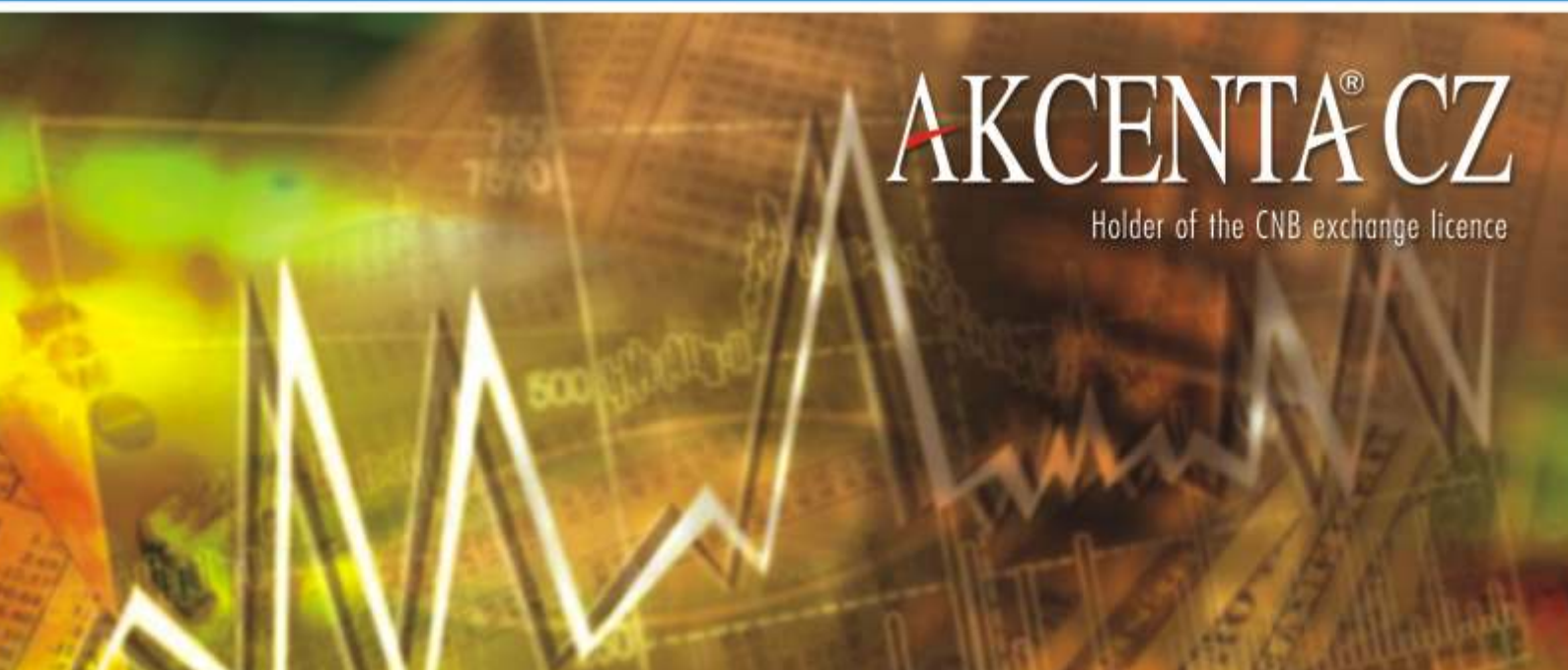


AKCENTA CZ, a. s. / Annual Report 2005

**AKCENTA<sup>®</sup> CZ**

Holder of the CNB exchange licence





# Annual Report 2005

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# Identification

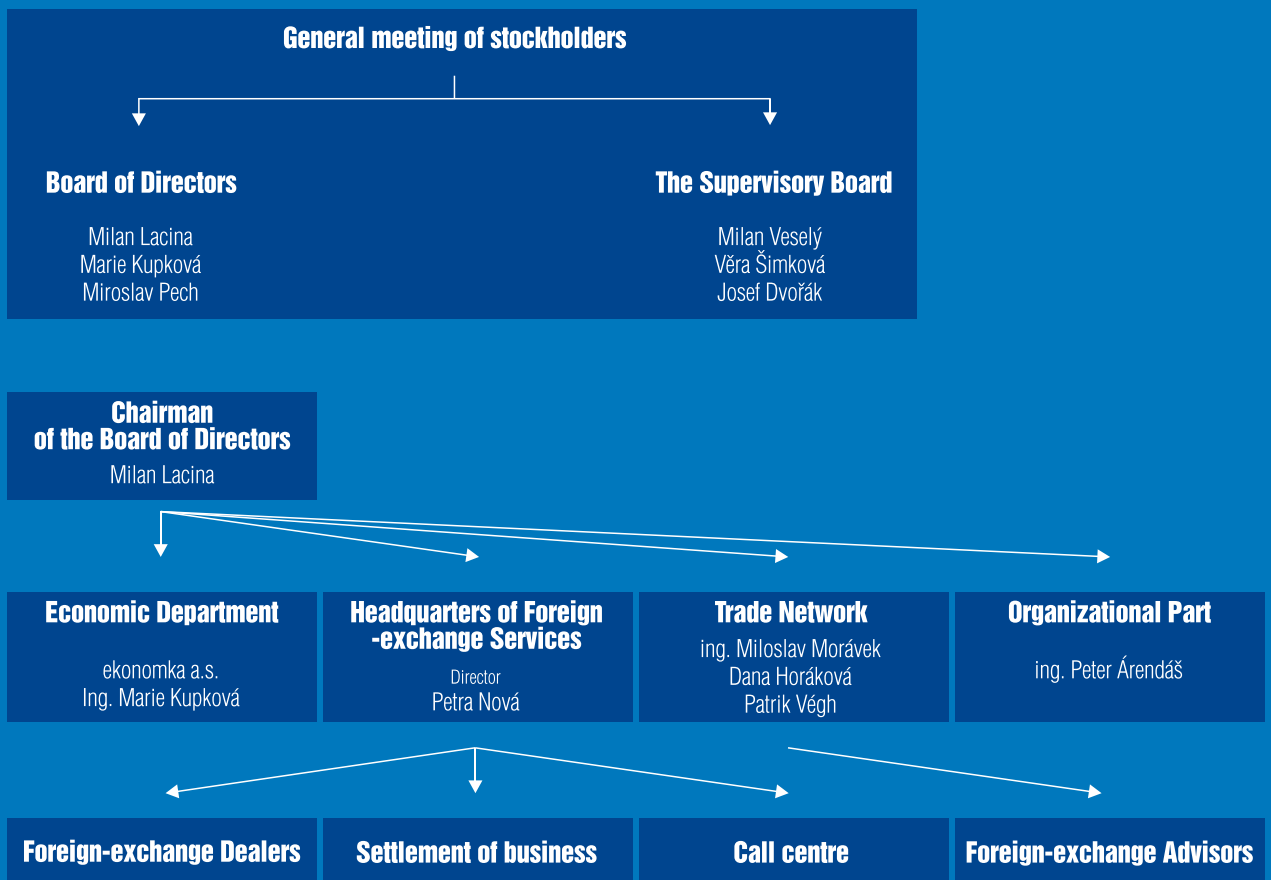
## I. Basic identification data about the Joint Stock Company

<b>Company</b>	- AKCENTA CZ, a.s.
<b>Company address</b>	- U Vršovického hřbitova 554, Praha 10 , 101 00
<b>Form of business organization</b>	- Incorporated Company
<b>Identification Number</b>	- 25 16 36 80
<b>Identification Number Holder</b>	- CZ 25 16 36 80
<b>Registration</b>	- Municipal court of Justice Praha, odd B, vl. 9662
<b>Date of registration</b>	- 16. 6. 1997
<b>Stated capital</b>	- 425.532 USD, completely paid off
<b>Stock</b>	- non-public marketable
<b>Number of stock</b>	- 100
<b>Stock value</b>	- 4.255 USD
<b>Corporate bodies</b>	- Board of directors <b>Chairman</b> - Milan Lacina <b>Vice-chairman</b> - Ing. Marie Kupková <b>Member</b> - Miroslav Pech  - the supervisory Board <b>Chairman</b> - Milan Veselý <b>Members</b> - Věra Šimková - Josef Dvořák
<b>Number of employees</b>	- 54



# Organization

## II. Organization chart



# Introduction

## **AKCENTA CZ Inc, as every year, has also this year continued in reaching outstanding results:**

- number of clients has increased by **45 %** up to total number **7.850** clients.
- volume of transactions has increased by **99 %** up to **37,2** billion CZC.
- total turnover of financial flow of the company has increased by **304%** up to **113.3 billion CZC**.

