquid assets)	-27 748		-140 283	-112 535	-405,56%	5., 4., 6.
10	Variation deferred expenses						8.
11	Tax paid or payable (on profit)	-3 235		-12 658	-9 423	-291,28%	15.
12	Dividends, shares paid or payable						15.
13	Interests received	5 370		3 535	-1 835	-34,17%	14.
14	Interests paid	-21 698		-53 047	-31 349	-144,48%	14.
	From which:						
	+ Interest booked as expenses	21 698		53 047	31 349	144,48%	
	+ Interest booked as purchase value of assets						
<b>I.</b>	<b>OPERATION CASH-FLOW:</b>	<b>47 170</b>		<b>50 400</b>	<b>3 230</b>	<b>6,85%</b>	<b>-13 475,94%</b>
15	Purchase of fixed assets	-929 259		-647 980	281 279	30,27%	1., 2., 3.
	From which:						
	+ Purchase of fixed assets	-929 259		-647 980	281 279	30,27%	
	- Interest booked as purchase value of assets						
16	Sale of fixed assets	201 078		587 054	385 976	191,95%	1., 2., 3.
17	Dividend received						14.
<b>II.</b>	<b>INVESTMENT CASH-FLOW:</b>	<b>-728 181</b>		<b>-60 926</b>	<b>667 255</b>	<b>91,63%</b>	<b>16 290,37%</b>
18	Receipts from shares issue (capital influx)	517 944		4 670	-513 274	-99,10%	11.
19	Receipts from the issue of bonds and securities signifying a credit						10., 9.
20	Borrowings	32 076		31 790	-286	-0,89%	10., 9.
21	Redemption of long term loans / bank deposits	19 000			-19 000	-100,00%	3.
22	Non-repayable assets received	112 058		47 365	-64 693	-57,73%	
23	Cancellation of shares, disinvestments (capital reduction)			-73 326	-73 326		11.
24	Bond paid back						10., 9.
25	Loan installment payments						10., 9.
26	Long term loans granted, money deposited in bank						3.
27	Non-repayable assets transferred						
28	Changes in liab. towards founders / other long term liabilities			-347	-347		10., 9.
<b>III.</b>	<b>FINANCIAL CASH-FLOW:</b>	<b>681 078</b>		<b>10 152</b>	<b>-670 926</b>	<b>-98,51%</b>	<b>-2 714,44%</b>
<b>IV.</b>	<b>VARIAION OF FINANCIAL ASSETS:</b>	<b>67</b>		<b>-374</b>	<b>-441</b>	<b>-658,21%</b>	<b>7.</b>
	Opening amount of liquid assets	1 745		1 812	67	3,84%	
	Closing balance of liquid assets	1 812		1 438	-374	-20,64%	

Budapest, 14.05.2014

Öregné Kocsis Petronella  
TrophyResort Nyrt

TrophyResort Nyrt						
STATEMENT OF CHANGES IN EQUITY						
Description / '000 HUF	Issued capital	(-) Ownership shares repurchased at book value	Assets given in excess of shares	Accumulated profit reserve and current profit after tax	Differences resulting from market valuation	Total
Opening balance at 03.01.2012	944 316			9 357		953 673
Transactions with owners / shareholders	517 944					517 944
- raise of issued capital / settling the issued, but not paid capital	517 944					517 944
Profit or loss				12 603		12 603
- profit or loss of current reporting period				12 603		12 603
Effects of retrospective application of standards						
Effects of retrospective restatements						
Other						
Closing balance at 31.12.2012	1 462 260			21 960		1 484 220
Opening balance at 01.01.2013	1 462 260			21 960		1 484 220
Transactions with owners / shareholders	4 670	-73 326				-68 656
- raise of issued capital / settling the issued, but not paid capital	4 670					4 670
- changes in the amount of repurchased own shares		-73 326				-73 326
Profit or loss				122 678		122 678
- profit or loss of current reporting period				122 678		122 678
Effects of retrospective application of standards						
Effects of retrospective restatements						
Other						
Closing balance at 31.12.2013	1 466 930	-73 326		144 638		1 538 242
References to statement of financial positions	row 67	row 68	row 69	row 70	row 71	
Comparative amounts from statement of financial positions	1 466 930	-73 326		144 638		

## Connecting remarks:

- 1.) Analysis of other comprehensive income concerning all items of own equity;  
 2a.) Amounts accounted as dividend payments towards owners in reporting period;  
 2b.) Dividends per share:

n/a.

- T HUF.  
 - T HUF.  
 7 500 000 (total number of shares)

Further information and explaining remarks can be found in the Own equity section of the Notes.

Budapest, 14.05.2014

Öregné Kocsis Petronella  
 TrophyResort Nyrt



## TrophyResort Nyrt

### Notes - according to the IFRSs as adopted by the EU

**Data of the company:**

Type:	public company
Tax registration number:	23705373-2-13
Central Statistical Office registration number:	23705373-6831-114-13
Company registration number:	13-10-041236
Date of foundation:	23.04.2007
Predecessor of title:	HELPER SERVICE Kft.
Main scope of activity:	Other supportive business services
Supplementary activities:	Hotel services
Center	39 Petőfi Sándor St., Sósút, 2038 HU
Address:	3 Kossuth St., Hegyhátszentjakab, 9934 HU
Address:	18 Jóvilág St., Zsámbék, 2072 HU
Address:	0110/256 Kültérület, Markaz, 3262 HU
Address:	0110/257 Kültérület, Markaz, 3262 HU
The accounting software of the company:	WinFok software

## Ownership structure:

Description of owner	Center, address	Share of ownership %	Share of vote(s) %	Other influence
(51%-75%)				Affiliated
Öregné Kocsis Petronella	39 Petőfi St., Sósút, 2038 HU	72,00%	72,00%	-
(...-19%)				Other
HOTEL TRÓFEA Kft.	39 Petőfi St., Sósút, 2038 HU	2,00%	2,00%	-
Csák Tamás	6 Pipacs St., Kőrmend, 9900 HU	8,00%	8,00%	-
other	-	18,00%	18,00%	-
<b>Total:</b>		<b>100,00%</b>	<b>100,00%</b>	

The Company doesn't have to prepare consolidated financial statements.

The company which prepares the consolidated report of the largest unit of the company group, in which this company is involved as a subsidiary company:

- Name: n/a

The company which prepares the consolidated report of the smallest unit of the company group, in which this company is involved as a subsidiary company:

- Name: n/a

**Applying the new and modified International Financial Reporting Standards (IFRSs)**

Changes, new standards and interpretations accepted by the European Union, became effective on 1 January, 2013:

- IFRS 13 Fair Value Measurement - endorsed by the EU on 11 December 2012 (effective for reporting periods starting on or after 1 January 2013,
- IFRS 1 (Amendment) First-time Adoption - Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters - endorsed by the EU on 11 December 2012 (effective for reporting periods starting on or after 1 January 2013,

- Amendments to IFRS 1 First-time Adoption of IFRS – Government Loans - endorsed by the EU on 4 March 2013 (effective for reporting periods starting on or after 1 January 2013),  
 - Amendments to IFRS 7 Financial Instruments: Disclosures - Reclassification of financial assets -endorsed by the EU on 13 December 2012 (effective for reporting periods starting on or after 1 January, 2013),  
 - Amendments to IAS 1 – Presentation of Items of Other Comprehensive Income - endorsed by the EU 5 June, 2012 (effective for reporting periods starting on or after 1 July, 2012),  
 - IAS 12 Income Taxes - Deferred Tax: Recovery of Underlying Assets - endorsed by the EU on 11 December, 2012 (effective for reporting periods starting on or after 1 January, 2013),  
 - Amendments to IAS 19 – Employee Benefits - Improvements on the accounting on benefits received after the termination of the employment - endorsed by the EU on 5 June, 2012 (effective for reporting periods starting on or after 1 January, 2013),  
 IFRIC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine - endorsed by the EU on 11 December, 2012 (effective for reporting periods starting on or after 1 January, 2013),  
 - Annual Improvements to International Financial Reporting Standards, 2009–2011 Cycle (IFRS 1, IAS 1, IAS 16, IAS 34) - primarily in order to eliminate inconsistencies and provide explanation - endorsed by the EU on 27 March, 2013 (effective for reporting periods starting on or after 1 January, 2013),

These modifications, new standards and interpretations had no significant effects on the financial statements of the Company.

#### **New standards, interpretations and changes, accepted by the European Union becoming effective after the current reporting period**

- IFRS 10 Consolidated Financial Statements - endorsed by the EU on 11 December, 2012 (effective for reporting periods starting on or after 1 January, 2014),  
 - IFRS 11 Joint Arrangements - endorsed by the EU on 11 December, 2012 (effective for reporting periods starting on or after 1 January, 2014),  
 - IFRS 12 Disclosure of Interests in Other Entities - endorsed by the EU on 11 December, 2012 (effective for reporting periods starting on or after 1 January, 2014),  
 - IAS 27 Separate Financial Statements - endorsed by the EU on 11 December, 2012 (effective for reporting periods starting on or after 1 January, 2014),  
 - IAS 28 Investment in Associates and Joint Ventures - endorsed by the EU on 11 December, 2012 (effective for reporting periods starting on or after 1 January, 2014),  
 - Amendments to IAS 32 Financial Instruments: Presentation - Reclassification of financial assets - endorsed by the EU on 13 December, 2012 (effective for reporting periods starting on or after 1 January, 2014),  
 - Investment entities (Amendments to International Financial Reporting Standards 10 Consolidated Financial Statement, IFRS 12 Disclosures of Interests in Other Entities, and IAS 27 Separate Financial Statements) - endorsed by the EU on 20 November 2013 (effective for reporting periods starting on or after 1 January, 2014),  
 - Consolidated Financial Statements, Joint Arrangements and Disclosure of Interest in Other Entities: Transition Guidance (Amendments to International Financial Reporting Standards 10, 11, and 12) - endorsed by the EU on 4 April, 2013 (effective for reporting periods starting on or after 1 January, 2014),  
 - Impairment of Assets (Amendments to IAS 36) - endorsed by the EU on 19 December, 2013 (effective for reporting periods starting on or after 1 January, 2014),  
 - Novation of Derivatives and Continuation of Hedge Accounting (Amendments to IAS 39) - endorsed by the EU on 19 December, 2013 (effective for reporting periods starting on or after 1 January, 2014),

The Company did not elect the early application of IFRSs not in effect.

#### **Declaration of compliance**

The financial statements were prepared in accord with the International Financial Reporting Standards (IFRS) as endorsed by the EU.

#### **Characteristics of the company**

Authorized to sign the annual report:	Öregné Kocsis Petronella	Address: AT 7521 Bildein, Triftweg 2/2.
Authorized to sign the annual report:	Öreg Szabolcs	Address: 39 Petöfi St., Sósokút, 2038 HU
Authorized to sign the annual report:	Öreg Imre	Address: 18 Jövölág St., A building, Zsámbék, 2072 HU
Authorized to sign the annual report:	Csák Tamás	Address: 6 Pipacs St., Körmend, 9900 HU
Authorized to sign the annual report:	Dr.Tóth Gábor	Address: 35 Kunigunda St., Budapest, 1037 HU
Board of Supervisors:	Lieberné Nagy Alíz, Ozsváth Imre, Chlebeda István	

According to legal provisions it is compulsory for the company to have the annual report audited.

Auditor:	Dr. Serényi Iván	ny.sz.: 003607
Registered audit company:	Audit Service Kft.	ny.sz.: 001030

Legal representation:	dr. Lex Annamária
Person responsible for accounting:	
- name:	Lauf László
- address:	1044 Budapest, Frangepán u. 36
- registration number:	148544
The IFRS transformation was prepared by:	Rationarius Kft.
Bank accounts:	- HUF: MKB Bank, FONTANA Credit Takarékszövetkezet, Mohácsi Takarékszövetkezet Bank Zrt.

**System of operation**

The ownership relations are included in the articles of association, the activity is performed according to the provisions of these documents.

The monitoring and fixation of the daily turnover is implemented by a computer software system (WinFok software), which ensures the closed processing of the data fed.

**Accounting policy**

The currency of book-keeping:	forint (HUF)	All items in this notes are presented in thousand Forints, except where stated otherwise.
The method of book-keeping:	double entry bookkeeping, IFRSs as endorsed by the European Union	
Closing date of the company:	31.12.2013	
Balance sheet prep. date:	31 January	
Closing date of the audit:	14.05.2014	
The base of the authorization:	Separate financial statements	
Regulations characterizing the accounting principles:		
= Departure from the accounting principles:	none.	
= Departure from the laws in force, permitted by the auditor:	none.	
= Departure from the adopted valuation concepts:	none.	
= Consistent exchange rate at the valuation of foreign exchange assets and liabilities:	Hungarian National Bank (MNB) middle market price.	
= In the course of their work the principle of prudence and „true and fair view”, is enforced, it is applied together with the principle of going concern.		

The statement on completeness guarantees the completeness of the processing.

Between the dates of annual closing and balance making there was no essential information modifying the situation of the company, thus the closing data of the company can be valued as those of an operating undertaking.

The length of the reporting period differs from the previous one:

*The Company was established on 3 January, 2012 as the legal successor of the Helper Service Kft. through a transformation, so the previous reporting period is 2 days shorter, but the effect of this are not significant.*

Transactions arising after the reporting date but affecting the current reporting period:

- effect of foreign exchange differences:		0 THUF
- effect of market valuation changes:		0 THUF
- high value acquisitions, transformations:	n/a	
- decision on ceasing the business activities:	n/a	
- high value inventory purchases:		0 THUF
- high value damages:		0 THUF
- changes in tax rates:	n/a	
- legal disputes:	n/a	
- plans on restructuring:	n/a	

**Financial instruments (Accounting policy)**

**A financial asset or financial liability at fair value through profit or loss**

A financial asset or financial liability at fair value through profit or loss is a financial asset or financial liability that is classified as held for trading and any such financial asset or liability under IAS 39, that is classified upon initial recognition by the entity as at fair value through profit or loss.

