

**REPORT OF INDEPENDENT AUDITOR  
ON AUDIT OF FINANCIAL STATEMENTS  
AS OF 31<sup>st</sup> March 2015**

Accounting unit subject to audit of financial statements as of 31<sup>st</sup> March 2015:

**COFFEE DAY CZ a.s.**

Malátova 543/9

Praha 5 - Smíchov

Identification Number: 271 05 741

Audited period:

**1<sup>st</sup> April 2014 to 31<sup>st</sup> March 2015**

Report creation date:

30<sup>th</sup> April 2015

Recipient:

- management of the accounting unit,
- the report is intended for the shareholders of the accounting unit.

Audit firm:

CCS Audit, s.r.o., Palác Myslbek, Ovocný trh 8/1096, Prague 1, Certificate of the Chamber of Auditors of the Czech Republic No. 417

Auditor:

Ing. Marie Křivdová, Palác Myslbek, Ovocný trh 8/1096, Prague 1, Certificate of the Chamber of Auditors of the Czech Republic No. 2250

Number of pages: 3

Distribution list:

- 2 copies of the Auditor's Report are intended for the management of the accounting unit,
- 1 copy will be kept on file by the auditor.

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## **I. Subject and Scope of Audit**

We have carried out the audit of the accompanying financial statements of Company **COFFEE DAY CZ a.s., Identification Number: 271 05 741**, which comprise the balance sheet as of 31<sup>st</sup> March 2015, the income statement for the year then ended, and a summary of significant accounting policies and other explanatory notes. Information about Company **COFFEE DAY CZ a.s., Identification Number: 271 05 741**, is presented in Notes 1, General Information, to these financial statements.

## **II. Statutory Body's Responsibility for the Financial Statements**

The statutory body of Company **COFFEE DAY CZ a.s., Identification Number: 271 05 741**, is responsible for the preparation of financial statements that give a true and fair view in accordance with Czech accounting regulations and for such internal control as statutory body determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

## **III. Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Act on Auditors and International Standards on Auditing and the related application guidelines issued by the Chamber of Auditors of the Czech Republic. Those laws and regulations require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the 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 financial statements.

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





#### IV. Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Company **COFFEE DAY CZ a.s., Identification Number: 271 05 741**, as of 31<sup>st</sup> March 2015, and of its financial performance for the year then ended in accordance with Czech accounting regulations.

#### V. Independent Auditor's Report

We have audited the annual report of Company **COFFEE DAY CZ a.s., Identification Number: 271 05 741**, for consistency with the financial statements for the year ended 31<sup>st</sup> March 2015. The correctness of the annual report is the responsibility of Company **COFFEE DAY CZ a.s., Identification Number: 271 05 741**, statutory body. Our responsibility is to express an opinion on the consistency of the annual report and the financial statements based on our audit.

We conducted our audit in accordance with International Standards on Auditing and the related application guidelines issued by the Chamber of Auditors of the Czech Republic. Those standards require that the auditor plan and perform the audit to obtain reasonable assurance about whether the information included in the annual report describing matters that are also presented in the financial statements is, in all material respects, consistent with the relevant financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the information included in the annual report of Company **COFFEE DAY CZ a.s., Identification Number: 271 05 741**, for the year ended 31<sup>st</sup> March 2015 is consistent, in all material respects, with the financial statements referred to above.

CCS Audit, s.r.o. ②  
Palác Mysibek  
Ovocný Trh 8/1096, 110 00 Praha 1  
č. oprávnění KAČR 417  
IČO: 26754746

CCS Audit, s.r.o.

CCS Audit, s.r.o.

