

**Additional explanatory notes
to financial statement of HELIO S.A.
for the business year 2013/2014**

Explanatory notes to the balance-sheet

To NOTE 1b

Differences in value of intangible assets 2013/2014

Pos.	Specification	Costs of completed development works	Good-will	Software	Others	Prepay-ments	Total
Gross value							
1	Position as of 30.06.2013	0	0	191	102	0	293
2	Increases:	0	0	0	0	0	0
a	purchase						
b	including tangible fixed assets under construction						
3	Decreases:	0	0	0	0	0	0
4	Position as of 30.06.2014	0	0	191	102	0	293
Amortization							
5	Position as of 30.06.2013	0	0	152	93	0	245
6	Increases:	0	0	20	6	0	26
a	depreciation			20	6		26
7	Decreases:	0	0	0	0	0	0
8	Position as of 30.06.2014	0	0	172	99	0	271
Write-offs							
9	Position as of 30.06.2013	0	0	0	0	0	0
10	Increases:	0	0	0	0	0	0
11	Decreases:	0	0	0	0	0	0
12	Position as of 30.06.2014	0	0	0	0	0	0
Net value							
13	Position as of 30.06.2013	0	0	39	9	0	48
14	Position as of 30.06.2014	0	0	19	3	0	22

Differences in value of intangible assets 2012/2013

Pos.	Specification	Costs of completed development works	Good-will	Software	Others	Prepay-ments	Total
Gross value							
1	Position as of 30.06.2012			152	93		245
2	Increases:	0	0	39	9	0	48
a	Purchase				9		9
b	including tangible fixed assets under construction			39			39
3	Decreases:	0	0	0	0	0	0
4	Position as of 30.06.2013	0	0	191	102	0	293
Amortization							
5	Position as of 30.06.2012			119	85		204
6	Increases:	0	0	33	8	0	41
a	depreciation			33	8		41
7	Decreases:	0	0	0	0	0	0
8	Position as of 30.06.2013	0	0	152	93	0	245
Write-offs							
9	Position as of 30.06.2012						0
10	Increases:	0	0	0	0	0	0
11	Decreases:	0	0	0	0	0	0
12	Position as of 30.06.2013	0	0	0	0	0	0
Net value							
13	Position as of 30.06.2012	0	0	33	8	0	41
14	Position as of 30.06.2013	0	0	39	9	0	48

To note 2b

Differences in value of tangible fixed assets 2013/2014

Pos.	Specification	Lands (including the perpetual usufruct right to lands)	Buildings, premises and objects of civil engineering	technical equipment and machines	Means of transport	Other fixed assets	Total
Gross value							
1	Position as of 30.06.2013	2168	18826	7871	2447	1656	32968
2	Increases:	0	31	430	234	2	697
a	including tangible fixed assets under construction		31	277			308
b	purchase			153	234	2	389
g	Leasing						
3	Decreases:	0	0	0	0	0	0
a	sales						
4	Position as of 30.06.2014	2168	18857	8301	2681	1658	33665
Amortization							
5	Position as of 30.06.2013	0	1487	3134	1430	701	6752
6	Increases:	0					
a	depreciation for the period		518	800	355	211	1884
7	Decreases:						
a	sales						
8	Position as of 30.06.2014	0	2005	3934	1785	912	8636
Write-offs							
9	Position as of 30.06.2013						0.00
10	Increases:	0	0	0	0	0	0
11	Decreases:	0	0	0	0	0	0
12	Position as of 30.06.2014	0	0	0	0	0	0
Net value							
13	Position as of 30.06.2013	2168	17339	4737	1017	955	26216
14	Position as of 30.06.2014	2168	16852	4367	896	746	25029