A financial asset or financial liability is classified as held for trading if:

- it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term;
- on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

The financial instruments of this group has to be measured at fair value through profit or loss.

The Company had no financial assets and financial liabilities measured at fair value through profit or loss in previous and in current reporting period.

**Held-to-maturity investments**

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity that an entity has the positive intention and ability to hold to maturity.

Excluding:

- those that the entity upon initial recognition designates as at fair value through profit or loss;
- those that the entity designates as available for sale; and
- those that meet the definition of loans and receivables.

Held-to-maturity investments are measured at amortised cost, for the calculation of which the effective interest method is applied. Revenues can be only accounted when they can be measured reliably and when the entity realises profit through the transaction.

The Company had no financial assets classified as held-to-maturity investments in the previous and in the current reporting period.

**Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than:

- those that the entity intends to sell immediately or in the near term, which shall be classified as held for trading, and those that the entity upon initial recognition designates as at fair value through profit or loss,
- those that the entity upon initial recognition designates as available for sale, or
- those for which the holder may not recover substantially all of its initial investment, other than because of credit deterioration, which shall be classified as available for sale.

These instruments are measured at amortised cost. The amortised cost is the amount at which the item is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction for impairment or uncollectability.

Items classified by the Company into this category are as follows:

- Liquid assets, see reference No. 7,
- Receivables, see reference No. 5,
- Long-term receivables and loans see reference No. 3 for details.

**Available-for-sale financial assets**

Available-for-sale financial assets are those non-derivative financial assets that are designated as available for sale or are not classified as (a) loans and receivables, (b) held-to-maturity investments or (c) financial assets at fair value through profit or loss.

They are measured at fair value, but the difference resulting from fair value measurement is presented in other comprehensive income accounted in own equity.

Items classified by the Company into this category are as follows:

- Investments into not consolidated (affiliated) undertakings: the Company had only in 2012 an item classified into this category. For details please see reference No. 3.

#### Other financial liabilities

Every financial liability, that is not classified as financial liabilities measured at fair value through profit or loss is classified into this category.

They are measured at amortised cost.

Items classified by the Company into this category are as follows:

- Current liabilities, for details please read reference No. 10,

- Long-term and subordinated liabilities: see reference No. 9.

#### Most significant events of 2013:

Effect of transformations, mergers in current reporting period:

none.

Presentation of assets of liabilities taken over through mergers or acquisitions:

none.

#### Intangible assets

Reference

[1.](#)

The Organization had no intangible assets in the previous and in the current year.

#### Immovables and personalties used in production

Reference

[2.](#)

#### Contents:

- building,
- land,
- machinery,
- equipment,
- computer system,
- vehicle.

#### Valuation-accounting:

- The basis of registration is: the purchase price.
- Definition of residual value: On the base of the Accounting Policies.
- = Insignificant estimated residual value: its value is less than 20 % of the original cost value, and HUF 500 thousands.
- Method of depreciation: under the straight-line method, projected to the gross value.
- Frequency of accounting: monthly.
- Method for accounting of impairment: n/a

Assets are controlled through stocktaking.

Depreciation rates in use:

Description	Average (%)
According to annual rate	

- building	2,00
- machinery	14,50
- equipment	14,50
- computer systems	33,00
- vehicle	20,00

## Structure

Description	31.12.2012	Effect of	31.12.2013	Variation		Constituents of year under review
THUF		revision		THUF	%	%
<b>Land and buildings and rights to immovable</b>	<b>885 223</b>	<b>0</b>	<b>875 818</b>	<b>-9 405</b>	<b>98,94%</b>	<b>44,01%</b>
- plot of land, parcellization	49 660	0	49 660	0	100,00%	2,50%
- building, part of building	835 563	0	826 158	-9 405	98,87%	41,51%
<b>Plant, machinery, vehicles</b>	<b>138 392</b>	<b>0</b>	<b>115 432</b>	<b>-22 960</b>	<b>83,41%</b>	<b>5,80%</b>
- machinery, equipment	138 392	0	115 432	-22 960	83,41%	5,80%
<b>Tools of great value</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0,00%</b>	<b>0,00%</b>
<b>Leased assets</b>	<b>3 380</b>	<b>0</b>	<b>2 340</b>	<b>-1 040</b>	<b>69,23%</b>	<b>0,12%</b>
<b>Biological assets, natural resources</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0,00%</b>	<b>0,00%</b>
<b>Assets in course of construction</b>	<b>348 463</b>	<b>0</b>	<b>996 443</b>	<b>647 980</b>	<b>285,95%</b>	<b>50,07%</b>
<b>Total:</b>	<b>1 375 458</b>	<b>0</b>	<b>1 990 033</b>	<b>614 575</b>	<b>144,68%</b>	<b>100,00%</b>

## Change in stock

(01.01.2013 - 31.12.2013)

Denomination / THUF	opening	increase	decrease	loss in value marked back	reclassification +/-	closing
<b>Gross value</b>	<b>1 412 136</b>	<b>647 980</b>	<b>0</b>		<b>13 784</b>	<b>2 073 900</b>
Land and buildings and rights to imm.	888 858	0	0		14 250	903 108
Plant, machinery, vehicles	168 315	0	0		-466	167 849
Tools of great value	0	0	0		0	0
Leased assets	6 500	0	0		0	6 500
Biological assets, natural resources	0	0	0		0	0
Assets in course of construction	348 463	647 980	0		0	996 443
<b>DEPRECIATION</b>	<b>36 677</b>	<b>27 303</b>	<b>0</b>	<b>0</b>	<b>19 886</b>	<b>83 866</b>
Land and buildings and rights to imm.	3 634	9 062	0	0	14 593	27 289
Plant, machinery, vehicles	29 923	17 201	0	0	5 293	52 417
Tools of great value	0	0	0	0	0	0
Leased assets	3 120	1 040	0	0	0	4 160
Biological assets, natural resources	0	0	0	0	0	0
Assets in course of construction	0	0	0	0	0	0
<b>Net value</b>	<b>1 375 459</b>	<b>620 677</b>	<b>0</b>	<b>0</b>	<b>-6 102</b>	<b>1 990 034</b>
Land and buildings and rights to imm.	885 224	-9 062	0	0	-343	875 819
Plant, machinery, vehicles	138 392	-17 201	0	0	-5 759	115 432

Tools of great value	0	0	0	0	0	0
Leased assets	3 380	-1 040	0	0	0	2 340
Biological assets, natural resources	0	0	0	0	0	0
Assets in course of construction	348 463	647 980	0	0	0	996 443

Change in stock (03.01.2012 - 31.12.2012)

Denomination / THUF	opening	increase	decrease	loss in value marked back	reclassification +/-	closing
<b>Gross value</b>	<b>1 194 126</b>	<b>537 224</b>	<b>319 215</b>		<b>0</b>	<b>1 412 135</b>
Land and buildings and rights to imm.	882 892	155 965	150 000		0	888 857
Plant, machinery, vehicles	168 315	0	0		0	168 315
Tools of great value	0	0	0		0	0
Leased assets	6 500	0	0		0	6 500
Biological assets, natural resources	0	0	0		0	0
Assets in course of construction	136 419	381 259	169 215		0	348 463
<b>DEPRECIATION</b>	<b>20 307</b>	<b>17 778</b>	<b>1 408</b>	<b>0</b>	<b>0</b>	<b>36 677</b>
Land and buildings and rights to imm.	3 088	1 954	1 408		0	3 634
Plant, machinery, vehicles	15 139	14 784	0	0	0	29 923
Tools of great value	0	0	0	0	0	0
Leased assets	2 080	1 040	0	0	0	3 120
Biological assets, natural resources	0	0	0	0	0	0
Assets in course of construction	0	0	0	0	0	0
<b>Net value</b>	<b>1 173 819</b>	<b>519 446</b>	<b>317 807</b>	<b>0</b>	<b>0</b>	<b>1 375 458</b>
Land and buildings and rights to imm.	879 804	154 011	148 592	0	0	885 223
Plant, machinery, vehicles	153 176	-14 784	0	0	0	138 392
Tools of great value	0	0	0	0	0	0
Leased assets	4 420	-1 040	0	0	0	3 380
Biological assets, natural resources	0	0	0	0	0	0
Assets in course of construction	136 419	381 259	169 215	0	0	348 463

Changes in stock according to IFRS (01.01.2013 - 31.12.2013)

Denomination / THUF	opening	increase	decrease	corrections	closing
<b>CHANGE OF DEPRECIATION</b>	<b>36 677</b>	<b>27 303</b>	<b>0</b>	<b>19 886</b>	<b>83 866</b>
ORDINARY	36 677	27 303	0	19 886	83 866
- straight-line method	36 677	27 303	0	19 886	83 866
IMPAIRMENT	0	0	0	0	0

Changes in stock according to IFRS (03.01.2012 - 31.12.2012)

Denomination / THUF	opening	increase	decrease	loss in value marked back	closing
<b>CHANGE OF DEPRECIATION</b>	<b>20 307</b>	<b>17 778</b>	<b>1 408</b>	<b>0</b>	<b>36 677</b>
ORDINARY	20 307	17 778	1 408		36 677
- straight-line method	20 307	17 778	1 408		36 677

IMPAIRMENT	0	0	0	0	0
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Changes in development reserve

Denomination / THUF	31.12.2012	31.12.2013
<b>DEVELOPMENT RESERVE</b>		
+ opening	0	0
+ formation	0	67 668
- appropriation	0	0
- cancelled by self-revision or corporation tax correction	0	0
<b>= other appropriation obligation</b>	<b>0</b>	<b>67 668</b>
from which: due in next year:		0

Presentation of items of financial lease

Denomination	book value	future cash outflows			extension, options, other clauses	related restrictions
THUF		within 1 year	1 to 5 years	later than 5 years		
Passenger car (KYB-260)	2 340	590	969	0	-.	-.
<b>Total:</b>	<b>2 340</b>	<b>590</b>	<b>969</b>	<b>0</b>		

Indicators

Description	31.12.2012	31.12.2013	Variations %
Share of assets:	70,92%	99,99%	140,99%
Ratio of assets:	59,77%	82,93%	138,74%
Degree of wearing out:	97,40%	95,96%	98,51%
Coverage of tangible assets:	107,91%	77,30%	71,63%
Effectiveness of tangible assets:	0,17	0,43	244,00%

Content of assets in course of construction:

- land and buildings: 990 763 THUF,  
- machinery: 5 680 THUF,

Impairment, retirement from books: *none.*Stock not included in the books: *none.*

The Company doesn't have any biological assets according to IAS 41.

**Long-term investments**Reference [3.](#)**Content:**

- business shares  
- other long-term loan.

**Valuation-accounting:**

- The basis of registration is: the purchase price.

Assets are controlled by reconciliation.



## Structure

Description	31.12.2012	Effect of	31.12.2013	Variation		Constituents of year under review
THUF		revision		THUF	%	%
Investments into not consolidated (affiliated) undertakings	563 750	0	0	-563 750	0,00%	0,00%
Long-term receivables and loans	176	0	176	0	100,00%	100,00%
<b>Total:</b>	<b>563 926</b>	<b>0</b>	<b>176</b>	<b>-563 750</b>	<b>0,03%</b>	<b>100,00%</b>

## Change in stock

(01.01.2013 - 31.12.2013)

Denomination / THUF	opening	increase	decrease	loss in value marked back	reclassification +-	closing
<b>GROSS VALUE</b>	<b>563 926</b>	<b>0</b>	<b>563 750</b>		<b>0</b>	<b>176</b>
Investments into not consolidated (affiliated) undertakings	563 750	0	563 750		0	0
Long-term receivables and loans	176	0	0		0	176
<b>IMPAIRMENT</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Investments into not consolidated (affiliated) undertakings	0	0	0	0	0	0
Long-term receivables and loans	0	0	0	0	0	0
<b>NET VALUE</b>	<b>563 926</b>	<b>0</b>	<b>563 750</b>	<b>0</b>	<b>0</b>	<b>176</b>
Investments into not consolidated (affiliated) undertakings	563 750	0	563 750	0	0	0
Long-term receivables and loans	176	0	0	0	0	176

## Change in stock

(03.01.2012 - 31.12.2012)

Denomination / THUF	opening	increase	decrease	loss in value marked back	reclassification +-	closing
<b>GROSS VALUE</b>	<b>19 176</b>	<b>561 250</b>	<b>19 000</b>		<b>2 500</b>	<b>563 926</b>
Investments into not consolidated (affiliated) undertakings	0	561 250	0		2 500	563 750
Long-term receivables and loans	19 176	0	19 000		0	176
<b>IMPAIRMENT</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Investments into not consolidated (affiliated) undertakings	0	0	0	0	0	0
Long-term receivables and loans	0	0	0	0	0	0
<b>NET VALUE</b>	<b>19 176</b>	<b>561 250</b>	<b>19 000</b>	<b>0</b>	<b>2 500</b>	<b>563 926</b>
Investments into not consolidated (affiliated) undertakings	0	561 250	0	0	2 500	563 750

Long-term receivables and loans	19 176	0	19 000	0	0	176
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Differences between purchase and nominal values (01.01.2013 - 31.12.2013)

Description	Value at cost	Value at cost	Bases of Valuation		31.12.2013	31.12.2013
THUF	Call	Nominal	Price %	Equity/Stock	Marketable value	Audited value
(76%-...) – direct control						
(51%-75%) – majority control						
(50% / 33%) – jointly managed						
(25%-50%) - substantial > 25%						
(20%-25%) -below 25%						
(...-19%) -other						
<b>Total:</b>	<b>0</b>	<b>0</b>			<b>0</b>	<b>0</b>

Differences between purchase and nominal values (03.01.2012 - 31.12.2012)

Description	Value at cost	Value at cost	Bases of Valuation		31.12.2012	31.12.2012
THUF	Call	Nominal	Price %	Equity/Stock	Marketable value	Audited value
(76%-...) – direct control						
JB natural s.r.o.	547 000	1 608 588	100%	N/A	1 608 588	547 000
(51%-75%) – majority control						
(50% / 33%) – jointly managed						
SZABÁCS-IRODA Kft.	16 750	16 750	100%	N/A	16 750	16 750
<b>Total:</b>	<b>563 750</b>	<b>1 625 338</b>			<b>1 625 338</b>	<b>563 750</b>

Indicators

Description	31.12.2012	31.12.2013	Variations
			%
Share of assets:	29,08%	0,01%	0,03%
Ratio of assets:	24,51%	0,01%	0,03%

Stock not included in the books: none.

