

# BGS Energy Plus a.s.

## I. GENERAL BACKGROUND - GENERAL COMPANY INFORMATION

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Company name (name) and registered  
office (place of business) :

**COMPANY NAME: BGS Energy Plus a.s.**

REGISTERED OFFICE: Street: Zámecká 7  
Municipality: Světlá nad Sázavou  
Post Code: 582 91

COMPANY REGISTRATION NUMBER: **280 89 880**

TAX IDENTIFICATION NUMBER: **CZ28089880**

Tax Authority Number: **2906**

Legal form: <b>Joint-stock company</b>		
Shares	Form:	<b>Certificated</b>
	Class:	<b>Ordinary</b>
		<b>shares are not priority shares</b>
	Type:	<b>bearer shares</b>
	nominal value:	<b>CZK 1.00</b>
	total value:	<b>CZK 15,209,000.00</b>
	number:	<b>15,209,000</b>
	Number of votes	<b>15,209,000</b>
	Proportion to all votes:	<b>100%</b>

Subject of business according to Commercial Register: **lease of property, apartments and non-residential premises without providing services other than elementary services related to lease production, trade and services not listed in the Annexes 1 to 3 to the Trade Licensing Act**

## II. OWNERSHIP STRUCTURE AND GROUP

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BGS Energy Plus a.s. (hereinafter referred to as the "Company") is a Czech company which in 2009 entered the Warsaw Exchange Stock.

At present, the following persons hold more than 20% interest in the Company:

Name and surname: **JUDr. Ing. Zdeněk Radil**

**permanent residence:** Průhonická 217/31, Prague 10 - Záběhlice, post code 100 00

investment CZK 3,219,667.00

contribution:

paid up: 100%

Business share: 11100/52435 (ca. 21.169%)

Number of shares: 3219667

Number of votes: 3219667

Name and surname: **Aleš Radil**

**permanent residence:** Pod Kadlčákem 1200, Světlá nad Sázavou, post code 582 91

investment CZK 3,219,667.00

contribution:

paid up: 100%

Business share: 11100/52435 (ca. 21.169%)

Number of shares: 3219667

Number of votes: 3219667

Name and surname: **Radim Hruža**

**permanent residence:** Horní Bohušice 1246, Světlá nad Sázavou, post code 582 91

investment CZK 3,219,667.00

contribution:

paid up: 100%

Business share: 11100/52435 (ca. 21.169%)

Number of shares: 3219667

Number of votes: 3219667

The Company stands on the top of the energy management holding and it is focused on designing, supplies and operation of bio-gas stations. The holding structure is made of subordinated companies at the levels I, II and III:

Subordinated  
company I: Energy produkt plus s.r.o.

Company  
registration 260 11 921  
number:

registered office : Závědkovice 54, Světlá nad Sázavou, 582 91

legal form: limited liability company

Subordinated  
company I: Mlýn Okoř, s.r.o.

Company  
registration 251 45 231  
number:

registered office : Stradouň 18, 538 65

legal form: Limited liability company

Subordinated  
company II: Agroprodukt plus a.s.

Company  
registration 278 33 526  
number:

registered office : Závidkovice 54, Světlá nad Sázavou, 582 91  
legal form: Joint-stock company  
legal form: limited liability company

Subordinated  
company II: Podhradí, s.r.o.

Company  
registration 465 08 678  
number:

registered office : Lipnice nad Sázavou 131, 582 32  
legal form: limited liability company

Subordinated  
company II: BGS Biogas, a.s.

Company  
registration 278 33 518  
number:

registered office : Závidkovice 54, Světlá nad Sázavou, 582 91  
legal form: Joint-stock company

Subordinated  
company III: Agromilk, družstvo vlastníků

Company  
registration 465 06 004  
number:

registered office : Ovesná Lhota 78, Světlá nad Sázavou, 582 91  
legal form: Cooperative owners

Subordinated  
company III: BPS Lhota, s.r.o.

Company  
registration 018 09 211  
number:

registered office : Závidkovice 54, Světlá nad Sázavou, 582 91  
legal form: Limited liability company

Subordinated  
company III: BPS Ptení s.r.o.

Company  
registration 026 01 923  
number:

registered office : Závidkovice 54, Světlá nad Sázavou, 582 91  
legal form: Limited liability company

### III. INFORMATION ON THE COMPANY ACTIVITIES

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The Company's principal activity is to provide organizational and technical support to activities of subordinated entities, to support, prepare and provide organizational background to new investment projects of biogas stations, especially within the territory of the Czech Republic and Poland, and within a holding organization to provide for cooperation of subordinated entities during construction of the stations.

The BGS Energy Group has built up consolidated functional unit during its operation at the renewable resources market. The main business represent building

biogas plants for clients and own biogas plants operating. At the end of the year 2014 we operated ten biogas plants (where we have from 15 to 100%, with total energy output cca 9MW. First project in Poland was finished during at the end of the year 2014.

The BGS Biogas, a.s. realized till the end of the year 2014 thirty nine biogas plants as a general supplier. The company belong to five most considerable market participants. As a part of these deliveries is also connected sales of more than 70 cogeneration units. These units are serviced and maintained by BGS and this should be our future business direction.

The BGS Group intensively work on their own development at the renewable resources area and at the projects increasing energy efficiency. The BGS Group prepare development of the natural gas cogeneration units which are realized by Energy Performance Contracting in the area of the middle and eastern Europe.

During 2014 a majority shareholding position in Volta Europe BGS Sp. z o.o. was held by BGS Energy Plus a.s. The first 1,89 MW biogas investment in northern Poland (i.e. BENERGO Sp. z o. o. ) was under construction during 2014 and was finished at the end of 2014.

The BGS Group will focus on its own efficiency in 2015. We will cover about 4500 ha under service management within our Agriculture division.

Several potential acquisition of agriculture companies with own biogas plants are under investigation from the beginning of 2015. These acquisitions will be realized only if the BGS Group is able to achieve similar efficiency in these projects as in our own companies.

Other area of focus in 2015 is providing service and maintenance to third parties biogas plants. We provide service to almost all of our clients where we delivered cogeneration units. We plan to increase the deliveries of cogeneration units also to potential clients outside of biogas plants area.

#### **IV. INFORMATION ABOUT COMPANY ASSETS AND FINANCING**

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The Company's financial standing is very good and stable. The Company has available mainly own sources generated from our own biogas plants energy production and also from biogas plants servicing for our clients.

The Company holds capital investments of subordinated companies. Investment units are executed through subordinated companies, namely by Energy produkt plus s.r.o. and BGS Biogas, a.s.

The financial statements were audited by the auditor Ing. Bohumil Klapka as well

as the financial statements of subordinated companies, the consolidated financial statements were audited by Ing. Jiri Mechura. The financial statements and the consolidated financial statement comply with statutory requirements.

The Company has not any other subsidiaries or places of business.

Within the Group the Company identified as a potential risk limitation of raw materials necessary for the activity of biogas stations. The risk is limited both by preparation and implementation of the project with agricultural enterprises and partly by own agricultural production provided for by the companies Agroprodukt plus a.s., Družstvo vlastníků Petrovec and Podhradí, s.r.o.

As regards environmental protection, the Company's operation fulfills all statutory limits set for the respective production category.

As regards employment relationships, the Company complies with and follows the relevant legislation in this field.