Differences in value of tangible fixed assets 2012/2013

Pos.	Specification	Lands (including the perpetual usufruct right to lands)	Buildings, premises and objects of civil engineering	technical equipment and machines	Means of transport	Other fixed assets	Total
Gross value							
1	Position as of 30.06.2010	2 168	18 769	7 732	2 309	1 653	32 631
2	Increases:	0	57	141	213	3	414
a	including tangible fixed assets under construction		57				57
b	purchase			141	164	3	308
g	Leasing				49		0
3	Decreases:	0	0	2	75	0	77
a	sales			2	75		77
b	others	2 168	18 826	7 871	2 447	1 656	32 968
4	Position as of 30.06.2013	2 168	18 769	7 732	2 309	1 653	32 631
Amortization							
5	Position as of 30.06.2010		971	2 380	1 137	471	4 959
6	Increases:	0	516	756	368	230	1 870
a	depreciation for the period		516	756	368	230	1 870
7	Decreases:	0	0	2	75	0	77
a	sales			2	75		77
b	others	0	1487	3 134	1 430	701	6 752
8	Position as of 30.06.2013		971	2 380	1 137	471	4 959
Write-offs							
9	Position as of 30.06.2010						0
10	Increases:	0	0	0	0	0	0
11	Decreases:	0	0	0	0	0	0
12	Position as of 30.06.2013	0	0	0	0	0	0
Net value							
13	Position as of 30.06.2010	2 168	17 798	5 352	1 172	1 182	27 672
14	Position as of 30.06.2013	2 168	17 339	4 737	1 017	955	26 216

To note 3 a

Negative temporary difference	2013/2014	2012/2013
1. Balance sheet amortisation and depreciation of warehouse	81	81
2. Tangible fixed assets under leasing	0	0
1. Provision for promotional services	400	265
2. Unpaid payroll and social insurance (ZUS) benefits	40	16
3. Unrealized negative exchange rate differences	0	0
4. Provision for retirement and similar benefits	358	233
5. Other provisions	18	18
6. Revaluation of circulating assets	205	195
7. Unpaid interest on the loan	43	37
Total	1145	845

To note 10 a

POSITIVE TEMPORARY DIFFERENCE	2013/2014	2012/2013
1. Tangible fixed assets under leasing	47	47
4. Unrealized interest on receivables	77	135
5. Positive exchange differences	8	6
Total	132	188

To note 11a & 12a

Long- and short-term liabilities resulting from leasing

As of 30 June 2014 and as of 30 June 2013 minimal deferred leasing rates on the grounds of the leasing agreements and current minimal value of net leasing rates are disclosed as follows:

Specification	30.06.2014		30.06.2013	
	Minimal rates	Current value of rates	Minimal rates	Current value of rates
In a period of 1 year	85	79	85	74
In a period from 1 up to 5 years	21	21	106	101
Above 5 years			0	0
Minimal leasing rates in total	106	100	191	175
Deferred interest cost (negative value)		0	0	16
Current value of minimal leasing rates, including:				
short-term	106	106	191	191
long-term	85		85	
	21		106	

Explanatory notes to Cash Flow Statement

Note 1

STRUCTURE OF CASH TO CASH FLOW STATEMENT	2013/2014	2012/2013
- cash in hand and at bank	1 573	1 049
Total	1 573	1 049

Note 2

DIFFERENCES BETWEEN BALANCE SHEET CHANGE IN SHORT-TERM LIABILITIES AND CHANGE IN CHANGE DISCLOSED IN CASH FLOW STATEMENT	2013/2014	2012/2013
Change in short-term liabilities by balance sheet	3 602	-5 944
+/- change in liabilities for credits/loans	3 944	-6 480
+/- change in liabilities for financial leasing	0	+1
Change in cash flow statement	-342	+537

Supplementary explanatory notes

Note 1

INFORMATION ON FINANCIAL INSTRUMENTS**A. Loans granted and own receivables**

Own receivables cover trade (for supplies and services) receivables and other receivables as well as cash (pecuniary means).

B. Financial assets held up to maturity date

The Company has no financial assets held up to maturity date.

D. Financial assets available for disposal

The Company has no financial assets available for disposal.

