

ENEFI ENERGYEFFICIENCY PUBLIC LIMITED COMPANY
Consolidated financial statements for the year ended December 31, 2014



ENEFI ENERGYEFFICIENCY PLC.

CONSOLIDATED FINANCIAL STATEMENTS

for the year ended December 31, 2014

Prepared in accordance with International Financial Reporting Standards
(IFRS)

ENEFI ENERGYEFFICIENCY PUBLIC LIMITED COMPANY
Consolidated financial statements for the year ended December 31, 2014



General information

Members of Board of Directors

Csaba Soós

Tamás Vágány

Gergely Sárkány Dr.

Member of Audit Committee

Gyula Bakacsi Dr.

Balázs Csaba

Mikós Siska Dr.

Attila Fekete

Zoltán Poják

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Responsible for preparing the Financial Statements

Ildikó Sebők

Registration number: 190246

Auditor

BDO Hungary Audit Ltd.

1103 Budapest, Kőér utca 2/A

ENEFI ENERGYEFFICIENCY PUBLIC LIMITED COMPANY
Consolidated financial statements for the year ended December 31, 2014



Contents

Independent Auditor's report	4
Consolidated statement of comprehensive income	6
Consolidated statement of financial position.....	7
Consolidated statement of changes in equity	8
Consolidated statement of cash flows	9
Notes to the consolidated financial statements.....	10-60

The notes set out on pages 10 to 60 are an inseparable part of these consolidated financial statements.

Independent Auditor's Report to the Shareholders of ENEFI Energiahatékonysági Nyrt.

Audit Report on consolidated annual financial statements

We have audited the accompanying consolidated annual financial statements of ENEFI Energiahatékonysági Nyrt. for the year 2014, which consolidated financial statements comprise the consolidated balance sheet as at 31 December 2014 - which shows total assets of EUR 40 228 331, and the related consolidated statement of comprehensive income - which shows a profit for the year of EUR 2 045 932 -, consolidated statements of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for maintaining internal controls which are considered necessary by the management to prepare the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on the audit.

We conducted our audit in accordance with Hungarian National Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by management, as well as the evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, the accompanying consolidated annual financial statements give a true and fair view of the equity and financial position of ENEFI Energiahatékonysági Nyrt. as at 31 December 2014 and of the result of its operation for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Emphasis of matter

Without qualifying our opinion, we draw the attention to the Section '27. Provisions' and '38. Material Events after the Reporting Period' of the Notes, which are referring to the Company's recognition of provision for the receivables of the Romanian Tax Authority. The future outcome of the statement of facts in the referred points carries considerable uncertainty.

Other reporting requirements: Reporting on the consolidated business report

We have examined the accompanying consolidated business report of ENEFI Energiahatékonysági Nyrt. for the financial year of 2014.


The management is responsible for the preparation and fair presentation of the consolidated business report in accordance with the Hungarian Accounting Law. Our responsibility is to assess whether or not the accounting information disclosed in the consolidated business report is consistent with the consolidated financial statements. Our work in respect of the consolidated business report was limited to assessing whether the consolidated business report is consistent with the consolidated financial statements and does not include reviewing other information originated from non audited financial records. In our opinion the 2014 consolidated business report of ENEFI Energiahatékonysági Nyrt. is consistent with the disclosures in the consolidated financial statements as of 31 December 2014.

Budapest, 17 March 2015

BDO Hungary Audit Ltd.
1103 Budapest, Kőér utca 2/A
Registration number: 002387


Balázs Fehér
Director




Ferenc Baumgartner
Certified Auditor
Chamber registration
No.: 002955

This is the translation of the original Hungarian statutory report. In case of any discrepancies, the original Hungarian version prevails.