## V. INFORMATION ABOUT THE COMPANY'S STATUTORY AND OTHER BODIES

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Names and surnames of members of statutory and supervisory bodies:

### Statutory body - Board of Directors

Name: **Aleš Radil**

Title: Chairman of the Board of Directors

Name: **Radim Hruža**

Title: Vice-Chairman of the Board of Directors

Name: **OKSANA BATALOVA**

Title: Member of the Board of Directors

### Supervisory body - Supervisory Board

Name: **JUDr. Ing. Zdeněk Radil**

Title: Chairman

## VI. INFORMATION ABOUT PERSONS IN CHARGE OF ANNUAL REPORT

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### Person in charge of the annual report

Name: **Aleš Radil**

Title: Chairman of the Board of Directors

## VII. SUPPLEMENTS

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In Světlá nad Sázavou, dated 27 May 2015

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signature record  
of the statutory body

## **1. REPORT ON INTERRELATIONS**

among affiliated persons pursuant to Section 82 of the Corporation Code

**for controlled person**

**BGS Energy Plus a.s.**

Registered office:            Zámecká 7  
   Světlá nad Sázavou  
   582 91

In Světlá nad Sázavou, dated 22 May 2015



## Introduction

This report has been compiled according to the requirement set forth in Section 82 of the Corporation Code (hereinafter referred to as CC). It describes relations among affiliated persons, i.e. according to CC the interrelations between the controlled person and the controlling person and relations between the controlled person and other persons under control of the same controlling person. The interrelations have been described in the manner reflecting the need to comply with Sections 504, 2976 of Civil Code regulating trade secret.

## Controlled person:

1. Company: **BGS Energy Plus a.s.**

Registered office: Zámecká 7, Světlá nad Sázavou, 582 91

Company registration number: **280 89 880**

tel.: +420 569 452 559

fax: +420 569 452 559

www: [www.bgs-energy.cz](http://www.bgs-energy.cz)

Email: [info@bgs-energy.cz](mailto:info@bgs-energy.cz)

The Company was incorporated on 24 September 2008 in the Trade Register kept by the Regional Court in Hradec Králové under the file number Section B, Insert 2840.

2. Prepared by: **Aleš Radil**

birth no. 73 02 02 / 2970

permanent residence: Pod Kadlčákem 1200, Světlá nad Sázavou, 582 91

tel.: +420 569 452 559

mobile: +420 776 234 295

fax: +420 569 452 559

www: [www.bgs-energy.cz](http://www.bgs-energy.cz)

Email: [a.radil@bgs-energy.cz](mailto:a.radil@bgs-energy.cz)

title: Chairman of the Board of Directors

## Affiliated persons

### Organization structure of affiliated persons

Controlling persons I: persons directly controlling the controlled person

Controlling persons II: persons controlling the controlling persons I.

Controlling persons III: persons controlling the controlling persons II.

### Identification of controlling persons

#### Controlling persons I.

Name and surname: **JUDr. Ing. Zdeněk Radil**  
address: Průhonická 217/31, Prague 10 – Záběhlice, 106 00

Name and surname: **OKSANA BATALOVA**  
address: Krausova 605, Letňany, Praha 9, 199 00

Name and surname: **Aleš Radil**  
address: Pod Kadlčákem 1200, Světlá nad Sázavou, 582 91

Name and surname: **Radim Hruža**  
address: Horní Bohušice 1246, Světlá nad Sázavou, 582 91

Company: ---  
Registered office: ---  
Company registration number: ---

#### Controlling persons II.

Name and surname: ---  
address: ---

Company: Agroprodukt plus a.s.  
Registered office: Závidkovice 54, Světlá nad Sázavou, 582 91  
Company registration number: 278 33 526

The Company was incorporated on 31 January 2008 into the Trade Register kept by the Regional Court in Hradec Králové under file number Rg.B. 2756

Company: Energy produkt plus s.r.o.  
Registered office: Závidkovice 54, Světlá nad Sázavou, 582 91  
Company registration number: 260 11 921

The Company was incorporated on 26 June 2004 into the Trade Register kept by the Regional Court in Hradec Králové under file number Rg.C. 19923

Company: BGS Biogas, a.s.  
Registered office: Závidkovice 54, Světlá nad Sázavou, 582 91  
Company registration number: 278 33 518

The Company was incorporated on 31 January 2008 into the Trade Register kept by the Regional Court in Hradec Králové under file number Rg.B. 2860

Company: Mlýn Okoř, s.r.o.  
Registered office: Stradouň 18, 538 65  
Company registration number: 251 45 231

The Company was incorporated on 18 July 1997 into the Trade Register kept by the Regional Court in Hradec Králové under file number Rg.C. 29195

Company: Podhradí s.r.o.  
Registered office: Lipnice nad Sázavou 131, 582 32

Company registration number: 465 08 678

The Company was incorporated on 9 July 1992 into the Trade Register kept by the Regional Court in Hradec Králové under file number Rg.C. 2238

Company: Agromilk, družstvo vlastníků

Registered office: Ovesná Lhota 78, Světlá nad Sázavou, 582 91

Company registration number: 465 06 004

The Company was incorporated on 7 July 1992 into the Trade Register kept by the Regional Court in Hradec Králové under file number Rg.Dr. 164

Company: BPS Ptení s.r.o.

Registered office: Závidkovice 54, Světlá nad Sázavou, PSČ: 582 91

Company registration number: 026 01 923

The Company was incorporated on 30 January 2014 into the Trade Register kept by the Regional Court in Hradec Králové under file number Rg.C. 33 198

Company: BPS Lhota, s.r.o.

Registered office: Závidkovice 54, Světlá nad Sázavou, PSČ: 582 91

Company registration number: 018 09 211

The Company was incorporated on 18 July 2013 into the Trade Register kept by the Regional Court in Hradec Králové under file number Rg.C. 32 316

The Board of Directors is not aware of there being any other persons who could indirectly control our company and with whom our company would have a relationship in the accounting period 2014 in terms of Section 82 of CC.

Furthermore, the Company's Board of Directors is not aware of there being any other persons who should be included in the period 2014 in the list of affiliated persons.

## Contracts concluded between affiliated persons in the previous accounting period and performance provided

### Contractual relationships to the Company

### Performance of the contracts concluded with the Company in the previous accounting periods which were performed only in the year 2014.

### Legal relationships among affiliated persons

Identification of the legal relationship – Terms of conclusion	consideration (yes/no, what kind)	occurrence of loss (yes/no)	loss settled or an agreement regarding its settlement concluded (yes/no, date of execution thereof)
Contracts for the purchase of goods, materials, services, other – /* contracts concluded under usual business terms and conditions */	YES	NO	X
Contracts for the sale of goods, products, services, other – /* contracts concluded under usual business terms and conditions */	YES	NO	X

Contracts for the distribution of supplies - <b>NONE</b> – /* contracts concluded under usual business terms and conditions */	NO	NO	X
Contracts for the provision of technical assistance - <b>NONE</b> – /* contracts concluded under usual business terms and conditions */	NO	NO	X
Contracts of loan – /* contracts concluded under usual business terms and conditions */	YES	NO	X
Contracts for the provision of advertising services - <b>NONE</b> – /* contracts concluded under usual business terms and conditions */	NO	NO	X
Contracts of lease or sublease - <b>NONE</b> – /* contracts concluded under usual business terms and conditions */	NO	NO	X
Pledge/security agreements - <b>NONE</b> – /* contracts concluded under usual business terms and conditions */	NO	NO	X
Contracts for the use of information networks - <b>NONE</b> – /* contracts concluded under usual business terms and conditions */	NO	NO	X
Contracts for the provision of managerial services - <b>NONE</b> – /* contracts concluded under usual business terms and conditions */	NO	NO	X
Licensing agreements - <b>NONE</b> – /* contracts concluded under usual business terms and conditions */	NO	NO	X
Contracts for the provision of know-how - <b>NONE</b> – /* contracts concluded under usual business terms and conditions */	NO	NO	X
Employment contracts - – /* contracts concluded under usual business terms and conditions */	YES	NO	X