E. Other financial liabilities

Other financial liabilities include: credits, trade liabilities and other liabilities as well as liabilities under leasing agreements

FINANCIAL ASSETS	Balance sheet value		Fair value		Category of financial instrument
	30.06.2014	30.06.2013	30.06.2014	30.06.2013	
Trade receivables and other receivables	12137	11 356	12137	11 356	Own receivables
Cash at bank and in hand	1573	1 049	1573	1 049	Own receivables

FINANCIAL LIABILITIES	Balance sheet value		Fair value		Category of financial instrument
	30.06.2014	30.06.2013	30.06.2014	30.06.2013	
Loan and credit interest including	14064	11 647	14064	11 647	Other financial liabilities
Long-term interest by changeable interest rate	8256	9 783	8256	9 783	
Credit/facility in the current account	5808	1 864	5808	1 864	
Other liabilities -leasing	106	191	106	191	Other financial liabilities
Trade liabilities and other liabilities	4546	4 903	4546	4 903	Other financial liabilities

Note 1.2 Table of financial instruments movements

2013/2014	Financial assets appraised in fair value by financial result	Financial liabilities appraised in fair value by financial result	Loans granted and other own receivables	Financial assets held up to maturity date	Financial assets available for disposal	Other financial liabilities
Position as of the beginning of the period			12405			16741
Increases			1306			3944
Credits and loans						3944
Trade receivables and other receivables			782			
Leasing						
Trade liabilities and other liabilities						
cash at bank and in hand			524			
Decreases			0			1991
Repayment of credits and loans						1548
Leasing						85
Trade debtors (receivables for deliveries and services) and other receivables						358
Position as of the end of the period			13711			18694

Note 2

PURPOSES AND RULES OF MANAGING FINANCIAL RISK

Among primary financial instruments applied by the Company there are: pecuniary means (cash), short-term deposits and bank credits. The main purpose of the referred financial instruments is to gain financial resources for the Company's activity. The Company has also other financial instruments, such as trade (for supply and services) receivables and liabilities, which appear under activity run by the Company.

The principle applied by the Company currently and in the entire period covered by the examination is not to carry out transactions connected with financial instruments.

The primary types of risk resulting from the Company's financial instruments include currency risk, credit risk and the risk connected with liquidity. The Management Board verifies and adjusts the principles of managing each of the referred types of risk – the principles are briefly discussed herein below. Moreover, the Company also monitors the risk of market prices relating to all financial instruments possessed by the Company.

Currency risk

The Company is exposed to currency risk for contracted transactions. Such risks occur due to the fact that the Company imports directly from the countries of origin a significant part of the raw materials. In order to avoid the negative influence of the foreign currency exchange rates, the Company currently monitors the currency market by adopting proper measures. Managing the risk of foreign currency, the Company takes use of internal instruments, including, first of all, the Company adjusts pricing conditions offered customers to the costs of purchase of the raw material. At present the Company does not take use of instruments of the currency market (such as: options, futures, Forward, CIRS).

The share of purchased goods imported in total in the business year 2013/2014 came to 64% and relatively: in cost of sold goods in USD – 52%, and in costs of manufactured finished goods in EUR – 10%. However in the business year 2012/2013 it was relatively: in USD – 53% and in EUR – 6%.

The currency risk calculated as percentage share of import /for particular currencies / in total purchases of commodities and materials with reference to the financial result (profit/loss) including variances +/- 10%

	Increase/decrease of currency exchange rate	Impact onto gross financial result
The year ended on 30 June 2014		
EUR	10%	1 619
USD	10%	3 770
EUR	-10%	-1 619
USD	-10%	-3 770
The year ended on 30 June 2013		
EUR	10%	1 085
USD	10%	2 789
EUR	-10%	-1 085
USD	-10%	-2 789

Risk of goods prices

The Company is threatened to fluctuation of prices of foodstuffs raw materials. Such fluctuation of the referred prices may periodically impact onto value of the sale margins. Level of prices of the foodstuffs raw materials is influenced by factors irrespective from the Company, such as: rate of crops in a particular year, climatic conditions influencing the quality and availability of the raw materials. Owing to the skilled staff involved in purchase, the Company tries to respond to the occurring position on the market relatively earlier, including first of all, to increase stock of the raw materials whose price will increase or respectively earlier, to renegotiate prices of supplied products with the clients.