These figures clearly show that the objective stated last year better use of existing clientele - was fulfilled. We succeeded in increasing the volume of conversion even though the increase of clientele was modest.

These results have confirmed the dominant position of AKCENTA CZ among other financial institutions working in this field.

The economic result before taxation (loss) 4 131 thousand CZC does not significantly show the economic results. Loss was caused by the influences that were not directly connected with the main activity of AKCENTA CZ:

- 1) the sale of stocks of affiliated company of AKCENTA Service Inc, repudiate loss to tax 6.1 mil. CZC
- 2) expenses connected with repairs of purchased property - 1 mil. CZC
- 3) exchange-rate differences that do not influence any residues of exchange resources. - -3,6 mil. CZK

Owing to the fact that profit was lowered mainly by repudiation expenses, positive tax base of AKCENTA CZ in 2005 was 2.9 mil. CZC.

The change in legislation requested a new way in organizing trade network. The company had to hire foreign-exchange advisors for fixed-term employment and for that reason the increase of employees was considerable. Even though the amount of business transactions has increased **from 30 thousand in 2004 to 47 thousand in 2005** hiring new employees of Headquarters of Foreign-exchange Services was not necessary. The company was able to process this 60%-increase of transactions due to better trade system.

Most of the objectives stated for 2005 were fulfilled:

- test operation of internet application of On-line BROKER (OLB)
- increased follow-up care of clients brought higher amount and volume of conversion
- establishment of Call centre
- initiation of reconstruction of a house in Hradec Králové that will be used for CDS

Unfortunately, the company did not succeeded in the increase of stated capital in 2005. For legal grounds this objective was divided into two phases and postponed to 2006.



# Characteristics

## a) **Activities of the company in 2005**

### **AKCENTA CZ offers following services:**

- purchase and sale of convertible foreign currency available on the market, conversion of foreign currency without parity of CZC
- monetary intercourse services ( realization of inland and foreign payments for our clients, incoming payments)
- operation of so-called foreign exchange sub accounts. This service enables our clients to have wider variability in options when disposing their financial means. Client has the option to choose a procedure that best suits their needs.

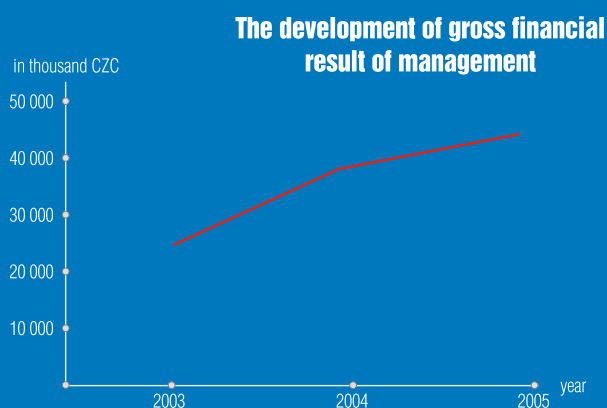


# Evaluation

## b) Evaluation of the main economic activity - activity of the Headquarters of Foreign-exchange Services

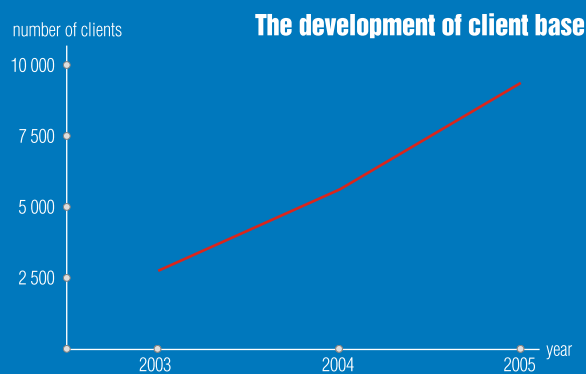
### The development of gross financial result of management of financial transactions