ENEFI ENERGYEFFICIENCY PUBLIC LIMITED COMPANY



Consolidated financial statements for the year ended December 31, 2014

Consolidated statement of financial position

All data in EUR unless otherwise indicated

		2014	2013
Continued Operations			
Revenue	5	19 567 154	21 710 756
Cost of sales	6	-12 030 986	-12 952 287
Gross Profit		7 536 168	8 758 469
Personnel cost	7	-2 976 174	-2 885 576
Service used	8	-1 646 448	-2 783 758
Other revenue and expenditures, net	9	1 134 736	4 372 263
Depreciation	13,15	-1 990 187	-1 992 713
Impairment of Property, Plants and equipments	13,15	403 444	-168 723
Net profit/loss from financial activities	10	-89 192	-1 293 453
Net profit/loss from associated companies	14	157 022	-164 450
Profit before tax		2 529 369	3 842 059
Income tax expense	11	-483 437	-1 703 069
Profit for the year from continuing operations		2 045 932	2 138 990
Discontinued operations			
Loss from discontinued operation	12	0	-521 167
Profit for the year		2 045 932	1 617 823
Attributable to:			
Owners of the Company		1 768 540	1 755 538
Non-controlling interests		277 392	-137 715
Other comprehensive income			
Foreign currency translation differences		-742 546	677 323
Total other comprehensive income		-742 546	677 323
Total comprehensive income		1 303 386	2 295 146
Attributable to:			
Owners of the Company		1 025 994	2 432 861
Non-controlling interests		277 392	-137 715
Earnings per share (EUR)			
Continued and discontinued operations			
Basic earning per share	28	0,09	0,34
Diluted earnings per share	28	0,09	0,34
Continued operations			
Basic earning per share	28	0,09	0,44
Diluted earnings per share	28	0,09	0,44

Represents of ENEFI ENERGYEFFICIENCY Plc.

Status: March 17, 2015.

The notes set out on pages 10 to 60 are an inseparable part of these consolidated financial statements.

ENEFI ENERGYEFFICIENCY PUBLIC LIMITED COMPANY



ENEFI

Consolidated financial statements for the year ended December 31, 2014

Consolidated statement of financial position

All data in EUR unless otherwise indicated

Consolidated statement of financial position - Assets		Note	2014.12.31	2013.12.31
Property, plant and equipment	15	16 887 601	18 440 763	
Intangible assets	13	6 961 217	6 309 065	
Investments in affiliated companies	14	958 945	860 907	
Investments in other companies		35 944	9 598	
Financial Asset	16	5 728 710	4 438 889	
Other long term receivables		1 594	1 596	
Deferred tax assets	11	1 257 568	1 257 568	
Total non-current assets		31 831 579	31 318 386	
Inventories	18	2 254 387	2 528 838	
Trade receivables	19	3 841 839	3 534 523	
Tax receivables	20	140 600	46 629	
Other receivables due within a year	20	1 022 397	1 570 484	
Accruals and prepaid expenses	21	596 868	931 306	
Securities		685	0	
Cash and cash equivalents	22	539 976	1 168 535	
Total current assets		8 396 752	9 780 315	
Total assets		40 228 331	41 098 701	

Consolidated statement of financial position - Equity and liabilities

		2014.12.31	2013.12.31
Share capital	23	969 968	1 775 293
Reserves	24	53 172 204	64 819 306
Treasury shares	25	-17 476 556	-29 074 466
Retained earnings		-20 870 854	-22 639 390
Equity attributable to owners of the Company		15 794 762	14 880 743
Non-controlling interests	26	1 684 469	1 624 328
Total equity		17 479 231	16 505 071
Loans and other long term financial liabilities	29	6 822 750	7 343 419
Provisions	27	1 567 670	1 405 937
Deferred tax liabilities	11	115 335	71 547
Deferred income	31	3 183 956	3 272 437
Other long-term liabilities	32	673 830	795 429
Total non-current liabilities		12 363 541	12 888 769
Trade payables	34	3 897 175	4 345 799
Loans and other short term financial liabilities	29	1 683 806	1 395 493
Provisions (current)	27	1 402 943	1 049 490
Accruals and deferred income	33	1 059 993	1 198 791
Tax liabilities	34	918 908	641 797
Other liabilities	34	1 422 734	3 073 491
Total current liabilities		10 385 559	11 704 861
Total liabilities		22 749 100	24 593 630
Total equity and liabilities		40 228 331	41 098 701


Represents of ENEFI ENERGYEFFICIENCY Plc.

Status: March 17, 2015.