Credit risk

The Company concludes transactions merely with entities of right credit rating capacity. The Company's greatest clients are first of all the greatest trade chains operating in Poland. All clients who desire to take use of merchant credits are subject to procedures of preliminary verification. Besides, due to current monitoring of receivables positions, threatening the Company to the risk of doubtful debts is really insignificant. Material concentration of credit risk does not appear in the Company.

Note 3

OFF-BALANCE SHEET ITEMS, PARTICULARLY CONTINGENT LIABILITIES, ALSO INCLUDING GUARANTEES AND WARRANTIES (INCLUDING BILL OF EXCHANGE GUARANTEES) GRANTED BY THE COMPANY

According to the notes to the balance sheet, namely Note 11d (Non-current liabilities due to loans and borrowings) and Note 12c (Current liabilities due to loans and borrowings), with respect to bank loan collaterals:

- a general mortgage of PLN 14,000,000 and a cap mortgage up to a cap of PLN 3,150,000 as collateral on the HELIO SA's liabilities due to a loan granted by BNP Paribas Bank Polska SA on 11 Aug. 2008, as amended, established on the real property owned by HELIO SA, situated in Brochów, registered in the Land and Mortgage Register no. PL10/00025890/0, together with assignment of rights under an insurance policy;
- a cap mortgage up to a cap of PLN 8,300,000, registered on the third position, as collateral on the loan granted by BNP Paribas Bank Polska SA on 26 Aug. 2009, as amended, established on the real property owned by HELIO SA, situated in Brochów, registered in the Land and Mortgage Register no. PL10/00025890/0,
- a mortgage up to a cap of PLN 1,500,000, registered on the fourth position, as collateral on the HELIO SA's liabilities due to a loan granted by BNP Paribas Bank Polska SA on 16 Aug. 2011, as amended, established on the real property owned by HELIO SA, situated in Brochów, registered in the Land and Mortgage Register no. PL10/00025890/0;
- a contractual cap mortgage up to a cap of PLN 9,375,000 as collateral on HELIO SA's liabilities due to a loan granted by the Bank Handlowy w Warszawie SA on 17 September 2013, as amended, on real property owned by the Borrower situated in Wyględy, registered in the Land and Mortgage Register no. WA1G/00058436/4 together with insurance policy assignment;
- a registered pledge on warehouse inventory owned by HELIO SA, whose total net value is not lower than PLN 7,500,000, stored in the Finished Goods Warehouse and the Packaging Warehouse in Brochów 119, 05-088 Brochów, together with assignment under an insurance policy securing the loan agreement concluded on 26 Aug. 2009 with BNP Paribas Bank Polska SA, as amended;
- assignment as collateral on inventory owned by HELIO SA, stored in a warehouse referred to as the "Raw materials warehouse" situated in Brochów 119, 05-088 Brochów, whose total value is not lower than 9,000,000, under an assignment agreement of

17 September 2013, as amended, concluded with Bank Handlowy w Warszawie SA, together with assignment of rights under an insurance policy;

- a statement by HELIO SA concerning submission to enforcement pursuant to Sec. 97 of the Banking Law Act of 29 August 1997 on account of liabilities under the loan agreement concluded with BNP Paribas Bank Polska SA on 11 Aug. 2008, as amended;

- a statement by HELIO SA concerning submission to enforcement pursuant to Sec. 97 of the Banking Law Act of 29 August 1997 on account of liabilities under the loan agreement concluded with BNP Paribas Bank Polska SA on 26 Aug. 2009, as amended;

- a statement by HELIO SA concerning submission to enforcement pursuant to Sec. 97 of the Banking Law Act of 29 August 1997 on account of liabilities under the loan agreement concluded with BNP Paribas Bank Polska SA on 16 Aug. 2011, as amended;

- a statement by HELIO SA concerning submission to enforcement pursuant to Sec. 97 of the Banking Law Act of 29 August 1997 on account of liabilities under the loan agreement concluded with Bank Handlowy w Warszawie SA on 17 Sep. 2013, as amended.

Note 4

LIABILITIES AGAINST NATIONAL BUDGET OR LOCAL GOVERNMENT UNITS INCLUDING OBTAINING PROPERTY RIGHT ON BUILDINGS AND STRUCTURES

None.