Reclassifications into other claims: none.

Extraordinary events of the year:

The SZABÁCS-IRODA Kft. ownership share was sold during the reporting period, which resulted a profit of THUF 17 202 (see reference No. 14). The ownership share in JB natural s.r.o was used to settle a bill of exchange issued to settle a liability against suppliers, which transaction resulted in no profit or loss.

**Inventories**Reference [4.](#)**Content:**

- goods for resale.

**Valuation-accounting:**

- The basis of registration is: the purchase price.

- Loss in value: none.

Assets are controlled through stocktaking.

## Structure

Description	31.12.2012	Effect of	31.12.2013	Variation		Constituents of year under review
THUF		revision		THUF	%	%
Raw materials and consumables	11	0	0	-11	0,00%	0,00%
Work in progress, intermediate and semi-finished products	0	0	0	0	0,00%	0,00%
Animals for breeding and fattening, other livestock	0	0	0	0	0,00%	0,00%
Finished products	0	0	0	0	0,00%	0,00%
Goods for resale	8	0	37 214	37 206	465175,00%	100,00%
<b>Total:</b>	<b>19</b>	<b>0</b>	<b>37 214</b>	<b>37 195</b>	<b>195863,16%</b>	<b>100,00%</b>

## Indicators

Description	31.12.2012	31.12.2013	Variations
			%
Share of assets:	0,01%	9,09%	173031,50%
Ratio of assets:	0,00%	1,55%	187819,05%
Supplier's ratio of inventories:	0,00	0,17	288444,28%
Rotation of inventories:	12 617,05	22,74	0,18%

Change of toxic waste stock: *none.*

Stock not included in the books: *none.*

**Receivables**Reference [5.](#)**Content:**

- trade debtors,
- non-stressed.

**Valuation-accounting:**

- The basis of registration is: the book value.
- Loss in value: On the base of the Accounting policies

Stock is supported by reconciliation, analytical registration.

## Rates of loss in value accounting used by items receivable

Description	Accounting %
Under liquidation	99,00
Under bankruptcy	50,00
Under settlement	individual
For a period exceeding 1 year	61,20
For a period exceeding 6 months	29,40
For a period exceeding 3 months	14,10

## Structure

Description	31.12.2012	Effect of	31.12.2013	Variation		Constituents of year under review
THUF		revision		THUF	%	%
Trade debtors	164 509	0	72 329	-92 180	43,97%	19,51%
- domestic	136 235	0	102 531	-33 704	75,26%	27,65%
- foreign	50 000	0	0	-50 000	0,00%	0,00%
- loss in value of trade debtors	-21 726	0	-30 202	-8 476	139,01%	-8,15%
Bills of exchange receivable (non-affiliated)	0	0	0	0	0,00%	0,00%
Non consolidated receivables from affiliated undertakings	0	0	0	0	0,00%	0,00%
Deposits and cautions	0	0	0	0	0,00%	0,00%
Other receivables	195 378	0	298 466	103 088	152,76%	80,49%
Liquid assets lent, non -affiliated	2 300	0	92 800			
Tax/ Soc. Security / customs rec. due to reclassif.	81 647	0	75 934			
Reclassified «Debit» balance trade creditors	0	0	19 717			
Receivables from sale of timeshares	77 505	0	77 505			
Other receivables	33 926	0	32 510			
Expectedly returning sum of deferred tax receivables	0		0	0	0,00%	0,00%
Positive balance of the expenses and revenues of constructions under way	0		0	0	0,00%	0,00%
Total:	359 887	0	370 795	10 908	103,03%	100,00%

The amount of THUF 32.510 of other receivables under other receivables consist of advance payments to suppliers.

## Receivables - impairment

(01.01.2013 - 31.12.2013)

Description	act on account.			impairment	act on account.
THUF	opening	increase	decrease	written back	closing
Trade debtors	21 726	30 202	0	21 726	30 202
Total:	21 726	30 202	0	21 726	30 202

## Receivables - impairment

(03.01.2012 - 31.12.2012)

Description	act on account.			impairment	act on account.
THUF	opening	increase	decrease	written back	closing
Trade debtors	21 726	0	0	0	21 726
Total:	21 726	0	0	0	21 726

## Indicators

Description	31.12.2012	31.12.2013	Variations
			%
Share of assets:	99,49%	90,56%	91,02%
Ratio of assets:	15,64%	15,45%	98,80%
Supplier's ratio of buyers:	0,53	0,34	64,75%
Rotation of trade debtors (days):	250,48	31,20	12,45%
Indicator of credit coverage:	49,05%	55,39%	112,92%

## Reclassifications:

- due to „credit“ balance trade debtors:	1 277 THUF.
- due to „credit“ balance other receivables:	5 000 THUF.

Stock not included in the books: *none.*

Contingent receivables: *none.*

**Short-time investments, securities**Reference [6.](#)

The Company did not possess short-time investment, securities on the end of either the current, or the previous the reporting period.

**Liquid assets**Reference [7.](#)**Content:**

- cash in hand,
- bank accounts.

**Valuation - accounting:**

- The basis of registration is: the book value.
- Loss in value: *none.*

Assets are controlled by reconciliation, cash audit and certified by the owners.

## Structure

Description	31.12.2012	Effect of	31.12.2013	Variation		Constituents of year under review
THUF		revision		THUF	%	%
Liquid assets of free disposal	1 812	0	1 438	-374	79,36%	100,00%
Separated liquid assets	0	0	0	0	0,00%	0,00%
Promptly realizable liquid securities	0	0	0	0	0,00%	0,00%
<b>Total:</b>	<b>1 812</b>	<b>0</b>	<b>1 438</b>	<b>-374</b>	<b>79,36%</b>	<b>100,00%</b>

## Indicators

Description	31.12.2012	31.12.2013	Variations
			%
Share of assets:	0,50%	0,35%	70,11%
Ratio of assets:	0,08%	0,06%	76,10%
Rapid rate index:	0,00	0,00	86,98%

Unknown (foreign) money from the stock:

none.

**Deferred expenses.**Reference [8.](#)

The Company did not possess deferred expenses on the end of either the current, or the previous the reporting period.

**Liabilities**Reference [8.](#)

Highlighted liabilities

(01.01.2013 - 31.12.2013)

Description and type	Actual value 31.12.2013	Due						Rate %
		1 year	2 years	3 years	4 years	5 years	over 5 years	
<b>Financial institutions:</b>								
- Mohácsi Takarékbank Zrt.	190 426	28 620	25 000	25 000	25 000	25 000	61 806	1 month BUBOR + marge
- Erste Leasing Autófinanszírozási Zrt.	1 559	590	590	379	0	0	0	11,62%
- Fontana Credit Takarékszövetkezet	106 396	106 396	0	0	0	0	0	changing base interest rate + 2 per cent marge
<b>Other organizations:</b>								
- Zalai Általános Építési Vállalkozó Zrt.	32 670	32 670	0	0	0	0	0	15 per cent; central bank rate + 2 per cent
- MIYUJI	1 007	0	0	0	0	0	1 007	central bank rate + 3 per cent
- Mondo Libro	3 262	0	0	0	0	0	3 262	central bank rate + 3 per cent
<b>Total:</b>	<b>335 320</b>	<b>168 276</b>	<b>25 590</b>	<b>25 379</b>	<b>25 000</b>	<b>25 000</b>	<b>66 075</b>	

Highlighted liabilities

(03.01.2012 - 31.12.2012)

Description and type	Actual value 31.12.2012	Due						Rate %
		1 year	2 years	3 years	4 years	5 years	over 5 years	
<b>Financial institutions:</b>								
- Mohácsi Takarékbank Zrt.	198 716	117 406	25 000	25 000	25 000	6 310	0	1 month BUBOR + marge
- Fontana Credit Takarékszövetkezet	72 630	72 630	0	0	0	0	0	changing base interest rate + 2 per cent marge
- Erste Leasing Zrt.	2 496	590	590	590	590	136	0	11,62%
- Other overdraft	35	35	0	0	0	0	0	changing
<b>Other organizations:</b>								
- Zalai Általános Építési Vállalkozó Zrt.	30 000	30 000	0	0	0	0	0	15 per cent; central bank rate + 2 per cent
<b>Total:</b>	<b>303 877</b>	<b>220 661</b>	<b>25 590</b>	<b>25 590</b>	<b>25 590</b>	<b>6 446</b>	<b>0</b>	

**Long-term liabilities**Reference [9.](#)

**Content:**

- loans,
- credits,
- other liabilities.

**Valuations - accounting:**

- The basis of registration is:

the book value.

The stock is supported by reconciliation.

## Long-term liabilities - interest liabilities

Description	Rate %
Financial institutions:	
- Mohácsi Takarékbank Zrt.	1 month BUBOR + marge
- Erste Leasing Zrt.	11,62%

## Structure

Description	31.12.2012	Effect of	31.12.2013	Variation		Constituents of year under review
THUF		revision		THUF	%	%
<b>Long-term credits and loans</b>	<b>81 310</b>	<b>0</b>	<b>190 426</b>	<b>109 116</b>	<b>234,20%</b>	<b>99,19%</b>
Investment and development credits	81 310		190 426	109 116	234,20%	99,19%
<b>Debts on issue of bonds, convertible bonds</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0,00%</b>	<b>0,00%</b>
<b>Leasing liabilities</b>	<b>1 906</b>	<b>0</b>	<b>1 559</b>	<b>-347</b>	<b>81,79%</b>	<b>0,81%</b>
<b>Non consolidated long-term payables to affiliated undertakings</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0,00%</b>	<b>0,00%</b>
<b>Other long-term liabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0,00%</b>	<b>0,00%</b>
<b>Subordinated liabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0,00%</b>	<b>0,00%</b>
<b>Expected (future) liabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0,00%</b>	<b>0,00%</b>
<b>Total:</b>	<b>83 216</b>	<b>0</b>	<b>191 985</b>	<b>108 769</b>	<b>230,71%</b>	<b>100,00%</b>

## Long-term liabilities - degree of credit coverage guarantee

Description	Typ of credit	Amount of credit	Amount of coverage	Coverage guarantee
THUF				
- Mohácsi Takarékbank Zrt.	investment	186 806 -.		properties + sureties
- Erste Leasing	lease	1 559 -.		vehicle
<b>Total:</b>		<b>188 365</b>		

## Indicators

Description	31.12.2012	31.12.2013	Variations
			%
Share of liabilities:	10,19%	22,29%	218,78%

Ratio of liabilities:	3,62%	8,00%	221,23%
Indicator of liquidity:	44,28%	47,53%	107,34%
Indicator of long-term liquidity:	2,12%	32,59%	1536,73%
Degree of indebtedness:	55,04%	56,00%	101,75%
Net indebtedness:	30,79%	31,89%	103,59%
Indebtedness projected to sales revenues:	340,00%	101,62%	29,89%
Ratio of long-term liabilities/own sources:	5,31%	11,10%	209,00%
Coverage ratio of loans:	35,45%	35,86%	101,16%

Reclassifications into short-term liabilities: *none.*

Stock not included in the books: *none.*

#### Current liabilities

Reference [10.](#)

##### Content:

- trade creditors,
- credits,
- other liabilities.

##### Valuation - accounting:

- The basis of registration is: the book value.

The stock is supported by reconciliation.