**Contracts concluded with the Company in the accounting period 2014 which were performed in 2014.**

### **Legal relationships among affiliated persons**

Identification of the legal relationship – terms of conclusion	consideration (yes/no, what kind)	occurrence of loss (yes/no)	loss settled or an agreement regarding its settlement concluded (yes/no, date of execution thereof)
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Contracts for the purchase of goods, materials, services, other - <b>YES</b> – contracts concluded under usual business terms and conditions	YES monetary	NO	X
Contracts for the sale of goods, products, services, other - <b>YES</b> – contracts concluded under usual business terms and conditions	YES monetary	NO	X
Contracts for the distribution of supplies - <b>NONE</b> – /* contracts concluded under usual business terms and conditions */	NO	NO	X
Contracts for the provision of technical assistance - <b>NONE</b> – /* contracts concluded under usual business terms and conditions */	NO	NO	X
Contracts of loan - <b>YES</b> – contracts concluded under usual business terms and conditions	YES monetary	NO	X
Contracts for the provision of advertising services - <b>NONE</b> – /* contracts concluded under usual business terms and conditions */	NO	NO	X
Contracts of lease or sublease - <b>NONE</b> – /* contracts concluded under usual business terms and conditions */	NO	NO	X
Pledge/security agreements - <b>NONE</b> – /* contracts concluded under usual business terms and conditions */	NO	NO	X
Contracts for the use of information networks - <b>NONE</b> – /* contracts concluded under usual business terms and conditions */	NO	NO	X
Contracts for the provision of managerial services - <b>NONE</b> – /* contracts concluded under usual business terms and conditions */	NO	NO	X
Licensing agreements - <b>NONE</b> – /* contracts concluded under usual business terms and conditions */	NO	NO	X
Contracts for the provision of know-how - <b>NONE</b> – /* contracts concluded under usual business terms and conditions */	NO	NO	X
Employment contracts - <b>YES</b> – contracts concluded under usual business terms and conditions	YES monetary	NO	X

**Contracts concluded with the Company in the accounting period 2014 which will be performed in years to come**

## **Legal relationships among affiliated persons**

Identification of the legal relationship – Terms of conclusion	consideration (yes/no, what kind)	occurrence of loss (yes/no)	loss settled or an agreement regarding its settlement concluded (yes/no, date of execution thereof)
Contracts for the purchase of goods, materials, services, other - <b>NONE</b> – /* contracts concluded under usual business terms and conditions */	NO	NO	X
Contracts for the sale of goods, products, services, other - <b>NONE</b> – /* contracts concluded under usual business terms and conditions */	NO	NO	X
Contracts for the distribution of supplies - <b>NONE</b> – /* contracts concluded under usual business terms and conditions */	NO	NO	X
Contracts for the provision of technical assistance - <b>NONE</b> – /* contracts concluded under usual business terms and conditions */	NO	NO	X
Contracts of loan - /* contracts concluded under usual business terms and conditions */	YES	NO	X
Contracts for the provision of advertising services - <b>NONE</b> – /* contracts concluded under usual business terms and conditions */	NO	NO	X
Contracts of lease or sublease - <b>NONE</b> – /* contracts concluded under usual business terms and conditions */	NO	NO	X
Pledge/security agreements - <b>NONE</b> – /* contracts concluded under usual business terms and conditions */	NO	NO	X
Contracts for the use of information networks - <b>NONE</b> – /* contracts concluded under usual business terms and conditions */	NO	NO	X
Contracts for the provision of managerial services - <b>NONE</b> – /* contracts concluded under usual business terms and conditions */	NO	NO	X
Licensing agreements - <b>NONE</b> – /* contracts concluded under usual business terms and conditions */	NO	NO	X
Contracts for the provision of know-how - <b>NONE</b> – /* contracts concluded under usual business terms and conditions */	NO	NO	X
Employment contracts - <b>NONE</b> – /* contracts concluded under usual business terms and conditions */	NO	NO	X

## Other legal acts which were made in the interest

**Performance of the contracts concluded with the Company in the previous accounting periods which were performed only in the year 2014.**

### Legal acts made in the interest of affiliated persons

Identification of the legal act – Terms and conditions	consideration (yes/no - what kind)	occurrence of loss (yes/no)	loss settled or an agreement regarding its settlement concluded (yes/no, date of execution thereof)
Legal acts made in the interest of the above-mentioned persons - <b>NONE</b> – /* contracts concluded under usual business terms and conditions */	NO	NO	X
Legal acts made in the interest of the above mentioned persons - <b>NONE</b> – /* contracts concluded under usual business terms and conditions */	NO	NO	X

**Contracts concluded with the Company in the accounting period 2014 which were performed in 2014.**

### Legal acts made in the interest of affiliated persons

Identification of the legal act – terms and conditions	consideration (yes/no - what kind)	occurrence of loss (yes/no)	loss settled or an agreement regarding its settlement concluded (yes/no, date of execution thereof)
Legal acts made in the interest of the above mentioned persons - <b>NONE</b> – /* contracts concluded under usual business terms and conditions */	NO	NO	X
Legal acts made in the interest of the above mentioned persons - <b>NONE</b> – /* contracts concluded under usual business terms and conditions */	NO	NO	X

**Contracts concluded with the Company in the accounting period 2014 which will be performed in years to come.**

### Legal acts made in the interest of affiliated persons

Identification of the legal transaction – terms and conditions	consideration (yes/no - what kind)	occurrence of loss (yes/no)	loss settled or an agreement regarding its settlement concluded (yes/no, date of execution thereof)
Legal acts made in the interest of the above mentioned persons - <b>NONE</b> – /* contracts concluded under usual business terms and conditions */	NO	NO	X
Legal acts made in the interest of the above mentioned persons - <b>NONE</b> – /* contracts concluded under usual business terms and conditions */	NO	NO	X



**Other measures which were adopted or implemented by  
the controlled person in the interest or upon instigation**

**Performance of the contracts concluded with the Company in the previous  
accounting periods which were performed only in the year 2014.**

**Measures adopted/implemented by the controlled person  
in the interest/upon instigation of affiliated persons**

Identification of the measure – terms and conditions	advantages / disadvantages (yes/no - what kind)	occurrence of loss (yes/no)	loss settled or an agreement regarding its settlement concluded (yes/no, date of execution thereof)
Measure(s) adopted or implemented in the interest or upon instigation of the above-mentioned persons - <b>NONE</b> – /* contracts concluded under usual business terms and conditions */	NO	NO	X
Measure(s) adopted or implemented in the interest or upon instigation of the above-mentioned persons - <b>NONE</b> – /* contracts concluded under usual business terms and conditions */	NO	NO	X

**Contracts concluded with the Company in the accounting period 2014 which were  
performed in 2014.**

**Measures adopted/implemented by the controlled person in  
the interest/upon instigation of affiliated persons**

Identification of the measure – Terms and conditions	advantages / disadvantages (yes/no - what kind)	occurrence of loss (yes/no)	loss settled or an agreement regarding its settlement concluded (yes/no, date of execution thereof)
Measure(s) adopted or implemented in the interest or upon instigation of the above-mentioned persons - <b>NONE</b> – /* contracts concluded under usual business terms and conditions */	NO	NO	X
Measure(s) adopted or implemented in the interest or upon instigation of the above-mentioned persons - <b>NONE</b> – /* contracts concluded under usual business terms and conditions */	NO	NO	X