Certificate of the Chamber of Auditors  
of the Czech Republic No. 417

*Marie Krívdová*

Ing. Marie Krívdová

Auditor, Certificate of the Chamber of Auditors  
of the Czech Republic No. 2250



CCS Audit



**BALANCE SHEET**  
**in full extend**

**As at 31.3.2015**

( in thousands of Czech Crowns )

Name and registered address  
of accounting unit  
COFFEE DAY CZ a.s.  
Malátova 543/9

Praha 5  
150 00

Ident. number
27105741

Ident. a	ASSETS b	Line c	Current period			Previous period
			Gross	Adjustment	Net	Net
	TOTAL ASSETS (I. 02 + 03 + 31 + 63)	1	62 006	-46 580	15 426	24 010
A.	Receivables from subscribed capital	2				
B.	Fixed assets (I. 04 + 13 + 23)	3	50 161	-44 420	5 741	10 005
B. I.	Intangible fixed assets (I. 05 to 12)	4				
B. I. 1.	Incorporation expenses	5				
2.	Research and development	6				
3.	Software	7				
4.	Valuable rights	8				
5.	Goodwill	9				
6.	Other intangible fixed assets	10				
7.	Intangible fixed assets in progress	11				
8.	Advance payments for intangible fixed assets	12				
B. II.	Tangible fixed assets (I. 14 to 22)	13	50 151	-44 420	5 731	9 995
B. II. 1.	Lands	14				
2.	Buildings, halls, constructions	15	16 737	-14 596	2 141	4 697
3.	Independent fixed movables and the collection of fixed	16	25 804	-24 568	1 236	2 420
4.	Perennial crops	17				
5.	Full-grown animals and groups thereof	18				
6.	Other tangible fixed assets	19	102		102	102
7.	Tangible fixed assets in progress	20				
8.	Advance payments for tangible fixed assets	21				23
9.	Adjustment to acquired assets	22	7 508	-5 256	2 252	2 753
B. III.	Long-term financial assets (I. 24 to 30)	23	10		10	10
B. III. 1.	Shares – controlled entity	24				
2.	Shares in accounting units with significant influence	25				
3.	Other long-term securities and shares	26	10		10	10
4.	Loans and credits – controlled or controlling person, s	27				
5.	Other long-term financial assets	28				



6.	Long-term financial assets in progress	29				
7.	Advance payments for long-term financial assets	30				

Ident. a	ASSETS b	Line c	Current period			Previous period
			Gross	Adjustment	Net	Net
C.	Current assets (I. 32 + 39 + 48 + 58)	31	11 303	-2 160	9 143	12 117
C. I.	Inventory (I. 33 to 38)	32	1 265		1 265	1 547
C. I. 1.	Materials	33				
2.	Work in progress and semi-products	34				
3.	Finished products	35				
4.	Young and other animals and groups thereof	36				
5.	Merchandise	37	1 265		1 265	1 547
6.	Advanced payments for inventory	38				
C. II.	Long-term receivables (I. 40 to 47)	39	5 195		5 195	5 390
C. II. 1.	Trade receivables	40				
2.	Receivables – controlled or controlling entity	41				
3.	Receivables - significant influence	42				
4.	Receivables from partners	43				
5.	Long-term advanced payments	44	5 195		5 195	5 390
6.	Estimated receivables	45				
7.	Other receivables	46				
8.	Deferred tax receivable	47				
C. III.	Short-term receivables (I. 49 to 57)	48	4 206	-2 160	2 046	4 173
C. III. 1.	Trade receivables	49	2 955	-2 160	795	1 397
2.	Receivables – controlled or controlling entity	50				
3.	Receivables - significant influence	51				
4.	Receivables from partners	52				
5.	Social security and health insurance	53				
6.	State - tax receivables	54				
7.	Short-term advanced payments	55	319		319	2 736
8.	Estimated receivables	56	783		783	
9.	Other receivables	57	149		149	40
C. IV.	Short-term financial assets (I. 59 to 62)	58	637		637	1 007
C. IV. 1.	Cash	59	171		171	262
2.	Bank accounts	60	466		466	745
3.	Short-term securities and ownership interests	61				
4.	Short-term financial assets acquired	62				



D. I.	Accruals (l. 64 to 66)	63	542		542	1 888
D. I. 1.	Deferred expenses	64	237		237	1 735
2.	Complex deferred costs	65				
3.	Accrued income	66	305		305	152