##### Current liabilities - interest liabilities

Description	Rate %
<b>Financial institutions:</b>	
- Mohácsi Takarékbank Zrt.	1 month BUBOR + marge
- Fontana Credit Takarékszövetkezet	changing base interest rate + 2 per cent marge
- Erste Leasing Zrt.	11,62%
<b>Other organizations:</b>	
- Zalai Általános Építési Vállalkozó Zrt.	15 per cent; central bank rate + 2 per cent
- Mondo Libro	central bank rate + 3 per cent
- MIYUJI	central bank rate + 3 per cent

##### Structure

Description	31.12.2012	Effect of	31.12.2013	Variation		Constituents of year under review
THUF		revision		THUF	%	%
Advance received from customers	0	0	28 031	28 031	0,00%	4,19%



<b>Accounts payable (Trade creditors)</b>	<b>313 272</b>	<b>0</b>	<b>212 722</b>	<b>-100 550</b>	<b>67,90%</b>	<b>31,78%</b>
- domestic	313 272	0	212 722	-100 550	67,90%	31,78%
<b>Bills of exchange payable</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0,00%</b>	<b>0,00%</b>
<b>Other short-term liabilities</b>	<b>37 306</b>	<b>0</b>	<b>75 549</b>	<b>38 243</b>	<b>202,51%</b>	<b>11,29%</b>
- payments to employees	253	0	2 285	2 032	903,16%	0,34%
- payments to tax / soc. ins./ customs	35 029	0	66 580	31 551	190,07%	9,95%
- reclassified "credit" balance trade debtors	0	0	1 277	1 277	0,00%	0,19%
- other reclassified receivables	0	0	5 000	5 000	0,00%	0,75%
Other liabilities	2 024	0	407	-1 617	20,11%	0,06%
<b>Short-term credits and loans</b>	<b>220 661</b>	<b>0</b>	<b>143 335</b>	<b>-77 326</b>	<b>64,96%</b>	<b>21,41%</b>
Short-term credits	190 646	0	0	-190 646	0,00%	0,00%
Short-term bank loans	30 015	0	143 335	113 320	477,54%	21,41%
<b>Non consolidated short-term payables to affiliated undertakings</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0,00%</b>	<b>0,00%</b>
<b>Deferred revenues</b>	<b>162 427</b>	<b>0</b>	<b>209 792</b>	<b>47 365</b>	<b>129,16%</b>	<b>31,34%</b>
<b>Deferred tax liabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0,00%</b>	<b>0,00%</b>
<b>Total:</b>	<b>733 666</b>	<b>0</b>	<b>669 429</b>	<b>-64 237</b>	<b>91,24%</b>	<b>100,00%</b>

Current liabilities - degree of credit coverage guarantee

Description	Typ of credit	Amount of credit	Amount of coverage	Coverage guarantee
- Mondo Libro	loan	3 262 -.	-.	-.
- Fontana Credit Takarékszövetkezet	investment and working capital credit	106 396 -.	-.	property
- Zalai Általános Építési Vállalkozó Zrt.	loan	32 670	THUF 30 000 + interest + other costs	sureties
- MIYUJI Kft.	investment and working capital credit	1 007 -.	-.	-.
<b>Total:</b>		<b>143 335</b>	<b>0</b>	

Indicators

Description	31.12.2012	31.12.2013	Variations %
Share of liabilities:	31,88%	27,90%	87,50%
Short-term liquidity I.:	49,30%	61,16%	124,06%
Short-term liquidity II.:	0,25%	5,77%	2313,54%
Ratio of illiquidity:	0,49	0,55	112,92%
Transit time of trade creditors (day):	644,68	157,26	24,39%

Dynamic liquidity:	2,36%	41,94%	1776,00%
Indicator of interest coverage:	172,99%	355,12%	205,28%
Short-term indebtedness:	305,29%	78,93%	25,86%

## Reclassifications to other receivables:

- due to „debit“ balance trade creditors:	19 717 THUF.
- due to „debit“ balance other liabilities:	75 934 THUF.

**Shareholders' equity**Reference [11.](#)**Content:**

- issued capital,
- reserves,
- profit or loss for the year.
- repurchased own shares.

**Valuations - accounting:**

- The basis of registration is: the book value.

The stock is supported by reconciliation.

## Structure

Description	31.12.2012	Effect of revision	31.12.2013	Variation		Constituents of year under review
				THUF	%	%
Issued capital	1 462 260	0	1 466 930	4 670	100,32%	95,36%
(-) Ownership shares repurchased at book value	0	0	-73 326	-73 326	0,00%	-4,77%
Assets given in excess of shares	0	0	0	0	0,00%	0,00%
Accumulated profit reserve and current profit after	21 960	0	144 638	122 678	658,64%	9,40%
Differences resulting from market valuation	0	0	0	0	0,00%	0,00%
Participation of external owners	0	0	0	0	0,00%	0,00%
<b>Total:</b>	<b>1 484 220</b>	<b>0</b>	<b>1 538 242</b>	<b>54 022</b>	<b>103,64%</b>	<b>100,00%</b>

## Indicators

Description	31.12.2012	31.12.2013	Variations
			%
Ratio of capital:	64,50%	64,10%	99,38%
Share of capital:	181,69%	178,57%	98,28%
Coverage of fixed assets:	76,53%	77,29%	100,99%
Growth index of equity:	1,02	1,05	103,31%
Revolution of equity:	0,16	0,55	340,62%
Effectiveness of equity:	0,85%	7,98%	939,22%

## Stressed participations, shares:

- own participations, shares 73 326 THUF.

Stock not included in the books:

none.

Dividend payment:

none.

Extraordinary events of the year:

The Company has repurchased his own shares in the reporting period in multiple steps. Details on the transactions are presented at the earnings per share section (see reference No. 16).

Changes following the year:

none.

#### Operating revenues

Reference [12.](#)

Content:

- domestic,
- export,
- other revenues.

Valuation - accounting:

- The basis of registration is: the book value.

The stock is supported by analytical registration.

Structure

Description	31.12.2012	Effect of	31.12.2013	Variation		Constituents of year under review
THUF		revision		THUF	%	%
Domestic sales revenue	239 724	0	712 766	473 042	297,33%	82,88%
Export sales revenue	0	0	133 500	133 500	0,00%	15,52%
Other income and profit	217 924	0	13 704	-204 220	6,29%	1,59%
Other income	217 924	0	13 704	-204 220	6,29%	1,59%
<b>Total:</b>	<b>457 648</b>	<b>0</b>	<b>859 970</b>	<b>402 322</b>	<b>187,91%</b>	<b>100,00%</b>

Details on net sales revenue (IAS 18.35 b))

Description / THUF	31.12.2012	31.12.2013
Sale of goods	40 194	501 785
Rendering of services	199 530	344 481
Royalties	0	0
Other	0	0
<b>Összesen</b>	<b>239 724</b>	<b>846 266</b>

The details on interests and dividends as required by IAS 18.35 b) can be found under Income from financial transactions - see reference No. 14.

Structure

Description	31.12.2012	Effect of	31.12.2013	Variation	Constituents of year under review
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THUF		revision		THUF	%	%
<b>Other income:</b>						
- revenues from sale of assets	216 828	0	0	-216 828	0,00%	0,00%
- revenues related to insurance settlements	877	0	0	-877	0,00%	0,00%
- other non-stressed	219	0	13 704	13 485	6257,53%	100,00%
<b>Total:</b>	<b>217 924</b>	<b>0</b>	<b>13 704</b>	<b>-204 220</b>	<b>6,29%</b>	<b>100,00%</b>

Structure of revenues, export revenues

According to activity (domestic + export)	According to activity	According to markets	
Description	value in THUF	Description	value of fgn.exch. in THUF
From main scope of activity		Domestic:	712 766
Hotel services	1 439	Within the EU:	133 500
Income from pellet factory	501 138	- Slovakia	72 500
Income concerning used clothes	72 592	- Romania	61 000
Other sales revenue	271 097		
<b>Total:</b>	<b>846 266</b>	<b>Total:</b>	<b>846 266</b>

Indicators

Description	31.12.2012	31.12.2013	Variations
			%
Share of revenues:	3,72%	31,88%	856,18%
Gross production value (THUF):	239 724,00	846 266,00	353,02%
Ratio of export:	0,00%	15,78%	0,00%
Sales revenue proportionate profit:	7,23%	33,17%	459,04%
Capital proportionate profit:	1,17%	18,25%	1563,59%
Asset effectiveness:	0,75%	11,70%	1553,95%

Accounts of state subsidies:

none.

#### Operating costs

Reference

[13.](#)

#### Content:

- costs according to types of costs,
- other expenditures.

#### Valuation - accounting:

- The basis of registration is: the book value.
- The stock is supported by analytical registration.

Structure

Description	31.12.2012	Effect of	31.12.2013	Variation		Constituents of year under review
THUF		revision		THUF	%	%
<b>Costs according to types of costs</b>						
- material costs	177 367	0	493 713	316 346	278,36%	71,52%
- staff costs	27 255	0	44 514	17 259	163,32%	6,45%
- depreciation	17 778	0	27 303	9 525	153,58%	3,95%
- own performance capitalized	0	0	0	0	0,00%	0,00%
<b>Other expenses and losses</b>	<b>204 710</b>	<b>0</b>	<b>124 832</b>	<b>-79 878</b>	<b>60,98%</b>	<b>18,08%</b>
Other expenditures	189 710	0	124 832	-64 878	65,80%	18,08%
Extraordinary expenses	15 000	0	0	-15 000	0,00%	0,00%
<b>Total:</b>	<b>427 110</b>	<b>0</b>	<b>690 362</b>	<b>263 252</b>	<b>161,64%</b>	<b>100,00%</b>

## Structure

Description	31.12.2012	Effect of	31.12.2013	Variation		Constituents of year under review
THUF		revision		THUF	%	%
<b>Cost of services:</b>						
- transport-loading, warehousing, packaging	19	0	228	209	1200,00%	0,33%
- lease fees	-1 134	0	39 916	41 050	-3519,93%	58,58%
- maintenance costs	531	0	161	-370	30,32%	0,24%
- post, telecommunication services	2 983	0	2 111	-872	70,77%	3,10%
- education	-264	0	7 439	7 703	-2817,80%	10,92%
- advertising, publicity and marketing	551	0	1 692	1 141	307,08%	2,48%
- business trips, foreign delegations	0	0	159	159	0,00%	0,23%
- membership fee	198	0	0	-198	0,00%	0,00%
- services by appointed experts	942	0	1 500	558	159,24%	2,20%
- marketing prices, design	72 899	0	0	-72 899	0,00%	0,00%
- services connected to tenders	16 682	0	0	-16 682	0,00%	0,00%
- financial advisory, market research	8 268	0	0	-8 268	0,00%	0,00%
- other	24 264	0	14 929	-9 335	61,53%	21,91%
<b>Total:</b>	<b>125 939</b>	<b>0</b>	<b>68 135</b>	<b>-57 804</b>	<b>54,10%</b>	<b>100,00%</b>

## Structure

Description	31.12.2012	Effect of	31.12.2013	Variation		Constituents of year under review
THUF		revision		THUF	%	%
<b>Other services:</b>						
- insurance costs	159	0	307	148	193,08%	6,81%
- bank costs	3 863	0	3 055	-808	79,08%	67,74%
- administrative official fee	2 276	0	1 148	-1 128	50,44%	25,45%
- other	0	0	0	0	0,00%	0,00%

<b>Total:</b>	<b>6 298</b>	<b>0</b>	<b>4 510</b>	<b>-1 788</b>	<b>71,61%</b>	<b>100,00%</b>
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## Other operating charges - structure

Description	31.12.2012	Effect of	31.12.2013	Variation		Constituents of year under review
THUF		revision		THUF	%	%
<b>Other operating charges</b>						
- cost os assets sold	161 842	0	0	-161 842	0,00%	0,00%
- taxes, contrib. without innov. contrib. and local business tax on revenues	234	0	958	724	409,40%	0,00%
- local business tax on revenues	3 892	0	8 822	4 930	226,67%	0,00%
- APEH, Social Ins. penalty, default interest	1 409	0	19 288	17 879	1368,91%	0,00%
- indemnities	21 433	0	0	-21 433	0,00%	0,00%
- other non-stressed	900	0	95 764	94 864	10640,44%	0,00%
<b>Total:</b>	<b>189 710</b>	<b>0</b>	<b>124 832</b>	<b>-64 878</b>	<b>65,80%</b>	<b>0,00%</b>

## Indicators

Description	31.12.2012	31.12.2013	Variations
			%
Ratio of costs:	92,77%	66,83%	72,03%
Operating profit level:	107,79%	149,64%	138,83%
Production cost level:	92,77%	66,83%	72,03%
Proportion of material:	73,99%	58,34%	78,85%
Proportion of wage:	11,37%	5,26%	46,27%
Proportion of depreciation:	7,42%	3,23%	43,50%

**Financial transactions**Reference [14.](#)**Content:**

- income from financial transactions,
- expenses on financial transactions.

**Valuation - accounting:**

- The basis of registration is: the book value.
  - The foreign currency changes are valued according to the principle of „true and fair view“.
- The stock is supported by analytical registration.

## Structure

Description	31.12.2012	Effect of	31.12.2013	Variation		Constituents of year under review
THUF		revision		THUF	%	%
<b>Income from financial transactions</b>						
<b>Dividends and profit-sharing received</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0,00%</b>	<b>0,00%</b>

Capital gains on investments	0	0	17 202	17 202	0,00%	82,95%
Interest and capital gains on financ. Investm.	0	0	0	0	0,00%	0,00%
Other interest and similar income	5 370	0	3 535	-1 835	65,83%	17,05%
Other income from financial transactions	2 298	0	0	-2 298	0,00%	0,00%
<b>Total:</b>	<b>7 668</b>	<b>0</b>	<b>20 737</b>	<b>13 069</b>	<b>270,44%</b>	<b>100,00%</b>
<b>Expenses on financial transactions</b>						
Losses on financial investments	0	0	0	0	0,00%	0,00%
Interest payable and similar charges	21 698	0	53 047	31 349	244,48%	96,43%
Losses on shares, securities and bank deposits	0	0	0	0	0,00%	0,00%
<b>Other expenses on financial transactions</b>	<b>670</b>	<b>0</b>	<b>1 962</b>	<b>1 292</b>	<b>292,84%</b>	<b>3,57%</b>
Loss on devisen	8	0	291	283	3637,50%	0,53%
course difference on securities	0	0	1 671	1 671	0,00%	3,04%
other	662	0	0	-662	0,00%	0,00%
<b>Total:</b>	<b>22 368</b>	<b>0</b>	<b>55 009</b>	<b>32 641</b>	<b>245,93%</b>	<b>100,00%</b>
<b>Balance</b>	<b>-14 700</b>	<b>0</b>	<b>-34 272</b>	<b>-19 572</b>	<b>233,14%</b>	

## Indicators

Description	31.12.2012	31.12.2013	Variations
			%
Share of revenues:	1,65%	2,35%	142,88%
Ratio of expenditures:	4,98%	7,38%	148,30%
Financial profit level:	34,28%	37,70%	109,97%

**Profit accounts**Reference [15.](#)**Content:**

- operating profit,
- other results,
- profit and loss accounting.

**Valuation - accounting:**

- The base of registration is: the book value.
- The stock is supported by the accounts.