Note 5

REVENUES, EXPENSES AND RESULTS OF THE ACTIVITY DISCONTINUED IN THE GIVEN PERIOD OR EXPECTED TO BE DISCONTINUED IN THE SUCCESSION PERIOD

No such categories.

Note 6

COSTS OF MANUFACTURING TANGIBLE FIXED ASSETS UNDER CONSTRUCTION. TANGIBLE FIXED ASSETS FOR INTERNAL/OWN CONSUMPTION

Pos.	Specification	Expenditure in total
1	Group 1	4
2	Group 2	27
3	Group 3	0
4	Group 4	443
5	Group 5	0
6	Group 6	9
7	Group 7	248
8	Group 8	2
9	Intangible assets	0
	Total	733

Note 7

INCURRED AND PLANNED CAPITAL EXPENDITURE IN THE NEXT 12 MONTHS FROM THE BALANCE-SHEET DATE CAPITAL EXPENDITURE INCLUDING NON-FINANCIAL FIXED ASSETS

Expenditure on	Incurred in the current business year	Planned for the next business year
1) Intangible assets	0	20
2) Tangible fixed assets	688	500
3) Tangible fixed assets under	45	0
Total	733	520

Note 8

INFORMATION ABOUT ISSUER'S TRANSACTIONS WITH AFFILIATED ENTITIES AND DATA CONCERNING THE AFFILIATED ENTITIES

The company does not have entities connected by capital.

Note 9

INFORMATION ON JOINT VENTURES WHICH DO NOT SUBJECT TO CONSOLIDATION

None.

Note 10

INFORMATION ON AVERAGE EMPLOYMENT, INCLUDING DIVISION INTO DEPARTMENTS

DEPARTMENT	2013/2014	2012/2013
Commercial	13	13
Technical	126	126
Marketing and Administration	19	20
Razem zatrudnieni	158	159

Note 11

TOTAL VALUE OF REMUNERATIONS AND REWARDS (IN CASH AND IN KIND) PAID OR DUE. INDIVIDUALLY FOR THE MANAGEMENT AND FOR SUPERVISORS

The value of remunerations and prizes of the Members of the Management Board in the business year 2013/2014 and 2012/2013 was as follows:

The Management Board

- President of the Management Board - 798 540 PLN gross / 573 550 PLN gross
- Vice President of the Management Board – 604 580 PLN gross / 421 990 PLN gross

The Supervisory Board

Chairman of the Supervisory Board – 50 500 PLN gross / 55 437 PLN gross
Vice-chairman of the Supervisory Board – 4 200 PLN gross / 3 608 PLN gross
Member of the Supervisory Board – 2 700 PLN gross / 1 988 PLN gross
Member of the Supervisory Board – 2 700 PLN gross / 1 988 PLN gross
Member of the Supervisory Board – 2 700 PLN gross / 1 988 PLN gross

Note 12

INFORMATION ON VALUE OF UNPAID ADVANCE PAYMENTS, CREDITS, LOANS, GUARANTEES, WARRANTS OR OTHER AGREEMENTS OBLIGATING TO PERFORMANCES FOR THE BENEFIT OF THE COMPANY GRANTED BY THE COMPANY TO MANAGING AND SUPERVISION PERSONS

The above specified situation did not occur.

Note 13

INFORMATION ON SIGNIFICANT EVENTS RELATING TO THE PREVIOUS YEARS INCLUDED IN THE FINANCIAL STATEMENT FOR THE CURRENT PERIOD

The above specified situation did not occur.

Note 14

INFORMATION ON SIGNIFICANT EVENTS THAT OCCURRED AFTER THE BALANCE SHEET DATE, NOT INCLUDED IN THE FINANCIAL STATEMENT

The above specified situation did not occur.