The notes set out on pages 10 to 60 are an inseparable part of these consolidated financial statements.



ENEFI ENERGYEFFICIENCY PUBLIC LIMITED COMPANY

Consolidated financial statements for the year ended December 31, 2014

Consolidated statement of changes in equity

All data in EUR unless otherwise indicated

	Attributable to equity holders of the parent						Total	Non-controlling interest	Total equity
	Share capital	Share premium	Treasury reserve	Share-based payment reserve	Total reserves	Treasury shares			
Balance at January 1, 2013	34 837	12 522 322	861 887	289 952	11 063 111	-	21 304 821	12 436 274	33 741 095
Profit or loss for the period	-	-	-	-	677 323	-	1 755 538	1 755 538	3 131 267
Other comprehensive income	-	-	677 323	-	677 323	-	-	-	1 377 115
Foreign currency translation differences	-	-	677 323	-	677 323	-	-	-	50
Comprehensive income	-	-	677 323	-	677 323	-	-	-	1 427 215
Capital increase with share premium	1 880 356	52 578 218	-	-	52 578 218	-	-	54 258 574	54 258 574
Elimination of non-controlling interest relating the sale of interests	-	-	-	-	-	-	-	-	832 186
Treasury shares acquired during bankruptcy procedure	-	-	-	-	-	-	-	-	580 038
Share-based payment	-	-	-	-	-	-	-	-	29 074 466
Issue of shares / share increase	-	-	-	299 952	299 952	-	-	299 952	299 952
Balance at December 31, 2013	1 775 293	65 103 540	284 234	-	64 819 306	29 074 466	22 639 390	112 809 745	16 505 071
Profit or loss for the period	-	-	-	-	-	-	1 768 539	1 768 539	277 399
Other comprehensive income	-	-	742 546	-	742 546	-	-	-	48 132
Foreign currency translation differences	-	-	742 546	-	742 546	-	-	-	-
Comprehensive income	-	-	742 546	-	742 546	-	-	-	111 971
Increase in treasury shares	-	-	-	-	-	111 971	-	111 971	-
Elimination of treasury shares	805 325	10 904 556	-	-	10 904 556	11 709 881	-	22 614 437	-
Dividend to non controlling interest	-	-	-	-	-	-	-	-	169 122
Balance at December 31, 2014	969 968	54 198 984	1 026 780	-	53 172 204	17 476 556	20 870 851	15 794 765	17 479 238

The notes set out on pages 10 to 60 are an inseparable part of these consolidated financial statements.

ENEFI ENERGY EFFICIENCY PUBLIC LIMITED COMPANY



ENEFI

Consolidated financial statements for the year ended December 31, 2014

Consolidated statement of cash flows

All data in EUR unless otherwise indicated

	2014	2013
Cash flow from operations		
Profit /loss for the period from continuing operations	2 045 932	2 138 990
Profit/loss for the period from discontinued operations	0	-521 167
Income tax expense recognised in profit and loss	483 437	1 703 069
Income tax paid	-439 649	-368 337
Depreciation and amortization	1 990 187	1 992 713
Impairment of asset	46 211	2 838 994
Reversed impairment	-449 651	-2 509 619
Gain on sale of fixed asset	98 054	23 536
Exchange difference	-171 413	496 558
Changes of fair value of financial assets	-138 817	0
Changes of provisions	515 186	40 879
Change in other long term liabilities	-121 599	-331 294
Loss from the sale of a subsidiary	0	1 520 418
Change in deferred income	-88 481	23 272
Remitted creditors' claims in bankruptcy, unreported claims	0	-5 105 624
Other adjustment not involving movement of funds	0	-299 952
Adjusted profit/loss in the year concerned:	3 769 397	1 642 436
Change in operating capital		
Changes of financial assets	-109 587	-76 393
Changes of receivables and other current assets	22 414	4 672 011
Changes of accruals	195 640	-785 581
Changes of Inventories	274 451	355 418
Changes of Trade payables and other liabilities	-1 822 280	-6 688 918
Net cash-flow from operating activity	-1 439 362	-2 523 463
Cash flows from investing activities		
Payments related to purchasing property, machines and equipment	-1 544 493	-3 964 902
Revenue from the sale of property, machines, equipment and financial instrument	33 604	1 843 121
Net cash inflow related to the sale of subsidiaries	0	1 571 761
Net cash out for new financial assets (new contracts)	-933 571	7 339
Net cash flow from investing activity	-2 444 460	-542 681
Cash flows from financing activities		
Change in loans (take out-repayment)	-232 356	-731 707
Divident paid to non controlling interest	-169 122	-580 037
Sale - purchase of securities	-685	47 717
Sale - purchase of treasury shares	-111 971	0
Net cash flow from financial activities	-514 134	-1 264 027
Change of Cash and cash equivalents	-628 559	-2 687 735
Cash and cash equivalents at the beginning of the year	1 168 535	3 856 270
Cash and cash equivalents at the end of the year	539 976	1 168 535