## Profit accounts - change in stock

Description	31.12.2012	Effect of revision	31.12.2013	Variation
THUF				THUF
Profit before tax	15 838	0	135 336	854,50%
+ tax base increasing items:	196 388	0	87 294	44,45%
- tax base decreasing items:	179 880	0	96 052	53,40%
= Tax base:	32 346	0	126 578	391,33%
- Calculated tax:	3 235	0	12 658	391,28%
- Tax allowances:	0	0	0	0,00%
= Profit after tax:	12 603	0	122 678	973,40%

## Details on current year's tax expense (IAS 12.79, IAS 12.80)

Description / THUF	31.12.2012	31.12.2013
<b>Current tax</b>		
Current tax expense	3 235	12 658
<b>Total:</b>	<b>3 235</b>	<b>12 658</b>
<b>Deferred tax</b>		
<b>Total:</b>	<b>0</b>	<b>0</b>
<b>Total income tax expenses in connection with the continuing activities</b>	<b>3 235</b>	<b>12 658</b>

## Relationship between tax expense (income) and accounting profit (IAS 12.81 c) and IAS 12.81 d))

Description / THUF	31.12.2012	31.12.2013
<b>Profit before taxes of continuing activities</b>	<b>15 838</b>	<b>135 336</b>
<b>Income tax expense calculated with a tax rate of 10,00%</b>	<b>1 584</b>	<b>13 534</b>
Effect of expenses that are non-deductible when determining the tax base	1 677	2 979
<b>Other</b>	<b>-26</b>	<b>-3 855</b>
Effect of temporary differences (not taken into account as deferred tax asset)	-26	-6 875
Effect of bad debt provisions (temporary difference)		3 020
<b>Total:</b>	<b>3 235</b>	<b>12 658</b>
<b>Income tax expense accounted charged to profit or loss (in connection with continuing activities)</b>	<b>3 235</b>	<b>12 658</b>

When preparing the calculations of 2012 and 2013 above, the tax rate of 10,00% was applied, which is in effect for companies on the base of the Hungarian tax laws in Hungary. (IAS 12.81 c))

**Income taxes accounted directly in own equity**

The Company did not present any income taxes accounted directly in own equity either in its current or in last year's financial statements

**Income taxes accounted in other comprehensive income (IAS 12.81 a)b))**

The Company did not present any income taxes accounted in the other comprehensive income either in its current or in last year's financial statements

**Deferred tax balances**

The Company did not present any deferred tax items either in its current or in last year's financial statements, because the amount of temporary differences was insignificant.



The deferred tax assets / liabilities in the statement of financial positions are as follows

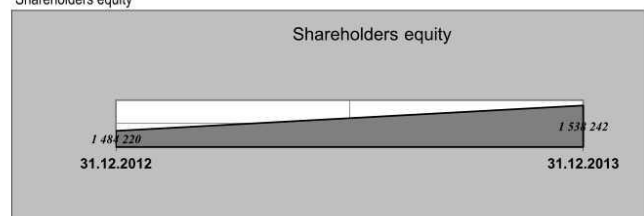
Description / THUF	01.01.2012	31.12.2012	31.12.2013
Deferred tax assets	0	0	0
Deferred tax liabilities	0	0	0
<b>Balance</b>	<b>0</b>	<b>0</b>	<b>0</b>

Indicators

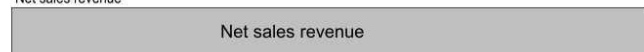
Description	31.12.2012	31.12.2013	Variations
			%
Ratio of profit:	79,57%	90,65%	113,91%
Share of profit:	2,71%	13,93%	514,29%
Profitability:	2,71%	13,93%	514,29%
Rotation on assets:	10,42%	35,27%	338,52%
Capital leverage:	155,04%	156,00%	100,62%
Return on Equity (ROE):	0,85%	7,98%	939,22%
Return on Assets (ROA):	1,63%	7,85%	481,26%
Earning before interest and tax (EBIT):	37 536,00	188 383,00	501,87%
Earnings before depreciation, interest and taxes (EBDIT):	55 314,00	215 686,00	389,93%

Important datas	31.12.2012	31.12.2013
Description	actual	actual
Shareholders equity	1 484 220	1 538 242
Net sales revenue	239 724	846 266
Profit / loss for the year	12 603	122 678
Working capital	-371 948	-259 982
Liabilities/capital	55,04%	56,00%
Total assets	2 301 102	2 399 656
Capital/equity	101,50%	104,86%
Return on equity	0,86%	8,36%

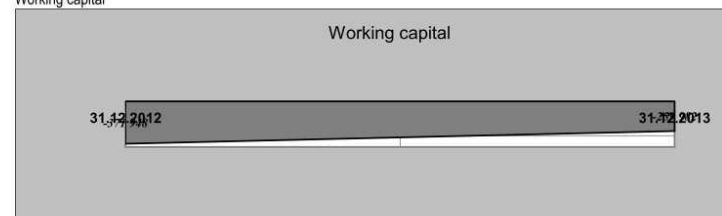
Shareholders equity



Net sales revenue

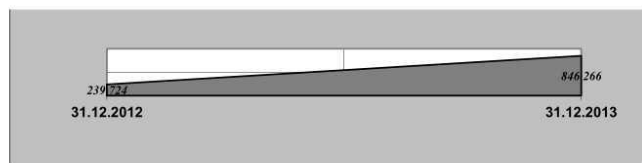


Working capital

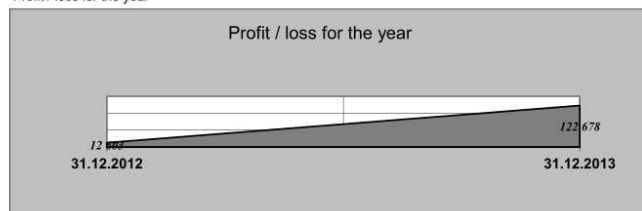


Liabilities/capital

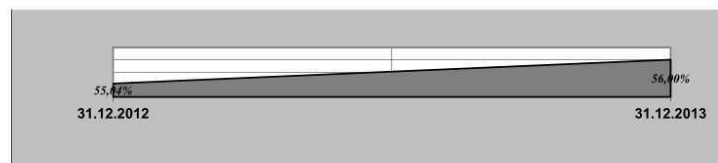
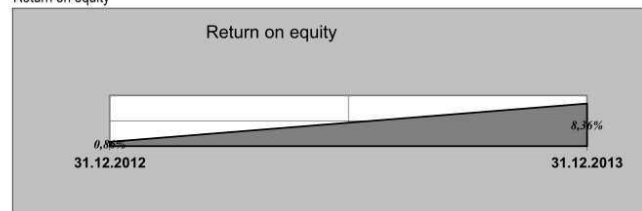




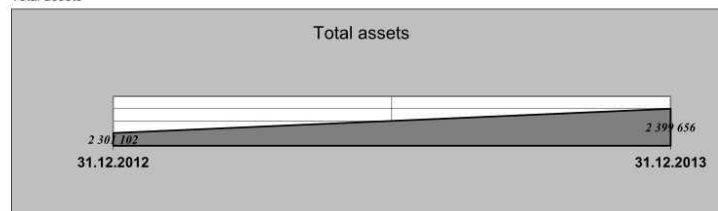
Profit / loss for the year



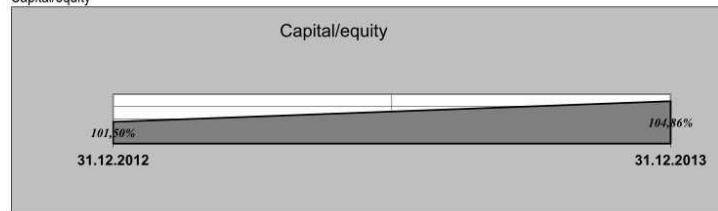
Return on equity



Total assets



Capital/equity

**Earnings per share (EPS)**

Reference

[16.](#)**Determining the basic EPS**

Determining the weighted average number of issued common shares (31.12.2012)

Description	2012.01.03	2012.12.31
Number of issued common shares	7 500 000	7 500 000
Issued but not paid common shares	-188 702	-188 702
Face value HUF / pc	200	200
Total face value HUF	1 462 259 600	1 462 259 600
Number of days	363	1

Weighted average number (31.12.2012): 7 311 298 pieces

Determining the weighted average number of issued common shares (31.12.2013)

Description	2013.01.01	2013.02.14	2013.02.21	2013.03.29	2013.05.15	2013.07.02	2013.12.02	2013.12.13	2013.12.13
Number of issued common shares	7 500 000	7 500 000	7 500 000	7 500 000	7 500 000	7 500 000	7 500 000	7 500 000	7 500 000
Not paid / repurchased common shares	-188 702	-238 702	-473 702	-440 402	-188 702	-438 702	-421 202	-415 352	-673 852
Face value HUF / pc	200	200	200	200	200	200	200	200	200
Total face value HUF	1 500 000 000	1 500 000 000	1 500 000 000	1 500 000 000	1 500 000 000	1 500 000 000	1 500 000 000	1 500 000 000	1 500 000 000
Number of days	44	7	36	47	48	153	11	11	3

Description	2013.12.16	2013.12.21	2013.12.30	2013.12.31
Number of issued common shares	7 500 000	7 500 000	7 500 000	7 500 000
Not paid / repurchased common shares	-415 388	-1 498 063	-1 891 420	-531 984
Face value HUF / pc	200	200	200	200
Total face value HUF	1 500 000 000	1 500 000 000	1 500 000 000	1 500 000 000
Number of days	5	9	1	1

Weighted average number (31.12.2013): 7 306 543 pieces

Calculation of net profit / loss on common shares

Description / THUF	31.12.2012	31.12.2013
Profit or loss after tax	12 603	122 678
<b>Profit / loss on common shares</b>	<b>12 603</b>	<b>122 678</b>

Basic EPS

Description / HUF	31.12.2012	31.12.2013
Basic EPS	1,7238	16,7902

In our opinion the diluted EPS is the same as the basic EPS, because there are no dilutive potential common shares owned by the Company or by other entities.

#### Presentation concerning financial instruments

##### Presenting the carrying amount of financial instruments

The financial instruments were classified in the following items of the statement of financial positions:

- Liquid assets,
- Short-term investments, securities,
- Receivables,
- Long-term investments,
- Current liabilities,
- Long-term and subordinated liabilities.

Description THUF	Carrying amount		Fair value	
	31.12.2012	31.12.2013	31.12.2012	31.12.2013
Financial assets measured at fair value through profit and loss (FVTPL)				
n/a				
<b>Total:</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Held-to-maturity investments				

n/a				
<b>Total:</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Loans and receivables</b>				
Liquid assets	1 812	1 438	1 812	1 438
Accounts receivable (trade debtors)	164 509	72 329	164 509	72 329
Other receivables	195 378	298 466	195 378	298 466
Long-term receivables and loans	176	176	176	176
<b>Total:</b>	<b>361 875</b>	<b>372 409</b>	<b>361 875</b>	<b>372 409</b>
<b>Available-for-sale financial assets</b>				
Investments into not consolidated (affiliated) undertakings	563 750	Sold in 2013	563 750	Sold in 2013
<b>Total:</b>	<b>563 750</b>	<b>0</b>	<b>563 750</b>	<b>0</b>
<b>Financial liabilities measured at fair value through profit or loss (FVTPL)</b>				
n/a				
<b>Total:</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Other financial liabilities</b>				
Accounts payable (trade creditors)	313 272	212 722	313 272	212 722
Short-term credits and loans	220 661	143 335	220 661	143 335
Advances received	0	28 031	0	28 031
Deferred revenues	162 427	209 792	162 427	209 792
Other short-term liabilities	37 306	75 549	37 306	75 549
Long-term credits and loans	81 310	190 426	81 310	190 426
Leasing liabilities	1 906	1 559	1 906	1 559
<b>Total:</b>	<b>816 882</b>	<b>861 414</b>	<b>816 882</b>	<b>861 414</b>

## Presentation of net profits and losses in financial instrument categories

31.12.2013

Description	Interest	Due to valuation			Derecognition	Other	Net profit (+)
THUF		Fair valuation	Currency changes	Impairment			Net loss (-)
Financial assets measured at fair value through profit and loss (FVTPL)							0
Held-to-maturity investments							0
Loans and receivables	3 510			-8 476			-4 966
Available-for-sale financial assets					17 202		17 202
Financial liabilities measured at fair value through profit or loss (FVTPL)							0
Other financial liabilities	-53 047						-53 047
<b>Total:</b>	<b>-49 537</b>	<b>0</b>	<b>0</b>	<b>-8 476</b>	<b>17 202</b>	<b>0</b>	<b>-40 811</b>

## Presentation of most significant items:

The THUF 17 202 shown under derecognition is the profit resulting from the sale of ownership shares in SZABÁCS-IRODA Kft. (see reference No. 3).

The losses of THUF -8 476 shown under impairment is a result of the changes in bad debt provision of accounts receivable.

The interest consist of the interest due in connection with long-term liabilities (reference No. 9) and short-term liabilities (reference No. 10) and of the interest receivable from loans accounted in other receivables (reference No. 5).

## Aging of financial instruments due but not impaired

31.12.2013

Description / THUF	0-3 months	3-6 months	6-12 months	over 1 year	Not due	Total
Deposit (Loans and receivables)					176	176

Accounts receivable (Loans and receivables)					31 115	31 115
Other receivables (Loans and receivables)					298 466	298 466
<b>Total:</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>329 757</b>	<b>329 757</b>

**Presentation of individually impaired assets**

The impairment of receivables was calculated in groups on the base of the rates determined in the Accounting Policies. The current rates are presented at the section for Receivables (see reference No. 5).

**Presentation of liquidity risks**

Liquidity risk means that the Company might be unable to meet its payment obligations on time.

Details on the payment liabilities of the Company, the presentation of maturities can be read at sections short-term and long-term liabilities (see references No. 9 and 10).

**Exchange rate risks**

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign currency exchange rates.

Foreign exchange risk is connected to financial instruments that are not denominated in the functional currency.

Generally all non-functional currency exchange rates mean relevant risk factors, if the Company has financial instruments denominated in that specific foreign currency.

The Company had no significant financial instruments and transactions denominated in foreign currencies either in the current or the previous reporting period, so its exposure to exchange risks is negligible, so the sensitivity analysis is not presented.

**Interest rate risks**

The Company is exposed to market risks due to changes in interest rates.