<b>Contracts concluded with the Company in the accounting period 2014 which will be performed in years to come.</b>
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## Measures adopted/implemented by the controlled person in the interest/upon instigation of affiliated persons

Identification of the measure – Terms and conditions	advantages / disadvantages (yes/no - what kind)	occurrence of loss (yes/no)	loss settled or an agreement regarding its settlement concluded (yes/no, date of execution thereof)
Measure(s) adopted or implemented in the interest or upon instigation of the above-mentioned persons - <b>NONE</b> – /* contracts concluded under usual business terms and conditions */	NO	NO	X
Measure(s) adopted or implemented in the interest or upon instigation of the above-mentioned persons - <b>NONE</b> – /* contracts concluded under usual business terms and conditions */	NO	NO	X

## **Overall assessment of interrelations among affiliated persons**

### **Overall assessment of interrelations among affiliated persons**

We hereby declare that we have included in this report on interrelations among affiliated persons pursuant to Section 82 of the Commercial Code all concluded or performed contracts among affiliated persons, benefits and considerations provided to affiliated persons, other legal acts made in the interest of these persons, all measures adopted or implemented in the interest or upon instigation of these persons that were known to us to date of signing this report.

## **Declaration of the Company's Board of Directors**

We hereby affirm that the above-stated data contained herein is complete, conclusive and correct.  
In Světlá nad Sázavou, dated 22 May 2015

Board of Directors of the company **BGS Energy Plus a.s.**

## **2. BGS Energy Plus a.s. consolidated financial statements**

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Joint-stock company

# **CONSOLIDATED**

## ***FINANCIAL STATEMENTS***

of BGS Energy Plus GROUP

**As of 31 December 2014**

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**Světlá nad Sázavou, May 2015**

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## **1. Introduction**

From the point of view of the history of accountancy, consolidated financial statements are a new element in the field of modeling and providing information on financial and overall standing of groups of companies. The importance and use of this type of reporting have

considerably increased in recent years along with the development of international trade, capital movement and establishing of groups of entities linked by capital.

The duty to compile the consolidated financial statements and the respective methods applied are provided for in the accounting standards of individual countries and are regulated differently in each country.

Within the **European Union**, the issue of harmonization of consolidated financial statements was resolved by the adoption of the **Seventh Council Directive of 13 June 1983 based on Article 54(3)(g) of the Treaty on Consolidated Accounts**. Furthermore, the issues relating to consolidation are regulated under the **International Accounting Standard no. 27 (IAS 27)** "Consolidated Financial Statements and Accounting for Investments in Subsidiaries" and the **International Accounting Standard no. 28 (IAS 28)** "Accounting for Investments in Associates and Joint Ventures".

**In the Czech Republic**, the requirement to compile the consolidated financial statements is determined under Section 22 and Section 23 of the Act no. 563/1991 Coll., Accountancy Act, and under Section 62 et seq. of the Regulation no. 500/2002 Coll., implementing certain provisions of the Act no. 563/1991 Coll. relating to the accounting entities which are entrepreneurs keeping their books in the double-entry accounting system. Since 1 January 2005, the consolidation has been regulated under CUS (Czech accounting standard) 020.

The basic limitations of the consolidation duty for entrepreneurs are given by the size of a consolidation unit. A consolidation unit means a parent company and the subsidiaries and affiliated enterprises which are not exempted from a duty to enter into a consolidation unit. A consolidating accounting entity is exempted from the duty to consolidate, provided that as of the end of the balance sheet date of the accounting period for which the consolidated financial statements are compiled, the accounting entities concerned have not, according to their last ordinary financial statements, exceeded or reached at least one of the three criteria as follows:

1. sum of the balance sheets amounting to over CZK 350,000,000;
2. net turnover of over CZK 700,000,000;
3. average recalculated number of employees in the course of the accounting period higher than 250.

## **1.1 Subject of the consolidated financial statements**

The subject hereof is a compilation of voluntary consolidated financial statements of **BGS Energy Plus GROUP** as of **31 December 2014**.

## **1.2 Applied procedures**

The consolidated financial statements were compiled on the basis of individual financial statements of companies included in the consolidation unit and documents of their interrelations submitted by companies in the course of May 2015.

The consolidated financial statements were compiled in accordance with the Act no. 563/1991 Coll., Accountancy Act, and the Regulation no. 500/2002 Coll. - part five determining the procedures for consolidation of financial statements and CUS 020.

The consolidated financial statements were compiled in tables contained in the overview of consolidation transactions. All consolidation transactions were performed by double entry. The consolidation itself was divided into two stages:

- Transactions representing the consolidation of capital interest of interrelations affecting the balance sheet.
- Transactions representing the consolidation of interrelations affecting the profit and loss statement.

The consolidation unit was consolidated at three levels - using both the full and the equity method

- **Level 0**
  - - consolidation of the subsidiary V1 (Agroprodukt plus a.s.) and the subsidiary PV11 (Agromilk, družstvo vlastníků) owned by the subsidiary V1  
- full method
  - - consolidation of the subsidiary V1 (Agroprodukt plus a.s.) and the subsidiary PV12 (Podhradí, s.r.o.) owned by the subsidiary V1  
- full method
- **Level 02**
  - - consolidation of the subsidiary V4 (BGS Biogas, a.s.) and the subsidiary PV41 (BPS Lhota, s.r.o.) owned by the subsidiary V4  
- full method
  - - consolidation of the subsidiary V4 (BGS Biogas, a.s.) and the subsidiary PV42 (BPS Ptení s.r.o.) owned by the subsidiary V4  
- full method
- **Level I**
  - - consolidation of the subsidiary S0 (Energy produkt plus s.r.o.) and the subsidiary V1 (Agroprodukt plus a.s.) owned by the subsidiary S0  
- full method
  - - consolidation of the subsidiary S0 (Energy produkt plus s.r.o.) and the affiliated enterprise V4 (BGS Biogas, a.s.) owned by the subsidiary S0  
- full method
- **Level III**
  - - consolidation of the parent company PC (BGS Energy Plus a.s.) and the consolidated subsidiary S0 (Energy produkt plus s.r.o.) owned by the parent company  
- full method
  - - consolidation of the parent company PC (BGS Energy Plus a.s.) and the consolidated subsidiary S1 (Mlýn Okoř s.r.o.) owned by the parent company  
- equity method

It is the third consolidation year. The table of consolidation differences contains the calculation of consolidation differences as of the date of acquisitions.

A separate annex describing the procedure of consolidation adjustments has been prepared for each accounting unit. The auxiliary tables and procedures are further used during the consolidation of balance sheet and profit and loss statement.

The calculation tables for ascertaining the consolidated balance sheet contain the data of individual financial statements of the respective companies entering into the consolidation, securities, minority interests and accounting of consolidation difference are excluded in the following columns. The columns of exclusion of interrelations among companies follow. This is how the subsidiaries were consolidated using the method of full consolidation.

When the equity method was applied, securities were excluded and the value of securities was calculated in equity (interest in equity capital of affiliated companies).

A similar procedure was applied also to the consolidation of the profit and loss statement.