The notes set out on pages 10 to 60 are an inseparable part of these consolidated financial statements.

ENEFI ENERGYEFFICIENCY PUBLIC LIMITED COMPANY

Consolidated financial statements for the year ended December 31, 2014

Notes to the consolidated financial statements



All data in EUR unless otherwise indicated

1. General background

1.1. Introduction of the Group

ENEFI Energy Efficiency Plc. (formerly named: E-Star Alternative Plc., RFV Plc.) (called „ENEFI” or „Company”), which is the parent company of the group (“Group”), is registered in Hungary. Its registered head office is at 1134 Budapest, Klapka str. 11. The Company’s legal predecessor was established on 29 June 2000 with the aim of implementing for its clients – primarily energy-related – investments, the cost of which are recouped from the savings they generate, and by operating these projects in the long term, efficiently supplying energy to its clients. As of the balance sheet date, the Company’s owners were as follows:

Owner	31 December 2014	31 December 2013
	Percentage of ownership (%)	
Treasury Shares	20,39	58,32
OTP Alapkezelő Zrt.	14,67	7,59
Csaba Soós	11,47	5,93
CRH INVEST Kft.	11,27	0
Allianz Alapkezelő Zrt.	9,75	5,35
Nemzeti Eszkögzagdálkodási Zrt.	0	5
Free float	32,45	17,81
Total	100,00	100,00

Initially, the Company implemented heat supply, public lighting and kitchen technology investments in Hungary, mostly in the municipal sphere. Owing to the changing economic and social expectations in our region, the demand for the solutions offered by our Company kept increasing, which permitted the Company, which was gaining strength and acquiring references in Hungary, to expand regionally as well.

Because municipalities in our region are underfinanced and the heating technology of public institutions is outmoded, significant savings can be realised, and therefore, starting from the 2010 business year, the Company/company group began to focus increasingly on the neighbouring countries, primarily Romania and Poland.

In the period since then, the Company has grown into an enterprise and a corporate group that plays an increasingly important role in implementing energy-saving projects in the Central-Eastern European region – based on the use of renewable energy, but at the same time it started to encounter increasing liquidity problems.

At present the Company is an actual stock exchange-listed ESCO (an Energy Service Company that implements energy savings) in Hungary. The Company developed individual solutions for each of its projects, independent of any technology or service provider. It implemented projects as a main contractor while securing the appropriate financing.

Today the business activities of the Company focus on the same goals as when it was founded, but the technologies used are continuously adjusted to worldwide leading technologies.

When preparing projects, ENEFI Energyefficiency Plc. first examined/examines the possibilities of streamlining its customers’ energy consumption points, then realises investments that help achieve considerable savings. An added business value of the projects is that, after the investments are completed, ENEFI Energyefficiency Plc. provides innovative energy services, as well as operates and maintains the energy systems of its partners over the long run.

The notes set out on pages 10 to 60 are an inseparable part of these consolidated financial statements.