year	in thousand CZC
2003	26 556
2004	38 934
2005	42 956



### The development of client base

year	number of clients
2003	2 600
2004	5 400
2005	8 700



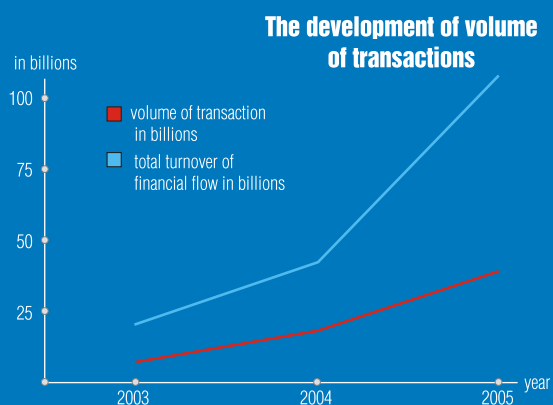


# Evaluation

## b) Evaluation of the main economic activity - activity of the Headquarters of Foreign-exchange Services

### The development of volume of transactions

year	volume of transaction in billions	total turnover of financial flow in billions
2003	8,8	21,06
2004	18,8	41,20
2005	37,2	113,3



### The development of income from operations before taxation

year	in thousand CZC
2003	4 088
2004	2 767
2005	- 4 131



# Employment

## c) Employment and social policy

Structure of Employees			
year	managerial staff	operating workers	total
2003	3	14	17
2004	3	25	28
2005	5	49	54

26 foreign-exchange advisors were hired as part-time employees during 2006.

Education of employees is reimbursed by the company, the director of CDS successfully completed her studies at the Bank Institute at College in Prague.

The company continues to guarantee vocational education and seminars for professional growth of its employees. These courses are provided by a selected agency.

AKCENTA CZ provides catering in the form of contribution for its employees. They are also financially rewarded or they are given presents on the occasion of important anniversaries.



# Investment

## d) Investment activities

Purchase of a house in Hradec Králové	CZC	7.150 thousand (from credit instruments)
Initiation of a reconstruction of the house	CZC	180 thousand
Purchase of hardware amounting to	CZC	470 thousand
Purchase of software amounting to	CZC	980 thousand



# Results

## e) Results and management in 2003, 2004, 2005

### Profit and loss statement

Indices /in thousand CZC/	2003	2004	2005
Result of sale of goods	0	0	0
Revenues from the sale of services	1.282	1.457	3.036
Performance consumption	16.627	29.747	36.497
Added value	-15.345	-28.290	-33.461
Personal expenses	4.309	6.306	10.806
Depreciations of corporeal property and incorporeal possession	1.299	1.712	2.559
Taxes and fees	935	7	135
Revenues from property sale	252	135	0
Residual value of sold property	613	0	0
Other operational expenses	234	298	142
Other operational revenues	18	37	16
<b>Operational economic result</b>	<b>-22.465</b>	<b>-36.441</b>	<b>-47.087</b>
Revenue interest	432	251	398
Expense interest	339	762	934
Other financial revenues	94.865	97.814	139.469
Other financial expenses	68.402	58.369	89.877
Revenues from the sale of stock	0	0	1000
Sold stock	0	0	7100
<b>Economic result from financial operations</b>	<b>26.556</b>	<b>38.934</b>	<b>42.956</b>
<b>Economic result for routine activity</b>	<b>4.091</b>	<b>2.493</b>	<b>-4.131</b>
Tax due	23	0	1.1917
Accrued income tax	1.801	-274	-317
Exceptional revenues	0	3	0
Exceptional expenses	0	0	0
Exceptional economic result	0	-3	0
<b>Economic result in accounting period</b>	<b>2.264</b>	<b>2.767</b>	<b>-5.731</b>
Economic result before taxation	4.088	2.493	-4.131



# Results

## e) Results and management in 2003, 2004, 2005

### Balance sheet

Indices /in thousand CZC/	2003	2004	2005
<b>Assets</b>	<b>64.643</b>	<b>123.133</b>	<b>265.714</b>
- Constant assets	18.396	19.064	18.292
Corporeal financial property	10.309	11.005	16.965
Incorporeal financial possession	1.250	1.062	1.327
Financial investment	6.837	6.997	0
-			
Floating assets	45.639	103.753	246.159
Supplies	0	0	0
Short-term receivables	2.574	18.823	69.887
Financial possession	43.065	84.930	176.272
- Other assets	308	316	263
<b>Assets in total</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Liabilities</b>	<b>64.343</b>	<b>123.133</b>	<b>264.714</b>
- Shareholders' capital	11.928	14.695	8.967
Stated capital	10.000	10.000	10.000
Funds from income	100	100	102
Economic result of accounting period	2.264	2.767	-5.731
Economic result of previous years	-436	1.828	4.596
- external resources	51.204	108.107	255.747
Short-term receivables	41.498	102.483	238.266
Bank loans and accomodation	7.754	3.946	16.120
Accrued tax obligation	1.952	1.678	1.361
- other liabilities	1211	331	0
<b>Liabilities in total</b>	<b>0</b>	<b>0</b>	<b>0</b>