## 2. Data for compilation of the consolidated financial statements

### a) Definition of the Consolidation Unit

Name	Abbrev.	Registered office	Company registration no.	Interest in %	In enterprise	Method
BGS Energy Plus a.s.	PC	Světlá nad Sázavou	28089880	100.0	S0 – Energy produkt plus s.r.o.	Full
				40.0	S1 – Mlýn Okoř, s.r.o.	Equity
Energy produkt plus s.r.o.	S0	Světlá nad Sázavou	26011921	100.0	V1 – Agroprodukt plus a.s.	Full
	S0			100.0	V4 – BGS Biogas, a.s.	Full
Mlýn Okoř, s.r.o.	S1	Světlá nad Sázavou	25145231	100.0	V1 – Agroprodukt plus a.s.	Full
Agroprodukt plus a.s.	VI	Světlá nad Sázavou	27833526	66,67	PV11 – Agromilk, družstvo vlastníků	Full
				100	PV12- Podhradí, s.r.o.	Full
BGS Biogas, a.s.	V4	Světlá nad Sázavou	27833518	60	PV41- BPS Lhota, s.r.o.	Full
				100	PV42- BPS Ptení s.r.o.	Full
Agromilk, družstvo vlastníků	PV11	Ovesná Lhota	46506004			
Podhradí, s.r.o.	PV12	Lipnice nad Sázavou	46508678			
BPS Lhota, s.r.o.	PV41	Světlá nad Sázavou	46506004			
BPS Ptení s.r.o.	PV42	Světlá nad Sázavou	46508678			



<i>Consolidation unit:</i>	<i>Level 0:</i>	<i>Agroprodukt plus a.s. (Subsidiary – V1) – Agromilk, družstvo vlastníků (Subsidiary – PV11) Agroprodukt plus a.s. (Subsidiary – V1) – Podhradí, s.r.o. (Subsidiary – PV12)</i>
	<i>Level 02:</i>	<i>BGS Biogas, a.s. (Subsidiary – V4) – BPS Lhota, s.r.o. (Subsidiary – PV41) BGS Biogas, a.s. (Subsidiary – V4) – BPS Ptení s.r.o. (Subsidiary – PV42)</i>
	<i>Level I:</i>	<i>Energy produkt plus s.r.o. (Subsidiary - S0) – Agroprodukt plus a.s. (Subsidiary – V1) Energy produkt plus s.r.o. (Subsidiary -S0) – BGS Biogas, a.s. (Subsidiary – V4)</i>
	<i>Level II</i>	<i>BGS Energy Plus a.s. (parent company - PC) - Energy produkt plus s.r.o. (Subsidiary –S0) BGS Energy Plus a.s. (parent company - PC) – Mlýn Okoř, s.r.o. (Subsidiary –S1)</i>

Subsidiaries holding the interest higher than 50% in the registered capital of the enterprise were included in the consolidation unit using the method of full consolidation. Subsidiaries holding the interest of 20% to 50% were consolidated using the equity method.

## **b) Consolidation methods and system**

The method of full consolidation was applied to the consolidation of subsidiaries, whereas for affiliated enterprises the equity method was applied. For the consolidation system, the gradual consolidation in two levels applied.

## **c) Consolidation difference**

The consolidation difference represents the difference between the purchase cost of interest securities and contributions of the consolidated enterprise and their valuation according to the amount of the interest of the parent company in the actual level of equity of the enterprise after the first inclusion of a subsidiary or an affiliated enterprise into the consolidation unit.

The consolidation difference is depreciated to revenues or costs for the period of 20 years.

## Rules of compilation of the consolidated financial statements

for BGS Energy Plus GROUP

In reference to Section 22 and Section 23 of the Act no. 563/1991 Coll., Accountancy Act, and Section 62 et seq. of the Regulation no. 500/2002 Coll. implementing certain provision of the Act no. 563/1991 Coll. for the accounting units which are entrepreneurs keeping their books in the double-entry accounting system, and in accordance with the Czech Accounting Standard 020, I hereby set the following rules for compilation of the consolidated financial statements in the conditions of BGS Energy Plus GROUP:

Preamble

Definition of the Consolidation Unit

Consolidation system

Consolidation method

Data for consolidation

Consolidation dates

Place of compilation of the consolidated financial statements

Content of the annex to the consolidated financial statements

## **Preamble**

### ***Consolidated financial statements***

The consolidated financial statements mean the financial statements compiled and adjusted using the consolidation methods according to the Accountancy Act. These financial statements provide the information about the Consolidation Unit of a group of enterprises and consolidate balance of assets and liabilities and achieved economic result of the parent company with its ownership interest in other enterprises which are controlled by or under substantial control of the parent company. The purpose of the consolidated financial statements is to provide information to shareholders and stakeholders (members) of the accounting unit which controls or exerts significant influence on the business activities of other accounting units. The consolidated financial statements are compiled neither for tax purposes nor for distribution of economic result.

The consolidated financial statements consist of:

- a) Consolidated balance sheet
- b) Consolidated profit and loss statement
- c) Annex to the consolidated financial statements

## Definition of the Consolidation Unit

The Consolidation Unit is composed of:

- **Parent company:** BGS Energy Plus a.s. Světlá nad Sázavou
  
- **Subsidiary:** Energy produkt plus s.r.o. Světlá nad Sázavou 100.0%
  
- **Subsidiary:** Podhradí, s.r.o. Lipnice nad Sázavou 100.0%
  
- **Subsidiary:** Agroprodukt plus a.s. Světlá nad Sázavou 100.0%
  
- **Subsidiary:** BGS Biogas, a.s. Světlá nad Sázavou 100.0%
  
- **Subsidiary:** Agromilk, družstvo vlastníků, Ovesná Lhota 66.67%
  
- **Subsidiary:** BPS Lhota, s.r.o. Světlá nad Sázavou 60.0%
  
- **Subsidiary:** BPS Ptení s.r.o. Světlá nad Sázavou 100.0%
  
- **Affiliated company:** Mlýn Okoř, s.r.o. 40.0%

The decisive levels of the ownership interest of BGS Energy Plus a.s. and Energy produkt plus s.r.o. in subsidiary and affiliated enterprises have been determined as of the consolidation date.

### Consolidation system

The unit which is defined under section II will be consolidated in three stages.

Within the stage 0 the subsidiary (Agroprodukt plus a.s.) will be consolidated with the subsidiary Agromilk, družstvo vlastníků and Podhradí, s.r.o.

Within the stage I the subsidiary (Energy produkt plus s.r.o.) will be consolidated with the already consolidated results of the subsidiary Agroprodukt plus a.s. and with the subsidiary BGS Biogas, a.s.

Within the stage II the parent company BGS Energy Plus a.s. will be consolidated with the already consolidated results of the subsidiary Energy produkt plus s.r.o. and with the affiliated enterprises Mlýn Okoř, s.r.o.

## Consolidation method

When compiling the consolidated financial statements of the Consolidation Unit, both the method of full consolidation and the equity method will be applied.

### Data for consolidation

1. financial statements of the parent company, including annex;
2. financial statements of all subsidiaries and affiliated enterprises included in the Consolidation Unit, including annexes;
3. general ledgers of the parent company, subsidiaries and affiliated enterprises which may provide a source of data for exclusion of mutual links (costs and revenues, mutual receivables and liabilities, internal sales of stock, tangible assets, distribution of dividends, financial contributions and interests in equity capital of subsidiaries);
4. annual depreciation plans;
5. current states of both direct and indirect interests in subsidiaries and affiliated enterprises.

In order to exclude mutual relations, the above-mentioned reports will be supported by the following information taken from the analytic register of participants in consolidation in the form of tabular overviews.

### Consolidation dates

Date of the financial statements of enterprises included into the Consolidation Unit: 31 December 2014.