ENEFI ENERGY EFFICIENCY PUBLIC LIMITED COMPANY

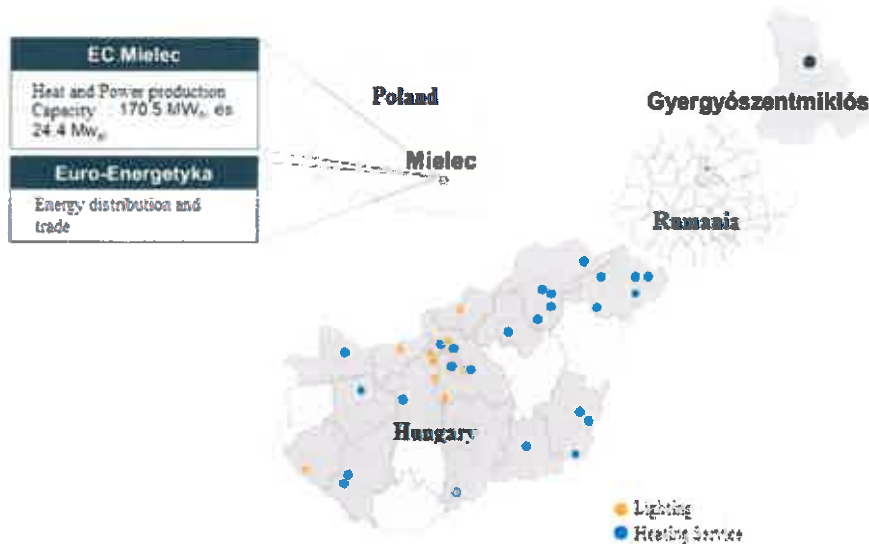
Consolidated financial statements for the year ended December 31, 2014

Notes to the consolidated financial statements



All data in EUR unless otherwise indicated

At the same time the Company operates as the holding centre of an energy group that is active in three Central European countries. The following figure illustrates, as of the beginning of 2013, the geographical distribution of the activities of the entire ENEFI Group:



The Group's most important services (lines of business) are:

- efficient heating and district heating supply based on sustainable primary energy sources
- provision of energy-efficient public lighting services based on modern voltage regulations
- modernisation and exploitation of the efficiency of energy supply and transformation equipment
- energy generation, commerce and distribution in Poland.

2. The Basis for Preparing the Consolidated Financial Statements

The consolidated annual financial statements have been prepared in accordance with the International Financial Reporting Standards („IFRS”), also adopted by the EU. The International Financial Reporting Standards („IFRS”) contain the standards approved by the Commission of the European Communities and issued by the International Accounting Standards Board („IASB”) as well as the International Accounting Standards („IAS”) issued by the International Accounting Standards Committee („IASC”). They include further the interpretations of the International Financial Reporting Standards Interpretation Committee („IFRS IC”) and the Standing Interpretations Committee („SIC”) approved by the European Commission.

The basis of consolidation

The consolidated financial statements include the financial statements of the Company and of business entities controlled by the Company, including special-purpose entities (the Company's subsidiaries). Control means that the Company has enough power to control the financial and operating regulations of the entity in order to take benefit from its business operation.

The income and expense of subsidiaries acquired or disposed of during the year are presented in the consolidated comprehensive profit and loss statement starting from the actual date of acquisition till the actual date of disposal. The total income of the subsidiaries is due to the owners of the Company and of the non-controlling shares even if this would render the balance of the non-controlling shares to become negative.

If necessary, the financial statements of subsidiaries are modified in order to harmonize their financial policies with the financial policies applied by the other members of the Group.

Intra-group transactions, balances, revenues and expenses will be fully excluded at the date of consolidation.

The notes set out on pages 10 to 60 are an inseparable part of these consolidated financial statements.