Ident.	LIABILITIES	Line	Current period	Previous period
a	b	c	5	6
	TOTAL LIABILITIES (l. 68 + 85 + 118)	67	15 426	24 010
A.	Equity (l. 69 + 73 + 78 + 81 + 84 + 124)	68	-47 560	-45 604
A. I.	Registered capital (l. 70 to 72)	69	26 000	26 000
A. I. 1.	Registered capital	70	26 000	26 000
2.	Company's own shares and ownership interests (-)	71		
3.	Changes of registered capital (+/-)	72		
A. II.	Capital funds (l. 74 to 77 + 121 to 122)	73	38 674	21 110
A. II. 1.	Capital surplus	74		
2.	Other capital funds	75	38 674	21 110
3.	Gains and losses from revaluation of assets and liabilities (+/-)	76		
4.	Gains and losses from revaluation in the course of transformation of business corporations	77		
5.	Differences resulting from transformation of business corporations	121		
6.	Differences from the valuation in the course of transformation of business corporations	122		
A. III.	Funds from profit (l. 79 + 80)	78	409	409
A. III. 1.	Reserv fund	79	409	409
2.	Statutory and other funds	80		
A. IV.	Net profit or loss from previous year (l. 82 + 83 + 123)	81	-93 123	-67 326
A. IV. 1.	Retained earnings from previous years	82		
2.	Accumulated losses from previous years	83	-93 123	-67 326
3.	Other net profit or loss from previous years	123		
A. V. 1.	Net profit or loss for the period +/-	84	-19 520	-25 797
A. V. 2.	Decided about the advance payments of profit share +/-	124		
B.	Liabilities (l. 86 + 91 + 102 + 114)	85	61 500	67 278
B. I.	Provisions (l. 87 to 90)	86	542	827
B. I. 1.	Legal provisions	87		
2.	Provisions for pension and similar payables	88		
3.	Income tax provisions	89		
4.	Other provisions	90	542	827
B. II.	Long-term payables (l. 92 to 101)	91		



B. II. 1.	Trade payables	92		
2.	Payables – controlled or controlling entity	93		
3.	Payables - significant influence	94		
4.	Payables to partners	95		
5.	Long-term advance payments received	96		

Ident.	LIABILITIES	Line	Current period	Previous period
a	b	c	5	6
6.	Bonds issued	97		
7.	Long-term bills of exchange to be paid	98		
8.	Estimated payables	99		
9.	Other long-term liabilities	100		
10.	Deferred tax liability	101		
B. III.	Short-term payables (l. 103 to 113)	102	9 197	15 969
B. III. 1.	Trade payables	103	4 413	10 305
2.	Payables – controlled or controlling entity	104		
3.	Payables - significant influence	105		
4.	Payables to partners	106		
5.	Payroll	107	1 059	1 466
6.	Payables - social security and health insurance	108	599	744
7.	State - tax liabilities and grants	109	713	548
8.	Short-term deposits received	110	22	22
9.	Bonds issued	111		
10.	Estimated payables	112	2 375	2 864
11.	Other payables	113	16	20
B. IV.	Bank loans and financial accommodations (l. 115 to 117)	114	51 761	50 482
B. IV. 1.	Fixed bank loans	115		
2.	Short-term bank loans	116	51 761	50 482
3.	Short-term accommodations	117		
C. I.	Accruals (l. 119 + 120)	118	1 486	2 336
C. I. 1.	Accrued expenses	119	465	690
2.	Deferred revenues	120	1 021	1 646



**INCOME STATEMENT**  
**CLASSIFICATION OF EXPENSES BY NATURE**

**in full format**

**As at 31.3.2015**  
( in thousands of Czech Crowns )

Name and registered address  
of accounting unit  
COFFEE DAY CZ a.s.