Date of compilation of the consolidated financial statements: 25 May 2015

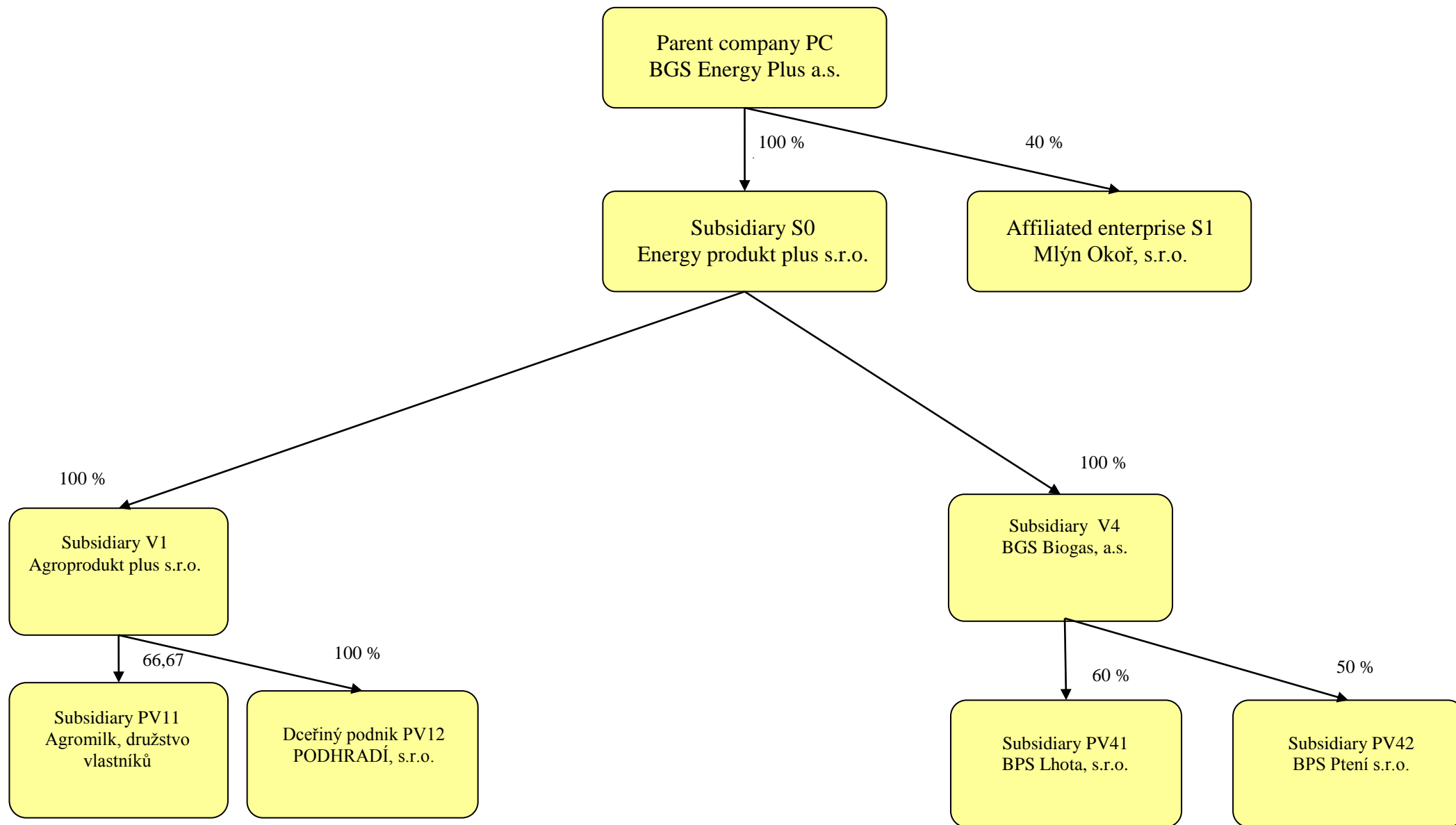
### Place of compilation of the consolidated financial statements

Place of compilation of the consolidated financial statements: registered office of the parent company Světlá nad Sázavou

## Contents of the annex to the consolidated financial statements

1. Definition of the Consolidation Unit
  - 1.1 a) Identification of enterprises which form the Consolidation Unit, including amount of control of the parent company over the subsidiaries, including the consolidation method applied;
  - b) date of financial statements entering into the consolidation;
  - c) names and registered offices of the enterprises excluded from the consolidation;
  - d) consolidation system.
2. General information
  - 2.1 numbers and structures of employees, including staff costs;
  - 2.2 remunerations and loans and other benefits to statutory bodies;
  - 2.3 information about accounting methods and general accounting principles;
3. Supplementary information to the balance sheet and profit and loss statement.

## Organization chart of the Consolidated Unit as of 2014/12/31



BGS Energy Plus GROUP

**CONSOLIDATED BALANCE SHEET AS OF  
2014/12/31**

Identificati on	Text	(in 000 CZK)	(in 000 EUR)	(in 000 CZK)	(in 000 EUR)
		31.12.2014	31.12.2014	31.12.2013	31.12.2013
	<b>Total assets</b>	<b>963 739</b>	<b>34 754</b>	<b>908 343</b>	<b>33 115</b>
A	<b>Receivables for subscribed equity capital</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
B	<b>Fixed assets</b>	<b>470 859</b>	<b>16 980</b>	<b>384 873</b>	<b>14 031</b>
B I.	Intangible fixed assets	566	20	2	0
B II.	<b>Tangible fixed assets</b>	<b>451 083</b>	<b>16 267</b>	<b>365 963</b>	<b>13 342</b>
	1. Land	21 062	760	6 320	230
	2. Buildings	185 281	6 682	87 284	3 182
	3. Fixtures, fittings, plant and machinery	154 916	5 587	93 017	3 391
	5. Livestock	2 955	107	3 440	125
	7. Tangible assets in the course of construction	85 018	3 066	173 850	6 338
	9. Impairment of acquired fixed assets	1 851	67	2 052	75
B III.	<b>Long-term financial assets</b>	<b>19 098</b>	<b>689</b>	<b>24 574</b>	<b>896</b>
B IV.	Positive consolidation difference/negative CD	-4 080	-147	-8 342	-304
B V.	Securities in equivalence	4 192	151	2 676	98
C	<b>Current assets</b>	<b>490 113</b>	<b>17 674</b>	<b>521 577</b>	<b>19 015</b>
C I.	Stock	50 700	1 828	162 579	5 927
C II.	Long-term receivables	358	13	0	0
C III.	Short-term receivables	407 620	14 700	311 935	11 372
C IV.	<b>Financial assets</b>	<b>31 435</b>	<b>1 134</b>	<b>47 063</b>	<b>1 716</b>
	1. Cash in hand	2 319	84	13 495	492
	2. Bank accounts	27 276	984	31 729	1 157
	3. Acquired short-term financial assets	1 840	66	1 839	67
D	<b>Accrued assets</b>	<b>2 767</b>	<b>100</b>	<b>1 893</b>	<b>69</b>
	<b>Total liabilities</b>	<b>963 739</b>	<b>34 754</b>	<b>908 343</b>	<b>33 115</b>
A	<b>Equity capital</b>	<b>244 119</b>	<b>8 803</b>	<b>184 916</b>	<b>6 741</b>
A I.	Registered capital	15 109	545	15 209	554
A II.	Capital contributions	42 713	1 540	36 750	1 340
A III.	Reserve funds, non-distributable reserves and other reserves	1 823	66	1 525	56
A IV.	Retained earnings	148 711	5 363	103 126	3 760
A V.	<b>Profit (loss) for the current period</b>	<b>34 456</b>	<b>1 243</b>	<b>28 344</b>	<b>1 033</b>
1	Economic result of the current year	34 363	1 239	29 536	1 077
2	Interest in ER in equivalence	93	3	-1 192	-44
A VI.	Passive consolidation difference	0	0	0	0
A VII.	Consolidation reserve fund	1 297	47	-38	-1
B	<b>Liabilities</b>	<b>717 236</b>	<b>25 865</b>	<b>723 245</b>	<b>26 367</b>
B I.	Provisions	41 105	1 482	0	0
B II.	Long-term payables	224 724	8 104	21 905	799
B III.	Short-term liabilities	451 407	16 279	300 137	10 942
B IV.	<b>Bank loans and overdrafts</b>	<b>377 747</b>	<b>13 622</b>	<b>401 203</b>	<b>14 626</b>
	1. Long-term bank loans	11 079	400	389 861	14 213
	2. Short-term bank loans and overdrafts	62 581	2 257	0	0
	3. Other short-term borrowings	987	36	11 342	414
C	<b>Accruals and deferrals</b>	<b>1 397</b>	<b>50</b>	<b>182</b>	<b>7</b>
D	<b>Minority equity capital</b>	<b>1 297</b>	<b>47</b>	<b>0</b>	<b>0</b>