The significant items exposed to interest rate risks are presented in sections short-term liabilities and long-term liabilities (see references No. 9 and 10).

The Company had no interest rate swap transactions during the current and previous reporting periods.

**Supplementary data**

Development of the average statistical number of employees:

head	31.12.2012	31.12.2013
manual workers	4	6
non-manual workers	7	23
<b>Total staff</b>	<b>11</b>	<b>29</b>

Development of the average wages, income and expenditure:

HUF / head / month	31.12.2012	31.12.2013
wage of manual workers	130 396	110 000
wage of non-manual workers	193 274	120 777
<b>Total average wage</b>	<b>170 409</b>	<b>118 547</b>

Payments to personnel highlighted:

THUF / year	31.12.2012	31.12.2013
- incentive	0	69
- social	74	0
- refund costs	80	0
- other	42	330
<b>Total staff costs</b>	<b>196</b>	<b>399</b>
Social insurance expenses	4 226	8 209
Taxes on wages:		
- vocational training	339	520

The Company does not have any share-based payments.

Characteristics of shares, convertible bonds

	31.12.2012	31.12.2013
Type of shares	törzs	törzs
Units	7 500 000	7 500 000
nominal value	200	200
- from which: issued in financial year	-	-
Number of issued convertible bonds	-	-
Value of issued convertible bonds	-	-

Budapest,  
14.05.2014

Öregné Kocsis Petronella  
39 Petőfi Sándor St., Sós-kút, 2038 HU  
TrophyResort Nyrt

#### Annexes

Details on indicators used

## 4. Report on the Issuer's activities in 2013

### 4.1. Company profile

TrophyResort, Nyrt. builds a chain of luxury hotels providing additional wellness, health and medical services to its customers. The company implements a timeshare concept to its activities. The first hotel with a medical center is located in Hegyhátszentjakab (Hungary). The Company plans several further Investments in the hotel business. Another business line is project management. The Company provides its clients undertaking investment projects with comprehensive advisory services consisting of project planning, preparing feasibility studies, financial planning, acquiring EU grants, machinery and equipment procurement, selection of contractors and coordination of works of all parties involved. The Company will continue to provide project management services in the next years to ensure liquidity for the main activity.

By reliance upon the complex wellness center and the chain of additional hotels to be purchased at a later point of time, the Company elaborated a system for the sales of timeshare. Buyers of the timeshares shall obtain a right of use in respect of the apartment/hotel room purchased. Reservations and exchanges shall be facilitated online in each case, through the website's reservation system. The owner of the timeshare shall be entitled to use all free-of-charge services of the hotel, and shall be entitled to discounts from services available for payment.

Due to reconstruction works the first hotel was out of service in 2013. The hotel has been closed since May 2012. Most of the reconstruction works will be completed by the end of 2014, while last investments relating to medical services will be finished in the first half of 2015. The complex wellness center will consist of four-star superior hotel with a healthcare center and further facilities providing entertainment and leisure opportunities.

Due to reconstruction works of the first hotel the project management branch was a main source of revenues in the last year. Most of 2013 sales revenues resulted from advisory services provided by the project management branch while almost a quarter of sales revenues resulted from foreign trade (mostly imported machinery and equipment for projects managed by the Company).

Share of each group of activities in 2013 total net sales revenue:

000' HUF	Net Sales Revenue	Share
Advisory Services	581 538	66,35%
Foreign Trade	206 091	23,51%
Other activities	88 839	10,14%
<b>Total</b>	<b>876 468</b>	<b>100,00%</b>

### 4.2. Mission, Vision and Strategic Objectives

#### 4.2.1. Mission

The Company's mission is to offer premium medical specialist, health and hotel services, thus also contributing to a high-level lifestyle. Furthermore, the mission is to make high-quality services available to larger masses, thereby creating a real-life experience for every guest of TrophyResort, thus contributing to a better lifestyle niveau.

***„...because beauty begins with health...”***

#### **4.2.2. Vison**

During daily operation, beyond profitability indicators, the Company keeps in mind a lot higher aim: the Company intends to make Medical Center and TrophyResort Órség one of the leading medical and hotel chains of Hungary and Central-Eastern Europe in the following 5 years, and thus to create a new superbrand, by continuously enhancing the corporate value to our Partners', Guests' and Customers' entire satisfaction.

#### **4.2.3. Strategic Objectives**

While retaining some of the previous activities, the main activity of TrophyResort Nyrt. has become hotel operation from 2010. The corporation's strategy is focused on the development of the complex wellness centre consisting of four-star superior hotels, apartments, a healthcare centre and further facilities providing entertainment and leisure opportunities (adventure park, theme park, etc.).

The Board of Directors plans several further investments in the hotel business. The strategy is to purchase existing hotels, renovate and enhance them to provide additional wellness and medical services. The Board of Directors has already identified 2 additional hotels that the Company would like to include into the chain by the end of 2015.

TrophyResort Nyrt. intends to operate primarily in the Hungarian and international tourism and hotel market, combining the classic and luxurious hotel services with services and products that are still unique in the market and which will be cutting-edge ones in the future. Its mission is to create a Hungarian-founded network of hotels that is able to expand internationally and which is competitive also in the foreign markets - while maintaining an ethical and fair business operation - in order to ensure a long-term and profitable way of operation.

During the daily operation, apart from the economic indicators the Board of Directors have a much higher purpose, too: they would like to make TrophyResort Nyrt. one of the leading hotel chains of Hungary and Central and Eastern Europe during the next 5 years, by which they would create a new superbrand, by continuously increasing the goodwill, to the complete satisfaction of its partners, clients and investors.

Under the TrophyResort franchise, the Company intends to create a new brand that represents the luxury category. Its members would be the smaller accommodations operated as a club, to be purchased or built later on, respectively, those joining the franchise system.

In the strategic plans of the Company the sale of timeshares has a major significance. Once the system starts to operate, revenues related to the timeshares may account for 20% of all the planned revenues. In order to support the sales of Time-shares, development of an own exchange system is planned, as well.

#### **4.3. Complex wellness center in Hegyhátszentjakab (Hungary)**

Complex wellness center in Hegyhátszentjakab (Hungary) is the first investment of the Company in the hotel business. Hegyhátszentjakab is located at the border of Órség in Vas county. In addition to domestic tourists, the triple border makes available also a wide range of foreign guests: the town is located for 30 km from Croatia, 20 km from Austria and 18 km from Slovenia.

The project has been divided into several stages. Each stage will be co-financed with donation acquired by the Company. Several stages has been successfully completed in 2014. Detailed



information about the timing, expenditures and donations granted or expected to be granted of each stage is listed below:

Investment	Investor	Total capital expenditure (THUF)	Donation granted (THUF)	Donation expected to be granted (THUF)	Degree of advancement of construction works	Deadline
HOTEL expansion with a new hotel section	TrophyResort, Nyrt.	940,000	249,766	220,000	65%	December 2014
HOTEL reconstruction and expansion of the existing building	ŐRSÉG MEDICAL CENTER, Kft.	287,500	0	69,289	60%	October 2014
Adventure park children's lines	TrophyResort, Nyrt.	4,500	2,250	0	100%	Completed
Adventure park little child's lines	TrophyResort, Nyrt.	3,400	0	0	100%	Completed
Adventure park adults' lines	TrophyResort, Nyrt.	9,000	4,500	0	100%	Completed
Adventure park adults' lines	TrophyResort, Nyrt.	4,500	0	0	100%	Completed
Adventure park extreme lines	TrophyResort, Nyrt.	2,800	0	0	100%	Completed
Adventure park team building lines	TrophyResort, Nyrt.	4,200	0	0	100%	Completed
Adventure park sliding track	TrophyResort, Nyrt.	3,600	0	0	100%	Completed
Adventure park building	TrophyResort, Nyrt.	7,000	3,500	0	0%	August 2014
Fishing lake	ŐRSÉG MEDICAL CENTER, Kft.	6,847	3,423	0	100%	Completed

Buildings from the era of the settlement of the Magyars	ŐRSÉG MEDICAL CENTER, Kft.	129,655	19,518	0	0%	December 2014
Wall from the era of the settlement of the Magyars	ŐRSÉG MEDICAL CENTER, Kft.	19,500	9,750	0	50%	August 2014
Parking place from the era of the settlement of the Magyars	ŐRSÉG MEDICAL CENTER, Kft.	9,500	4,750	0	100%	Completed
Medical Center dentist equipment	ŐRSÉG MEDICAL CENTER, Kft.	95,575	0	47,787	0%	April 2015
Medical Center plastic equipment	ŐRSÉG MEDICAL CENTER, Kft.	180,000	0	90,000	0%	April 2015
Medical Center ground floor	ŐRSÉG MEDICAL CENTER, Kft.	516,388	0	258,194	20%	April 2015
Medical Center upper floor	ŐRSÉG MEDICAL CENTER, Kft.	227,664	113,832	0	30%	April 2015
Medical Center parking place	ŐRSÉG MEDICAL CENTER, Kft.	3,630	0	0	40%	December 2014
Construction of a guest house (10 x 4* apartments)	ŐRSÉG MEDICAL CENTER, Kft.	143,972	81,600	0	0%	December 2014
Construction of a club house for reserving traditions at Vadása lake	TrophyResort, Nyrt.	39,500	18,942	0	70%	August 2014
Playground	TrophyResort, Nyrt.	14,500	7,250	0	100%	Completed
<b>TOTAL</b>		<b>2,653,230</b>	<b>519,082</b>	<b>685,270</b>		

All required construction permits for every stage of the investment have been granted. The Company has started construction works for all stages.

Assuming that all expected donations will be granted, required own financial contribution amounts to HUF 1,448,878,422. The Company covers required own financial contribution with retained earnings, bank loans and issues of new shares and/or bonds. HUF 1.500mn of additional financing is required to cover own financial contribution.

#### **4.4. Other investments**

##### **4.4.1. Industrial components production**

The industrial components production factory plant is under planning and development. The location is in Heves County, Markaz, Hungary. The aim of the project is to build and develop modern Industrial (mainly automotive) components production factory. In that development 3658 m<sup>2</sup> new building will be build and will be create the total infrastructure (as gas, water, telecommunications, electric current and the sidewalks, ways, lighting). Solar cell system, solar collector also will be implement for the sustainability.

The investment will be completed in 2015. Total cost of the investment amounts to HUF 1,035,919,079. Donation in the amount of HUF 524,925,520 has been granted to the Company for this investment project.

Construction permit has been granted. Construction works has not been started yet.

The Company hasn't yet decided whether to sell the entire project.

##### **4.4.2. Office building in Budapest**

The project is the construction of an additional level to the office building under Szabács utca 7 én district XIV (Szabács-Iroda Kft.), which project is already underway with a construction permit. The property is considered a lot for a newly erected building without no buildings yet. 50% of the property is owned by the Company. According to the plans, the company will keep 2 of the 7 offices to be built in order to expand company services, these could be transferred to the ownership of TrophyResort, Nyrt. without encumbrances following the sale of the other 5.

Construction permit has been granted. Construction works has not been started yet.

##### **4.4.3. Sale of J.B.Natural s.r.o.**

On December 16, 2013 TrophyResort Nyrt. Sold 100% shares in J.B.Natural s.r.o. to SZA-TA 2007 Kft. for a price of HUF 547,000,000. SZA-TA 2007 Kft. paid with a bill that was accepted as a settlement for one of TrophyResort's contractors. J.B.Natural s.r.o. is a wholesaler operating mainly in Slovakia.

#### **4.5. Main factors affecting financial position and results in 2013**

2013 brought breakthrough for both business lines. In 2013 sales revenues amounted to HUF 846.3mn (EUR 2.85mn), EBITDA amounted to HUF 308.0mn (EUR 1.04mn), while net profit amounted to HUF 122.7mn (EUR 0.41mn). Sales, EBITDA and net profit increased by 253%, 778% and 873%, respectively. EBITDA margin and net profit margin amounted to 36.4% and 14.5%, respectively. Substantial improvement of financial results was driven by the growth of project management branch.

In 2013 the first hotel was under extensive renovation. The hotel has been closed since May 2012. For more detailed description of the whole investment see section 4.3.

Most of the reconstruction works will be completed by the end of 2014, while last investments relating to medical services will be finished in the first half of 2015. The complex wellness center will

consist of four-star superior hotel with a healthcare center and further facilities providing entertainment and leisure opportunities.

On December 16, 2013 TrophyResort Nyrt. Sold 100% shares in J.B.Natural s.r.o. to SZA-TA 2007 Kft. for a price of HUF 547,000,000. SZA-TA 2007 Kft. paid with a bill that was accepted as a settlement for one of TrophyResort's contractors. J.B.Natural s.r.o. is a wholesaler operating mainly in Slovakia.

#### **4.6. Main events after the balance sheet date**

On February 2014 an increase in share capital to HUF 2,736,000,000 has been registered.

Several parts of the main investment (complex wellness center) has been completed in 2014. For more information see section 4.3.

In 2014 a donation in the amount of HUF 524,925,520 has been granted to the Company for the investment project described in section 4.4.1.

In 2014 a donation in the amount of HUF 33,000,000 has been granted to the Company for aquapark development of Vadasa-lake (part of the main investment).

#### **4.7. Main risk factors**

##### **4.7.1. Risk factors connected with the environment in which the Company runs its activity**

###### **Macroeconomic risks**

The operation and success of TrophyResort, Nyrt. is basically related to the situation of tourism in Hungary and at regional level. Now, as tourism oriented travels are characteristically paid for from disposable income, and they are based on business decisions, the performance of Hungarian and regional tourism is to a great extent influenced by international and domestic macroeconomic events, and as a result, by the change of demand: the trend of amounts available for travel, the frequency of travels, and the popularity of individual motivation factors.

Should there be negative changes occurring in respect of national and/or regional macroeconomic circumstances, should the pace of economic growth be decreased, and the external and internal balance positions be weakened, then the Company will not be able to render itself independent from the impact of any unfavourable processes potentially incurred.