# Objectives

## Objectives in 2006

The objective of the company is mainly to maintain well-started business strategy from last year:

- a) keep focus on the improvement of care of our current clients
- b) when the Czech National Bank will approve of our request for a license to provide Forwards we would like to offer this service to all our solvent clients
- c) develop the use of internet business and information system OLB On-line BROKER by our clients

Expected development in 2006:

- a) increase client base by 2000 clients
- b) increase the volume of conversions by 40%

Planned investments in 2006:

- a) completion of reconstruction of a house in Hradec Králové
- b) modernization of hardware
- c) investment in software



# Conclusion

## V. Conclusion

Significant facts in the period from 1<sup>st</sup> January 2006 to 30<sup>th</sup> March 2006:

- 1) the reconstruction of a house in Hradec Králové continues. Removal of the Headquarters of Foreign - exchange Services to a new place is planned in half of 2006.
- 2) Submitting a petition to the Czech National Bank to widen the services of AKCENTA CZ to be able to provide Forwards.
- 3) The increase of stated capital of AKCENTA CZ - stated capital was increased by 11 mil. CZC by the decision of a sole stockholder.



# Audit

## Zpráva nezávislého auditora o ověření účetní závěrky

**pro akcionáře společnosti AKCENTA CZ, a.s.**

Ověřili jsme přiloženou účetní závěrku k 31.12.2005 (rozvahový den; účetní období 1.1.2005 – 31.12.2005) společnosti AKCENTA CZ, a.s. Za sestavení této řádné účetní závěrky je zodpovědné vedení společnosti. Naším úkolem je vydat na základě provedeného auditu výrok k účetní závěrce.

Audit účetní závěrky k 31.12.2005 společnosti AKCENTA CZ, a.s. (IČ: 25163680) se sídlem Praha 10, U Vršovického hřbitova 554, PSČ: 101 00 jsme provedli v souladu se zákonem o auditorech a Mezinárodními auditorskými standardy a souvisejícími aplikačními doložkami Komory auditorů České republiky. Tyto standardy vyžadují, aby auditor naplánoval a provedl audit tak, aby získal přiměřenou jistotu, že účetní závěrka neobsahuje významné nesprávnosti. Audit zahrnuje výběrovým způsobem provedené ověření úplnosti a průkaznosti částek a informací uvedených v účetní závěrce. Audit též zahrnuje posouzení použitých účetních metod a významných odhadů provedených vedením a dále zhodnocení vypovídací schopnosti účetní závěrky. Jsme přesvědčeni, že provedený audit poskytuje přiměřený podklad pro vyjádření výroku auditora.

Podle našeho názoru účetní závěrka společnosti AKCENTA CZ, a.s. ve všech významných ohledech podává věrný a poctivý obraz aktiv, pasiv a finanční situace společnosti k 31.12.2005 a nákladů, výnosů a výsledku hospodaření za rok 2005 v souladu s účetními předpisy platnými v České republice.

V Českých Budějovicích dne 13. dubna 2006



BRÁZDA-AUDIT CZ s.r.o.

IČ: 26033402

Osvědčení KA ČR č. 369

Zátkovo nábreží 7

370 01 České Budějovice

Odpovědný auditor a jednatel:

Ing. Josef Brázda

Osvědčení KA ČR č. 0758

Společnost BRÁZDA-AUDIT CZ s.r.o. je zapsaná v obchodním rejstříku vedeném Krajským soudem v Českých Budějovicích oddíl C, vložka 10454.

Nedílnou součástí zprávy auditora je účetní závěrka společnosti AKCENTA CZ, a.s. k 31.12.2005.





Seat of the company: AKCENTA CZ, a.s.  
U Vršovického hřbitova 554  
101 00 Praha 10

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