BGS Energy Plus GROUP

**CONSOLIDATED PROFIT AND LOSS STATEMENT AS OF  
2014/12/31**

Identification	Text	(in 000 CZK)		(in 000 EUR)	
		31.12.2014	31.12.2014	31.12.2011	31.12.2011
I.	Sales of goods	814	30	0	0
A	Costs of goods sold	567	21	0	0
+	<b>Gross profit</b>	<b>247</b>	<b>9</b>	<b>0</b>	<b>0</b>
II.	Sales of production	303 141	11 003	694 402	26 677
B	Cost of sales	219 758	7 977	610 066	23 437
+	<b>Added value</b>	<b>83 630</b>	<b>3 036</b>	<b>84 336</b>	<b>3 240</b>
C	Staff costs	29 436	1 068	21 670	833
	C. 1. Wages and salaries	21 431	778	16 231	624
	C. 2. Emoluments of board members (company and co-operative)	6 588	239	0	0
	C. 3. Social security and health insurance costs	1 417	51	4 350	167
	C. 4. Other social costs	541	20	1 089	42
D	Taxes and charges	29 848	1 083	274	11
E	Depreciation expense of intangible and tangible fixed assets	21 029	763	16 795	645
III.	Revenues from sale of fixed assets and material	4 867	177	7 810	300
F	Net book value of disposed fixed assets and material	10 275	373	3 861	148
VI.-VII.	Other operating revenues	3 992	145	22 362	859
I – J	Other operating expenses	46 250	1 679	5 434	209
*	<b>Consolidated operating profit (loss)</b>	<b>6 588</b>	<b>239</b>	<b>66 474</b>	<b>2 554</b>
XIV.	Financial revenues	27 295	991	13 207	507
Q	Financial expenses	33 456	1 214	29 229	1 123
	<b>of which interest</b>	<b>27 014</b>	<b>981</b>	<b>18 892</b>	<b>726</b>
*	<b>Consolidated profit (loss) from financial transactions</b>	<b>-6 161</b>	<b>-224</b>	<b>-16 022</b>	<b>-616</b>
	<b>Tax on profit or loss on ordinary activities</b>	<b>6 674</b>	<b>242</b>	<b>20 670</b>	<b>794</b>
	Current income tax on ordinary activities	6 674	242	20 670	794
R	Deferred income tax on ordinary activities	33 415	1 213	0	0
**	<b>Consolidated profit (loss) for ordinary activities</b>	<b>850</b>	<b>31</b>	<b>29 782</b>	<b>1 144</b>
XVI.	Extraordinary income	-6 161	-224	0	0
S	Extraordinary charges	0	0	0	0
XVII.	Settlement of passive consolidation difference	288	10	-246	-9
	Settlement of active consolidation difference	0	0	0	0
	Deferred income tax	0	0	0	0
**	<b>Consolidated extraordinary profit (loss)</b>	<b>1 138</b>	<b>41</b>	<b>-246</b>	<b>-9</b>
***	<b>Cons. profit (loss) for the accn. period without equity</b>	<b>34 553</b>	<b>1 254</b>	<b>29 536</b>	<b>135</b>
21	<b>of which: profit (loss) of the current period without minority interests</b>	<b>34 553</b>	<b>1 254</b>	<b>29 536</b>	<b>135</b>
	<b>: Minority profit (loss) of the current accounting period</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
***	<b>Interest in profit (loss) in equity</b>	<b>190</b>	<b>7</b>	<b>-1 192</b>	<b>-46</b>
****	<b>Consolidated profit (loss) before tax</b>	<b>41 320</b>	<b>1 500</b>	<b>49 014</b>	<b>1 883</b>
****	<b>Consolidated profit (loss) for the accounting period</b>	<b>34 646</b>	<b>1 258</b>	<b>28 344</b>	<b>1 089</b>

# Supplement to the Consolidated Financial Statements

## of the Consolidation Unit BGS Energy Plus GROUP

### as of 31 December 2014

#### 1. Definition of the Consolidation Unit

- 3.1 a) Name and registered office of subsidiaries and affiliated enterprises included in the consolidation unit with description of the level of dependence (control) and interest in the registered capital of these enterprises and with identification of the consolidation methods applied to their consolidation and substantiation of the selection of particular consolidation method applied.

Name	Abbrev.	Registered office	Company registration no.	Interest in %	In enterprise	Method
BGS Energy Plus a.s.	PC	Světlá nad Sázavou	28089880	100.0	S0 – Energy produkt plus s.r.o.	Full
				40.0	S1 – Mlýn Okoř, s.r.o.	Equity
Energy produkt plus s.r.o.	S0	Světlá nad Sázavou	26011921	100.0	V1 – Agroprodukt plus a.s.	Full
	S0			100.0	V4 – BGS Biogas, a.s.	Full
Mlýn Okoř, s.r.o.	S1	Světlá nad Sázavou	25145231	100.0	V1 – Agroprodukt plus a.s.	Full
Agroprodukt plus a.s.	VI	Světlá nad Sázavou	27833526	66,67	PV11 – Agromilk, družstvo vlastníků	Full
				100	PV12- Podhradí, s.r.o.	Full
BGS Biogas, a.s.	V4	Světlá nad Sázavou	27833518	60	PV41- BPS Lhota, s.r.o.	Full
				100	PV42- BPS Ptení s.r.o.	Full
Agromilk, družstvo vlastníků	PV11	Ovesná Lhota	46506004			
Podhradí, s.r.o.	PV12	Lipnice nad Sázavou	46508678			
BPS Lhota, s.r.o.	PV41	Světlá nad Sázavou	46506004			
BPS Ptení s.r.o.	PV42	Světlá nad Sázavou	46508678			



Consolidation unit:	Level 0:	Agroprodukt plus a.s. (Subsidiary – V1) – Agromilk, družstvo vlastníků (Subsidiary – PV11) Agroprodukt plus a.s. (Subsidiary – V1) – Podhradí, s.r.o. (Subsidiary – PV12)
	Level 02:	BGS Biogas, a.s. (Subsidiary – V4) – BPS Lhota, s.r.o. (Subsidiary – PV41) BGS Biogas, a.s. (Subsidiary – V4) – BPS Ptení s.r.o. (Subsidiary – PV42)
	Level I:	Energy produkt plus s.r.o. (Subsidiary - S0) – Agroprodukt plus a.s. (Subsidiary – V1) Energy produkt plus s.r.o. (Subsidiary -S0) – BGS Biogas, a.s. (Subsidiary – V4)
	Level II	BGS Energy Plus a.s. (parent company - PC) - Energy produkt plus s.r.o. (Subsidiary –S0) BGS Energy Plus a.s. (parent company - PC) – Mlýn Okoř, s.r.o. (Subsidiary –S1)

Each subsidiary with the interest higher than 50% in the company's registered capital was included in the consolidation unit and the method of full consolidation was applied to it. The equity method was applied to the affiliated enterprises with ownership interest of 20%-50%.