###### **Regulatory risks**

In the last couple of years, unpredictable and unexpected changes to the regulatory environment or significant turns regarding governmental economic policy were not uncommon in Hungarian economy. The trends in economic policy, and through that of inflation, exchange rate policy and the interest rate environment, may have a significant impact on the return on the investment of shares. In addition thereto, the frequently and unpredictably changing national legal and taxation environment also represent a risk, and changes may have a significant impact on the Company's business activities and financial results.

Additionally, In the past couple of years, unpredictable and unexpected changes to the national regulatory environment have become even more frequent than in the past, also with special regard to certain industrial sectors, not only in respect of the entirety of the economy. It cannot be excluded that also the tourism and hotel sector, or individual participants thereof would also be affected in the future by regulatory changes of such nature that are of unpredictable timing, extent, and that fundamentally influence the results of the Company in a manner that cannot be estimated in advance.

###### **Political risks**

Although in general the national and regional political situation has only little influence on the operation and success of the Company, but the development of situations where operations and sales are made more difficult, or in an unfavourable situation even prevented, cannot be excluded.

#### **Risks connected with the tourism sector**

Hungary, as a touristic destination, does not dispose of a uniform and attractive image, or a strong and unique brand. Although in the past couple of years there is a shift to be perceived towards the West, and Hungary is no more listed as an “Eastern” country in several surveys, and where the general opinion on Hungary among foreign tourists is favourable, the reputation of the country and the relative weakness of personal ties may have a negative effect on the occupancy and success of the accommodations operated by the Company.

In comparison with other European countries, the rate of domestic tourism is relatively low: whereas in the case of countries able to demonstrate favourable trends of tourism, the ratio of domestic travels is 60%, in Hungary this figure is 50%. Domestic tourism related activity is low, as just over 30% of the Hungarian population plan domestic travels of several days. The social acceptance rate of domestic tourism is relatively low, and that of travels abroad is higher than that of the domestic ones. It is a general opinion and hard to change that domestic tourism is expensive, and supply is poor as compared to other countries. It may be that this opinion will further be strengthened, and this could have a negative impact on the success of the Company.

The achievements of Hungary as regards tourism is below the European average, so there should be a pace of development achieved that exceeds the average in each segment in order to be able to catch up with others. Although holiday vouchers still available in the market, and the Erzsébet card in substitution thereof, as well as “long weekends” related to public holidays may counterbalance part of the unfavourable factors, the decrease of the pace of Hungarian economic development, the prolongation of the loan crisis, and, in parallel, the trend of domestic demand and of disposable income may potentially have a negative impact on the achievements in the tourism sector in the foreseeable future.

#### **Exchange rate risks**

The trends of turnover and revenues in the domestic tourism sector may be substantially influenced by the HUF exchange rate as compared to foreign currencies, with special regard to the EUR. The trend of the exchange rate may influence among guests the choice between domestic and foreign destinations, as well as the value realisable in HUF of prices fixed in foreign currency for the entire period of the season. A change of the exchange rate in a direction and to an extent that may decrease the revenues and profits of the entire industrial sector cannot be excluded.

The Company plans to define and announce the rates of the hotels and other facilities basically in Hungarian Forints and the time-share prices would be set in this currency too. The vast majority of the raw materials and services used will be purchased also in the Hungarian market and this limits the effects of the changes in the exchange rates. However, the change in the exchange rates may reach an extent, where the effects directly or indirectly increase the costs, expenses of the Company and it has such an impact on the guests’ income situation, which can affect the revenues of the Company as well.

#### **Risks pertaining to the operation of the time-share system**

The system of time-share has been known for a long time, to a wide range of people, and opinions about it are in general favourable among users. However, there are also negative statements to be heard of or read about in respect of the system, by disappointed customers. The reason for those may be information provision that is not entirely correct and wide-ranged prior to purchase, in the absence thereof customers may view the payment of annual operating and maintenance charges as a negative aspect. The judgement of the system may also be less favourable due to the dissatisfaction of customers who are uncertain about whether they would be able to utilise their

holiday units subject to due frequency. Although the Company specifically aims to employ, train, control (by management) on a continued basis, and supervise the work of a correct time share sales staff by background materials and regulations, it is possible that an unfavourable assessment of the system of time share may have a negative impact on the results of the Company.

By the time of the signing of this Information Document, the Company has already elaborated in detail the methodology, management and process description of Time Share sales. These detailed pieces of documentation will serve as a basis for the sales of time share (which process is connected at many points to the provision of occupancy rates for the hotels).

In spite of the above, various risks that may put at hazard the efficient sales of time share may not be excluded. These risks may include if there are few guests attending the presentations advertised, or if in the event of a high participation rate the Company will only be able to achieve low sales rates. It may also be the case that services related to time share (exchange, bonus week, resale) do not work as expected, and thus the efficiency of sales will decrease. It may also be that some customers will become dissatisfied with their Time Share exchange partner.

Changes to the family status or financial circumstances of the owner of time share, their potential dissatisfaction or the execution of a will may cause the owner to decide to sell their time share. The resale of time share may cause problems for owners in certain cases, primarily due to the insufficient nature of objective comparable prices. In several cases this may entail dissatisfaction between owners willing to resell and interested parties intending to buy. In addition thereto, a problem may be the vast number of offers by the new facilities: newly built facilities must be sold as soon as possible, therefore it is not in the interest of the main contractor and the operator of many Time Share facilities to participate in the resale market. Due to potential problems of resale it is possible that the revenues of the Company and thus its result will decrease, also having an impact on the return of investment in shares.

#### **Risks related to the market competition**

There is an intense competition in the Hungarian tourism and hotel market. The price and the quality as well as the complexity of the services play equally important roles in this competition. Although the Hotel and entire complex center to be operated by the Company will face no competitor in its direct region, several 4\* hotels operate in the wider region in Hungary, Austria and Slovenia. Multiple facilities in the area offer similar services like the ones to be provided by the Company (Wellness, Spa, Adventure Park, health) although the complexity of their services is not at the same level.

The Time-share market is also very competition-driven in Hungary. Many companies offer Time-share type rights and also other forms of timeshared recreation.

Despite of the late market introduction, according to the plans the Company will be a recognized player in the tourism and hotel market of the region but in order to keep its position it will have to continuously fight for the clients' satisfaction both in terms of pricing and services. A possible further strengthening in the intensity of the competition may result in the reduction of the achievable recovery rate and profitability and it may also generate substantial investment requirements.

#### **Risk related to the changes in the consumption patterns**

The consumption patterns, the guests' expectations change slowly and gradually in the tourism and hotel market of the region. The regular satisfaction surveys and various market researches the Company plans to carry out will help tracing the changes and they can be used well during the elaboration of the investment and development plans. Tracing the tendencies and training the employees are part of the plans in the servicing industry. Even so, after a certain time the hotel or rooms design may not be satisfactory for a part of the clientele. By time, the hotel services (restaurant, wellness, parks, etc.) may also become inappropriate to meet the guests' demands. The Company may be forced to offer special discounts, carry out unforeseen investments or pay unplanned costs, which may all reduce profitability.

#### **4.7.2. Risks characteristics of the Company**

##### **Risk of the ongoing investments**

The investments launched by the Company are at advanced stages. The building investment of the complex center in Házszentjakab and the formation of the necessary organizations and procedures are underway. The investment is going on as planned. However, possible delay cannot be entirely excluded. Such delay may have negative effect on sales revenue and profitability of the Company.

Despite of the careful designing and selection of the contractors certain building defects may be revealed during the use only and this can induce even substantial extraordinary expenses, investments. Besides that, during the operation technical defects (broken pipe, power failure or heating failure) may occur at high frequency and the correcting activities may require time and resources causing even the decrease in the guests' satisfaction level.

##### **Risks connected with the implementation of necessary developments**

The Company has executed very considerable investments during the past months and the implementation of the further short and medium term plans will continue as well. The financing of these developments seems to be ensured partly from our own sources, partly from state and EU supports and in a smaller part from loans. Although it does not happen frequently in the hotel and tourism industry, but the sharp competition may force us to make further unforeseen developments. The Company may not be able to finance these further developments from its generating cash-flow and the sources available and this may have a negative impact on the medium term profitability.

##### **Risk of losing key managers**

The management has a key role in the business performance and success of the Company. Elaboration of strategy, implementation of investments, obtaining state subsidies, definition and supervision of operation processes, keeping clients and guests all highly depend on the skills and enthusiasm of these experienced professionals. The stipulation "Prohibition of management competition" in this form is not part of the managers' contract as according to previous experiences it can easily be evaded. The Company strives to keep these key professionals by cultivating the existing tight connections and offering them competitive job conditions. However, there is no guarantee against a bad scenario when the Company may lose one or more experienced professionals.

##### **Risks connected with the pricing model**

The pricing process regarding the hotels and facilities intended to be operated by the Company was preceded by detailed analysis, but it is possible that the room prices advertised would prove to be too high or too low as compared to market demands and the concepts envisaged by the management of the Company. It may be that the Company will not be able to adequately address the targeted scope of customers, or that other than the scope of guests envisaged would be formed. It may also be that the occupancy rate of the hotels will remain below the expected levels despite the detailed and elaborated plans.

##### **Risks connected with the operating license**

The Company has started the investments based on detailed plans elaborated carefully for every area, in cooperation with the authorities. Still, during the implementation of the investments some problem may occur or certain rules may change in a way that the authorities finally refuse to issue required permits.

##### **Risk related to the dependence on the hotel employees' work**

The Company does its best to follow the most careful procedure during the precisely regulated selection and the following training of the hotel employees and by applying proper motivation and

incentive systems, organizing trainings and using the methods of competence management make the employees carry out outstanding performance. The already prepared code of ethics, code of attitude and code of behavior are all aimed at regulating the employees' work for this purpose. However, it cannot be reasonably excluded that certain employees may reduce the satisfaction level of certain clients during their work and this may have a negative impact on the profitability of the Company, which in turn strongly depends on the performance of these employees.

**Tax risk**

The tax authorities are authorized to inspect the tax-related affairs of the corporation, for a period of five years from the given tax year. In case of a future tax inspection it is possible that findings will be made at the corporation which will involve significant expenses.

In case of the business tax and the other local taxes, currently the corporation pays the maximum tax that can be imposed by the local governments. However, with regard to local taxation it is possible that due to the regulatory changes, the tax burden will be increased.

**Risk of delay in state aid payment**

Since 2010, the Company (and its legal predecessor) has concluded several grant contracts, by which it has obtained a source of financing its investments. Donations granted to the company amount to HUF 1,046,346,058. Up to date HUF 327,399,710 of donation financing has been received by the Company. Additional HUF 718,946,348 financing of granted donation is expected to be received by the Company in the next month. Additional support expected by the Company to be granted in 2014 amounts to HUF 582,070,000. The usually subsequent payment order is regulated in detail by the contracts and they bind it to the progress of the investment. It is possible that due to the delay of government bodies or due to an unfavourable development of the budgetary situation the payment of the due grant amounts becomes more or less delayed. In this case, the Company may become forced to seek financing from other sources or postpone other investments, thereby impairing its effectiveness.

At this moment the Board of Directors sees no risk of serious delay in any payment of any donation granted to the Company.

**Risk of non-compliance with the terms and conditions of the state aid, risk of repayment**

The concluded grant contracts impose various obligations on the Corporation, the failure to comply with which may result in the withdrawal of the contract by the sponsor, furthermore, if the Corporation does not fulfil completely its obligations undertaken in the contract, it has to pay back the grant and the interest charged.

It cannot be excluded that the Corporation fails to meet certain future conditions or obligations, due to which it may become forced to seek for other forms of funding, reducing its effectiveness.

At this moment the Board of Directors sees no risk of repayment of any donation granted to the Company.



## 5. Auditor's report

### Report about the closing of the company

TrophyResort Nyrt

business year:

01.01.2013 - 31.12.2013

TrophyResort Nyrt					
CONSOLIDATED STATEMENT OF FINANCIAL POSITIONS (according to the provisions of IAS/IFRS)					
No.	Description / '000 HUF	Reference	31.12.2012	31.12.2013	changes %
1. A	Current assets		361 718	409 447	13%
2. I	Liquid assets	No. 7	1 812	1 438	-21%
3. 1.	Liquid assets of free disposal		1 812	1 438	-21%
4. 2.	Separated liquid assets				
5. 3.	Promptly realizable liquid securities				
6. II.	Short-term investments, securities	No. 8			
7. 1.	Held-to-maturity securities signifying a creditor relationship				
8. 2.	Securities signifying a creditor or an owner relationship marked out for sale				
9. 3.	Other securities signifying a creditor or an owner relationship				
10. III.	Receivables	No. 5	359 887	370 795	3%
11. 1.	Accounts receivable (trade debtors)		164 509	72 329	-56%
12. 2.	Bills of exchange receivables				
13. 3.	Non consolidated receivables from affiliated undertakings				
14. 4.	Advances given for products and services				
15. 5.	Deposits and cautions				
16. 6.	Other receivables		195 378	298 466	53%
17. 7.	Expectedly returning sum of deferred tax receivables				
18. 8.	Positive balance of the expenses and revenues of constructions under way				
19. IV.	Inventories	No. 4	19	37 214	195783%
20. 1.	Finished products				
21. 2.	Work in progress, intermediate and semi-finished products				
22. 3.	Animals for breeding and fattening, other livestock				
23. 4.	Raw materials and consumables		11		-100%
24. 5.	Goods for resale		8	37 214	46575%
25. V.	Deferred expenses	No. 6			
26. B	Long-term investments	No. 3	563 926	176	-100%
27. 1.	Long-term financial investments		563 750		-100%
28. 1.	Held-to-maturity securities signifying a creditor relationship				
29. 2.	Other securities signifying a creditor relationship or an owner relationship under 20 per cent				
30. 3.	Investments concerning undertakings taken into consolidation				
31. 4.	Investments into not consolidated (affiliated) undertakings		563 750		-100%
32. II.	Investments into investment trusts				
33. III.	Long-term receivables and loans		176	176	
34. IV.	Subordinated receivables				
35. V.	Investments on tangible assets				
36. C	Immovables and personalities used in production	No. 2	1 375 458	1 990 033	45%
37. 1.	Land and buildings, rights to immovables		585 223	875 818	-1%
38. II.	Plant, machinery, vehicles		138 392	115 432	-17%
39. III.	Tools of great value				
40. IV.	Leased assets		3 380	2 340	-31%
41. V.	Biological assets, natural resources				
42. VI.	Assets in course of construction		348 453	996 443	186%
43. D	Intangible assets	No. 1			
44. 1.	Capitalized value of research and development				
45. II.	Concessions, licenses and similar rights and assets (not connected to immovables)				
46. III.	Intellectual properties				
47. IV.	Goodwill				
48.	Total assets		2 301 102	2 399 656	4%