Malátova 543/9

Praha 5

150 00

Ident. number

27105741

Ident. a	TEXT b	Line c	Reality	
			Current period 1	Previous period 2
I.	Revenues from merchandise	1	54 836	73 283
A.	Cost of goods sold	2	13 234	17 649
+	Sale margin (I. 01 - 02)	3	41 602	55 634
II.	Production (I. 05 + 06 + 07)	4	1 613	2 018
II.	Revenues from own products and services	5	1 613	2 018
2.	Changes in inventory of own products	6		
3.	Capitalization	7		
B.	Production consumed (I. 09 + 10)	8	32 235	44 643
B. 1.	Material and energy consumption	9	4 771	7 342
A. 2.	Services	10	27 464	37 301
+	Added value (I. 03 + 04 - 08)	11	10 980	13 009
C.	Personnel expenses (I. 13 to 16)	12	23 789	29 104
C. 1.	Wages and salaries	13	17 515	21 626
2.	Remuneration of board of business corporation	14		
3.	Social security expenses and health insurance	15	5 658	6 688
4.	Social expenses	16	616	790
D.	Taxes and fees	17	14	13
E.	Depreciations of intangible and tangible assets	18	3 350	4 938
III.	Revenues from sales of fixed assets and material (I. 20 + 21)	19	1 133	19
III.	Revenues from sales of fixed assets	20	1 133	19
	Revenues from sales of material	21		
F.	Net book value of fixed assets and materials sold (I. 23 + 24)	22	609	
F. 1.	Net book value of fixed assets sold	23	609	
2.	Material sold	24		
G.	Changes in provisions and adjustments in operating activity and complex deferred e	25	-262	302
IV.	Other operating revenues	26	1 353	1 576



H.	Other operating expenses	27	4 356	2 109
V.	Transfer of operating revenues	28		
I.	Transfer of operating expenses	29		
*	Operating profit / loss $18 + 19 - 22 \pm 25 + 26 - 27 + (-28) - (-29)$	30	-18 390	-21 862

Ident.	TEXT	Line	Reality	
			Current period 1	Previous period 2
a	b	c		
VI.	Revenues from sale of securities and ownership interests	31		
J.	Securities and ownership interests sold	32		
VII.	Revenues from long-term financial assets $(I. 34 + 35 + 36)$	33		
VII.	Revenues from shares in controlled entities and in accounting units with significant	34		
2.	Revenues from other long-term securities and ownership interests	35		
3.	Revenues from other long-term financial assets	36		
VIII.	Revenues from short-term financial assets	37		
K.	Expenses associated with financial assets	38		
IX.	Revenues from revaluation of securities and derivatives	39		
L.	Expenses from revaluation of securities and derivatives	40		
M.	Changes in provisions and adjustments in financial activity	41		
X.	Interest revenues	42		
N.	Interest expenses	43	1 125	1 100
XI.	Other financial revenues	44	609	2 006
O.	Other financial expenses	45	614	4 841
XII.	Transfer of financial revenues	46		
P.	Transfer of financial expenses	47		
*	Profit / loss from financial operations $(I. 31 - 32 + 33 + 37 - 38 + 39 - 40 \pm 41 + 42 - 43 + 44 - 45 + (-46) - (-47))$	48	-1 130	-3 935
Q.	Income tax on ordinary income $(I. 50 + 51)$	49		
Q. 1.	- due	50		
2.	- deferred	51		
**	Profit / loss from ordinary activity $(I. 30 + 48 - 49)$	52	-19 520	-25 797
XIII.	Extraordinary revenues	53		
R.	Extraordinary expenses	54		
S.	Income tax on extraordinary items $(I. 56 + 57)$	55		
S. 1.	- due	56		
2.	- deferred	57		
*	Extraordinary profit / loss $(I. 53 - 54 - 55)$	58		
T.	Transfer profit / loss of current accounting period $(+/-)$	59		
***	Profit / loss of current accounting period (+/-) $(I. 52 + 58 - 59)$	60	-19 520	-25 797



****	Profit / loss before tax	(l. 30 + 48 + 53 - 54)	61	-19 520	-25 797
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