Note 15

INFORMATION ON RELATIONSHIPS BETWEEN LEGAL PREDECESSOR AND THE COMPANY AS WELL AS ON THE WAY AND SCOPE OF TAKING OVER ASSETS AND LIABILITIES

The HELIO S.A. company was established by transformation of the "PH BONA" Sp. z o.o. company on the base of Resolution No. 1 of the Extraordinary Meeting of Shareholders of 18 July 2006 concerning transformation of the "PH BONA" spółka z ograniczoną odpowiedzialnością (limited liability/ public company) into the HELIO S.A. (joint stock company). by virtue of the notary deed prepared on 18 July 2006 at the Notary Office Jerzy Horban – Notary Public Małgorzata Kędzierska – Notary in Warsaw. Repertory A no. 5196/2006. On 25 August 2006, by the decision of the District (First Instance) Court (Sąd Rejonowy) for Warsaw capital city, XIV Economic Division of the National Court Register, the HELIO S.A. company was entered into the register of the National Court Register – Register of Entrepreneurs at a number of 262514.

Note 16

CORRECTIONS OF THE FINANCIAL STATEMENTS BY INFLATION RATE

There are no prerequisites to carry out corrections of the analyzed financial statements by inflation rate.

Note 17

DIFFERENCES AMONG DATA DISCLOSED IN THE FINANCIAL STATEMENT AND IN DATA COMPARABLE WITH EARLIER PREPARED AND NOT PUBLISHED FINANCIAL STATEMENT FINANCIAL STATEMENTS.

The specified differences did not occur.

Note 18

CHANGES IN APPLIED RULES (POLICY) OF ACCOUNTING AND WAY OF ELABORATION OF FINANCIAL STATEMENT MADE IN COMPARISON TO THE PREVIOUS BUSINESS YEARS, REASONS OF SUCH CHANGES, SPECIFICATIONS AND IMPACT OF THE FINANCIAL RESULTS ONTO PROPERTY AND FINANCIAL POSITION, LIQUIDITY AS WELL AS FINANCIAL RESULT AND PROFITABILITY.

No changes occurred.

Note 19

MADE CORRECTIONS OF BASIC ERRORS, REASONS OF SUCH ERRORS, SPECIFICATIONS AND IMPACT OF THE FINANCIAL RESULTS ONTO PROPERTY AND FINANCIAL POSITION, LIQUIDITY AS WELL AS FINANCIAL RESULT AND PROFITABILITY.

No changes occurred.

Note 20

IN CASE OF OCCURRENCE OF UNCERTAINTY REGARDING OPPORTUNITIES TO CONTINUE THE ACTIVITY, DESCRIPTION OF SUCH UNCERTAINTIES AND ACKNOWLEDGEMENT ON NON-EXISTENCE OF SUCH UNCERTAINTY

The financial statement has been prepared with assumption on continuity of the activity. No circumstances, indicating threat to the activity in predictable future, exist.

Note 21

INFORMATION ON MERGER OF COMPANIES

In the periods covered by the financial statements published in the present report, the Company did not merge with other entities. The Company elaborates the unitary financial statement.

Note 22

INFORMATION ON AN ECONOMIC TYPE AND AIM OF AGREEMENTS CONCLUDED BY THE ENTITY NOT INCLUDED IN THE BALANCE SHEET IN A SCOPE INDISPENSABLE TO ESTIMATE IMPACT OF THEM ONTO PROPERTY FINANCIAL POSITION AS WELL AS FINANCIAL RESULT OF THE ENTITY

No changes occurred.

Note 23

INFORMATION ON SIGNIFICANT TRANSACTIONS (INCLUDING AMOUNTS OF SUCH TRANSACTIONS) CONTRACTED BY THE ENTITY WITH AFFILIATES ON TERMS OTHER THAN MARKET TERMS

During the last business year HELIO S.A. did not effect significant transactions with the affiliate on terms other than market terms.

Note 24

INFORMATION ON REMUNERATION FOR EXPERT AUDITOR OR ENTITY AUTHORIZED TO AUDIT FINANCIAL STATEMENTS. PAID OR DUE FOR THE CURRENT AND PRIOR BUSINESS YEAR.

Name of a service	The business year 2013/2014	The business year 2012/2013
Audit/analysis of yearly financial statement	18	18
Other services acknowledging. including review of financial statement	7	7
Services relating to fiscal consulting	-	-
Other services	-	-