TrophyResort Nyrt					
CONSOLIDATED STATEMENT OF FINANCIAL POSITIONS (according to the provisions of IAS/IFRS)					
No.	Description / '000 HUF	Reference	31.12.2012	31.12.2013	changes %
49. E	Current liabilities	No. 10	733 666	669 429	-9%
50. 1.	Accounts payable (trade creditors)		813 272	212 722	-32%
51. 2.	Bills of exchange payable				
52. 3.	Short-term credits and loans		220 661	143 335	-35%
53. 4.	Advances received			28 031	
54. 5.	Non consolidated short-term payables to affiliated undertakings				
55. 6.	Deferred revenues		162 427	209 792	29%
56. 7.	Deferred tax liabilities				
57. 8.	Other short-term liabilities		37 305	75 549	103%
58. F	Long-term and subordinated liabilities	No. 9	83 216	191 985	131%
59. 1.	Long-term credits and loans		81 310	190 426	134%
60. 2.	Debts on issue of bonds, convertible bonds				
61. 3.	Leasing liabilities		1 905	1 559	-18%
62. 4.	Non consolidated long-term payables to affiliated undertakings				
63. 5.	Other long-term liabilities				
64. 6.	Subordinated liabilities				
65. 7.	Expected (future) liabilities				
66. G	Shareholders' equity	No. 11	1 484 220	1 538 242	4%
67. I.	Issued capital		1 462 265	1 466 930	0%
68. II.	(-) Ownership shares repurchased at book value			-73 326	
69. III.	Assets given in excess of shares				
70. IV.	Accumulated profit reserve and current profit after tax		21 950	144 638	569%
71. V.	Differences resulting from market valuation				
72. VI.	Participation of external owners				
73.	Total equity and liabilities		2 301 102	2 399 656	4%

Budapest, 14.05.2014

Dr. Serényi Iván  
 kamarai tag könyvvizsgáló  
 s.sz.: 003687  
 k.t.sz.: 003607

Öregné Kocsis Petronella

TrophyResort Nyrt.					
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (according to the provisions of IAS/IFRS)					
No.	Description / '000 HUF		31.12.2012	31.12.2013	changes %
1	+ Net sales revenue	No. 12	239 724	846 266	253%
2	+/- Own performance capitalized	No. 13			
3	- Material costs	No. 13	172 367	493 713	178%
4	- Staff costs	No. 13	27 266	44 514	63%
5	- Depreciation	No. 13	17 276	27 303	54%
6	= Operating profit or loss		17 324	290 736	1521%
7	+ Income and profit from financial transactions	No. 14	7 665	20 737	170%
8	+ Other income and profit	No. 12	217 924	13 704	-94%
9	+ Expenses and losses from financial transactions	No. 14	22 368	55 009	146%
10	+ Other expenses and losses	No. 13	204 710	124 832	-39%
11	= Profit or loss before tax		15 838	135 336	755%
12	- Income tax		3 235	12 658	291%
13	= Profit or loss on ordinary activities	No. 15	12 603	122 678	873%
14	+/- Profit or loss on terminating activities				
15	- Income tax				
16	= After tax profit or loss on terminating activities	No. 15			
17	+/- Accumulated impact of changes in accounting policies				
18	- Income tax				
19	= After tax profit or loss from changes in accounting policies				
20	- Stakes of external owners				
21	= Profit or loss after tax		12 603	122 678	873%
22	Basic EPS (HUF/pieces)	No. 16	1,7238	16,7902	874%
23	Diluted EPS (HUF/pieces)	No. 16	1,7238	16,7902	874%

Budapest, 14.05.2014

Öregné Kocsis Petronella

Dr. Serényi Iván  
 kamarai tag könyvvizsgáló  
 s.sz: 003687  
 k.t.sz: 003607

TrophyResort Nyrt STATEMENT OF CASH FLOWS							
No.	Description / THUF	31.12.2012	Effect of revision	31.12.2013	Change THUF	%	Ref. to notes
1	Modified profit before tax	32 166		184 848	152 682	474,67%	15.
	From which:						
	+ Profit before tax of ordinary business activities	15 836		135 336	119 498	754,50%	
	- Correction due to interests received	-5 370		-3 535	1 835	34,17%	
	+ Corrections due to paid interests	21 698		53 047	31 349	144,48%	
2	Accounted depreciation	17 778		27 303	9 525	53,58%	13.
3	Accounted loss in value			8 476	8 476		13.
4	Difference between formation and utilization of provisions						9.
5	Fixed assets sold	-54 986		-17 202	37 784	68,72%	12., 14.
6	Variation in accounts payable (trade creditors)	178 754		-100 550	-279 304	-156,25%	10.
7	Variation in other short-term liabilities	17 127		66 274	49 147	286,96%	10.
	From which:						
	+ changes in other short term liabilities in statement of financial position	129 105		113 639	-15 546	-12,03%	
	- correction due to non-repayable financial assets received	-112 058		-47 365	64 693	57,73%	
8	Variation in trade debtors	-96 358		63 704	160 062	166,67%	5.
	From which:						
	- changes in trade debtors in statement of financial positions	-96 358		92 180	188 538	195,68%	
	+ corrections due to bad debt provisions			-8 476	-8 476		
9	Variation in curr. assets (w/o trade debtors and liquid assets)	-27 748		-140 283	-112 535	-405,96%	5., 4., 6.
10	Variation deferred expenses						8.
11	Tax paid or payable (on profit)	-3 235		-12 658	-9 423	-291,28%	15.
12	Dividends, shares paid or payable						15.
13	Interests received	5 370		3 535	-1 835	-34,17%	14.
14	Interests paid	-21 698		-53 047	-31 349	-144,48%	14.
	From which:						
	+ Interest booked as expenses	21 698		53 047	31 349	144,48%	
	+ Interest booked as purchase value of assets						
I.	OPERATION CASH-FLOW:	47 170		50 400	3 230	6,85%	
15	Purchase of fixed assets	-929 259		-647 980	281 279	30,27%	1., 2., 3.
	From which:						
	+ Purchase of fixed assets	-929 259		-647 980	281 279	30,27%	
	- Interest booked as purchase value of assets						
16	Sale of fixed assets	201 078		587 054	385 976	191,95%	1., 2., 3.
17	Dividend received						14.
II.	INVESTMENT CASH-FLOW:	-728 191		-60 926	667 255	91,63%	
18	Receipts from shares issue (capital influx)	517 944		4 670	-513 274	-98,10%	11.
19	Receipts from the issue of bonds and securities signifying a credit						10., 9.
20	Borrowings	32 076		31 790	-286	-0,89%	10., 9.
21	Redemption of long term loans / bank deposits	19 000			-19 000	-100,00%	3.
22	Non-repayable assets received	112 058		47 365	-64 693	-57,73%	
23	Cancellation of shares, disinvestments (capital reduction)			-73 326	-73 326		11.
24	Bond paid back						10., 9.
25	Loan installment payments						10., 9.
26	Long term loans granted, money deposited in bank						3.
27	Non-repayable assets transferred						
28	Changes in liab. towards founders / other long term liabilities			-347	-347		10., 9.
III.	FINANCIAL CASH-FLOW:	681 078		10 152	-670 926	-98,51%	
IV.	VARIATION OF FINANCIAL ASSETS:	67		-374	-441	-658,21%	7.
	Opening amount of liquid assets	1 745		1 812	67	3,84%	
	Closing balance of liquid assets	1 812		1 438	-374	-20,64%	

Budapest, 14.05.2014

Öregné Kocsis Petronella  
TrophyResort Nyrt

Dr. Serényi Iván  
kamarai tag könyvvizsgáló  
s.sz.: 603887  
k.t.sz.: 003807

TrophyResort Nyrt.							
STATEMENT OF CHANGES IN EQUITY							
Description / '000 HUF	Issued capital	(-) Ownership shares repurchased at book value	Assets given in excess of shares	Accumulated profit reserve and current profit after tax	Differences resulting from market valuation	Participation of external owners	Total
Opening balance at 01.01.2012	344 316			9 367			353 683
Transactions with owners / shareholders	517 944						517 944
- raise of issued capital / setting the issued, but not paid capital	517 944						517 944
Profit or loss				12 603			12 603
- profit or loss of current reporting period				12 603			12 603
Effects of retrospective application of standards							
Effects of retrospective restatements							
Other							
Closing balance at 31.12.2012	1 462 260			21 969			1 484 229
Opening balance at 01.01.2013	1 462 260			21 969			1 484 229
Transactions with owners / shareholders	4 670	-73 326					-68 656
- raise of issued capital / setting the issued, but not paid capital	4 670						4 670
- changes in the amount of repurchased own shares		-73 326					-73 326
Profit or loss				122 678			122 678
- profit or loss of current reporting period				122 678			122 678
Effects of retrospective application of standards							
Effects of retrospective restatements							
Other							
Closing balance at 31.12.2013	1 466 930	-73 326		144 638			1 538 242
References to statement of financial positions	row 67	row 68	row 69	row 70	row 71	72-82	
Comparative amounts from statement of financial positions	1 466 930	-73 326		144 638			

## Connecting remarks:

- 1.) Analysis of other comprehensive income concerning all items of own equity:  
 2a.) Amounts accounted as dividend payments towards owners in reporting period:  
 2b.) Dividends per share:

n/a.

- T.HUF.

- T.HUF.

7 500 000 (total number of shares)

Further information and explaining remarks can be found in the Own equity section of the Notes.

Budapest, 14.05.2014

Öregné Kocsis Petronella  
 TrophyResort Nyrt.

Dr. Serényi Iván  
 kamarai tag könyvvizsgáló  
 s.sz.: 003687  
 k.f.sz.: 003607



## Independent auditor's report

To the Owners / Shareholders of TrophyResort Nyrt

### Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of TrophyResort Nyrt (hereafter 'the Company') for the financial year 2013, which consolidated financial statements include the consolidated statement of financial positions as of 31. 12. 2013 - where the identical sum of assets and liabilities THUF 2 399 656, and the profit of the year THUF 122 678 is -, the consolidated statement of profit or loss and other comprehensive income concerning the period ending on the date mentioned before, the consolidated statement of changes in equity, the consolidated statement of cash flows and the consolidated notes containing the decisive elements of the accounting policies and other explanatory information.

### The management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of consolidated 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 consolidated financial statements based on our audit.

We conducted our audit in accordance with the Hungarian National 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements.

The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 management, as well as evaluating the overall presentation of the consolidated 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 consolidated financial statements give a true and fair view of the financial position of TrophyResort Nyrt and its undertakings involved in the consolidation as of 31. 12. 2013, and of their financial performance and their cash flows for the year then ended in accordance with the regulations of the International Financial Reporting Standards (IFRS) as adopted by the European Union.

### Other reporting liabilities: our report on the business report

We have conducted the audit of the consolidated business report as of 31.12.2013 attached to the consolidated financial statements of the year 2013 of TrophyResort Nyrt.

Management is responsible for the preparation of the consolidated business report in accordance with the Act on Accounting in Hungary. Our responsibility as well is to assess the consistency of the consolidated business report and the consolidated financial statements.

Our work with respect to the consolidated business report was limited to the assessment of the consistency of the consolidated business report and the consolidated financial statements, and did not include a review of any information other than that drawn from the audited accounting records of the Company.

The consolidated business report of TrophyResort Nyrt for the year 2013 is in conformity with the data of the consolidated financial statements of TrophyResort Nyrt for the year 2013.

Budapest, 14. 05. 2014

AUDIT SERVICE KFT  
bejegyzett könyvvizsgáló cég  
ny.sz.: 001030

Dr. Serényi Iván  
Audit Service Kft.  
1022 Budapest, Bimbó út 3.  
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Dr. Serényi Iván  
kamara tag könyvvizsgáló  
s.sz.: 003687  
k.t.sz.: 003607

Dr. Serényi Iván  
Registered auditor  
ny.sz.: 003607

## **6. The Statement of the Board of Directors**

The Board of Directors of TrophyResort, Nyrt. ("Issuer") declares that, according to their best knowledge, the annual financial statement and comparative figures have been prepared in accordance with official regulations and the International financial standards.

Annual financial statement gives a true and fair view of Issuer's financial position and his financial performance including a description of the main threats and risks.

On behalf of the The Board of Directors

Petronella Oregne Kocsis

Chairman of the Board of Directors TrophyResort Nyrt.

The Board of Directors of TrophyResort Nyrt. ("Issuer") declares that the authorized entity to audit financial statements, Audit Service Kft. which audited annual financial statements, was chosen in accordance with the law regulations and that the entity and the auditors, who audited the financial statements fulfilled the requirements to give impartial and independent opinion about report in accordance with applicable national law and regulations.

On behalf of the The Board of Directors

Petronella Oregne Kocsis

Chairman of the Board of Directors TrophyResort Nyrt.

## **7. Information on application of the Corporate Governance rules**

In 2013 the Issuer was not a public company listed on NewConnect.