- e) Date of the financial statements of enterprises included into the consolidation unit: 31 December 2014.
- f) Name and registered office of enterprises exempted from a duty to consolidate, stating the reasons of exemption from the consolidation duty: *no enterprises were exempted from the consolidation duty.*
- g) Consolidation system: *gradual method.*

## **1. General data contained in the supplement**

- 1.1 Average number of employees of the consolidation unit during the accounting period for which the consolidated financial statements have been compiled, of which members of management (directors, deputy directors, organization unit managers), stating the level of staff costs:

*Average number of employees:* 51  
*staff costs:* CZK 21,670 th.

*of which members of management:* 7  
*staff costs:* CZK 2,133 th.

- 1.2 The amounts of emoluments, advances and receivables, liabilities and other payments, sureties accepted or provided, or commitments to perform, including pension scheme, both monetary and in kind, to members of statutory, management and supervisory bodies, including former members of these bodies:

*Emoluments of members of statutory bodies:* CZK 0 th.

- 1.3 Information about accounting methods and general accounting principles: Changes in the valuation methods, accounting procedures, arrangement of items of the consolidated financial statements and content definition of the items compared to the previous accounting period, stating the reasons of the changes and quantification of sums having the influence on levels of assets, liabilities and economic results of the consolidation

unit:

*Purchased stock is valued at the purchase costs, including additional costs (custom fees, freight costs).*

*Stock generated from own activity is valued at the internal fixed cost according to the scheduled calculations of individual subsidiaries included in the consolidation unit.*

Changes of purchase costs and residual costs and net book values of tangible and intangible fixed assets compared to the previous accounting period in connection with conversion of accounts of subsidiaries with registered office abroad that keep their accounts in foreign currency, at least according to individual types of assets:

Enterprises included in the consolidation unit depreciate their assets according to the depreciation plan. The parent company has no subsidiaries abroad.

Interest in the economic result of subsidiary and affiliated enterprise whose securities or interests were acquired by the parent company in the course of the accounting period, related to the period from acquisition till the end of the accounting period valid for the parent company:

Profit and loss from sale of stock and tangible and intangible fixed assets among the members of the consolidation unit, for each enterprise separately:

## **2. Supplementary information on the Balance Sheet and Profit and Loss Statement**

2.1 Commentary and justification of the change in equity of the consolidation unit between two consolidations, in particular as regards the change of scope of the consolidation unit and settlement of securities and contributions with feedback.

2.2 Commentary on data about:

- a) overdue receivables and liabilities: there are no overdue receivables or liabilities in the consolidation unit;
- b) receivables and liabilities to the members of the consolidation unit with the maturity exceeding 5 years: *there are no receivables or liabilities among members of the consolidation unit with the maturity exceeding 5 years.*

2.3 Aggregate amount of other liabilities (both non-monetary and monetary) which are not reported in the books of members of the consolidation unit and which are not reported in the consolidation balance sheet (off balance sheet liabilities): no such liabilities exist.

**In Světlá nad Sázavou      dated 25 May 2015**

### 3. Auditor report

#### INDEPENDENT AUDITOR'S REPORT

Auditor's report for the shareholders of:

**BGS Energy Plus a.s.**

**Zámecká 7, 582 91 Světlá nad Sázavou, company registration number: 28089880**

Auditor: **Ing. Jiří Měchura, Neumannova 2044, 256 01 Benešov**

Auditor's certificate number: **1549**

*Identification of the audited consolidation financial statements*

**We have audited the enclosed consolidated financial statements of the group**

**BGS Energy Plus a.s., Zámecká 7, Světlá nad Sázavou, company registration number: 28089880**

**i.e. the balance sheet as of 31 December 2014, the profit and loss statement for the period from 1 January 2014 to 31 December 2014, and the supplement to the consolidated financial statements, including the description of the significant accounting methods applied.**

**Information about the Group BGS Energy Plus a.s., Zámecká 7, Světlá nad Sázavou, company registration number 28089880**

**is contained in the schedule to the consolidated financial statements.**

#### Responsibility of the statutory body of the accounting unit for the consolidated financial statements

*Compilation and true depiction of the consolidated financial statements in accordance with the Czech accounting legal regulations is a responsibility of the statutory body management of the company BGS Energy Plus a.s., Zámecká 7, Světlá nad Sázavou, company registration number 28089880.*

*The scope of responsibility includes, without limitation, the following duties: to propose, implement and provide for internal supervisions over compilation and true depiction of the consolidated financial statements so that they are free of any significant faults caused by fraud or error, to select and apply the appropriate accounting methods and to perform accounting estimates which shall be reasonably appropriate under given circumstances.*

Auditor's responsibility

**Our assignment is to prepare a statement regarding the consolidated financial statements on the basis of the audit performed. We have performed the audit in accordance with the Auditors Act and the International Auditing Standards and related application clauses of the Chamber of Auditors of the Czech Republic. In accordance with these regulations the auditor is obliged to observe the ethical rules and to schedule and perform the audit to gain reasonable security that the consolidated financial statements do not contain any significant faults.**

**The audit includes application of the auditing procedures the purpose of which is to obtain the evidence attesting the amounts and information reported in the consolidated financial statements. Selection of the auditing procedures is at the auditor's own discretion, including assessment of the risk to the extent that the consolidated financial statements contain significant faults caused by fraud or error. When assessing the risks, the auditor takes into account the internal audits which are relevant for compilation of the consolidated financial statements and true depiction of the facts reported therein. The objective of consideration of internal audits is to propose the appropriate auditing procedures, not only to express an opinion as regards the efficiency of such internal audits. The audit also assesses the accounting methods as regards their appropriateness, adequacy of accounting estimates performed by management, as well as the overall presentation of the consolidated financial statement.**

*We suppose that all evidence obtained provides a sufficient and appropriate basis for elaboration of the auditor's statement.*

*In our opinion, the consolidated financial statements give a true and fair depiction of assets, liabilities and financial standing of the company BGS Energy Plus a.s. Zámecká 7, Světlá nad Sázavou, company registration number 28089880, as of 31 December 2014 as well as of the costs, expenditures and economic results for the period from 1 January 2014 to 31 December 2014 in accordance with the Czech accounting regulations.*

**Therefore our statement is:**

*- without reservations -*

For the accounting unit:

Aleš Radil  
Chairman of the Board of Directors

**Date of the report:**

*In Benešov, dated 25 May 2015*

Ing. Jiří Měchura  
auditor

## **4. Statement of the Management Board concerning financial statements and report on the Company activity**

### **Management Board statement concerning reliability of prepared financial statement for the year 2014 and report on the Company activity.**

The Management Board declares that according to their best knowledge, annual financial statements and comparable data were prepared in accordance with local regulations applicable to the Company in the Czech Republic and further declares that they present a true and fair view of the Company property and financial situation and its financial result and that the report on the Report of the Management Board presents a fair view of the issuer situation, including a description of basic exposures and risks.

## **Statement of the Management Board concerning the auditor**

### **Management Board statement concerning the entity entitled to audit the annual financial statement for the year 2014.**

The Management Board declares that the entity authorized to audit financial statements which audited annual financial statements was selected in accordance with legal regulations and that such entity and certified auditors who audited these statements met conditions to express their impartial and independent opinion on the audit, in accordance with relevant regulations of local law.