ENEFI ENERGYEFFICIENCY PUBLIC LIMITED COMPANY



Consolidated financial statements for the year ended December 31, 2014

Notes to the consolidated financial statements

All data in EUR unless otherwise indicated

Name	Country of incorporation	Share ownership	Voting power	Share ownership	Voting power
EETEK Limited***	Cyprus	100%	100%	100%	100%
E-Star ESCO Kft. (formerly RFV Esco Kft.)	Hungary	100%	100%	100%	100%
RFV Józsefváros Kft.	Hungary	49%	70%	49%	70%
E-Star Geotherm Kft.**	Hungary	0%	0%	100%	100%
Veszprém Megyei Non-profit Kft.	Hungary	100%	100%	49%	50%
Fejér Megyei Energia Nonprofit Kft.	Hungary	100%	100%	49%	51%
E-Star Management Zrt. „under bankruptcy”	Hungary	100%	100%	100%	100%
E-Star Távhőfejlesztési Kft.**	Hungary	0%	0%	100%	100%
E-Star Kockázati Tőkealap-kezelő Zrt.**	Hungary	0%	0%	100%	100%
E-Star Reorganizáció-01 Kft.**	Hungary	0%	0%	100%	100%
E-Star Transzfer-02 Kft.**	Hungary	0%	0%	100%	100%
E-Star Debt- Equity-03 Kft.**	Hungary	0%	0%	100%	100%
E-Star Capital-Share-04 Kft.**	Hungary	0%	0%	100%	100%
Elektrociepłownia „Gorlice” Spółka z o. o.*	Poland	0%	0%	73%	73%
E-STAR Elektrociepłownia Mielec Spółka z o. o.	Poland	85%	85%	85%	85%
E-STAR Management Polska Spółka z o. o. „under liquidation”	Poland	100%	100%	100%	100%
EC-Energetyka Spółka Z o. o.	Poland	52%	52%	51%	51%
ENEFI Polska Spółka Z o. o.	Poland	100%	100%	100%	100%
Energia Euro Park Sp. z o.o.	Poland	22%	22%	0%	0%
E-Star Centrul de Dezvoltare Regionala SRL	Romania	100%	100%	100%	100%
Termoenergy srl	Romania	99%	99%	99%	99%
SC Faapritek SA	Romania	99.99%	99.99%	99.99%	99.99%
E-STAR ZA Distriterm SRL „under liquidation”	Romania	51%	51%	51%	51%
E-Star Mures Energy SA „under bankruptcy”	Romania	99.99%	99.99%	99.99%	99.99%
E-Star Alternative Energy SA	Romania	99.99%	99.99%	99.99%	99.99%
E-Star Energy Generation SA	Romania	99.99%	99.99%	99.99%	99.99%
E-STAR CL Distriterm SRL „under bankruptcy”	Romania	100%	100%	100%	100%
E-STAR Investment Management SRL „under liquidation”	Romania	100%	100%	100%	100%
RFV Slovakia sro	Slovakia	100%	100%	100%	100%
E- Star OR District Heating SA	Romania	0%	0%	100%	100%

* Sold in previous year

** Merged to E-Star Esco Kft in current year

*** Owner changed (direct)

The notes set out on pages 10 to 60 are an inseparable part of these consolidated financial statements.

Application of new and revised International Financial Reporting Standards (IFRS)

2.1. The effect of adopting new and revised International Financial Reporting Standards and interpretations in the current (and/or prior) financial year

List of the new and revised issued Standards and interpretations at the date of balance sheet day, which are adopted by the EU:

IFRS 10 "Consolidated Financial Statements", adopted by the EU on 11 December 2012 (effective for annual periods beginning on or after 1 January 2014),

IFRS 11 "Joint Arrangements", adopted by the EU on 11 December 2012 (effective for annual periods beginning on or after 1 January 2014),

IFRS 12 "Disclosures of Interests in Other Entities", adopted by the EU on 11 December 2012 (effective for annual periods beginning on or after 1 January 2014),

IAS 27 (revised in 2011) "Separate Financial Statements", adopted by the EU on 11 December 2012 (effective for annual periods beginning on or after 1 January 2014),

IAS 28 (revised in 2011) "Investments in Associates and Joint Ventures", adopted by the EU on 11 December 2012 (effective for annual periods beginning on or after 1 January 2014),

Amendments to IFRS 10 "Consolidated Financial Statements", IFRS 11 "Joint Arrangements" and IFRS 12 "Disclosures of Interests in Other Entities" – Transition Guidance, adopted by the EU on 4 April 2013 (effective for annual periods beginning on or after 1 January 2014),

Amendments to IFRS 10 "Consolidated Financial Statements", IFRS 12 "Disclosures of Interests in Other Entities" and IAS 27 (revised in 2011) "Separate Financial Statements" – Investment Entities, adopted by the EU on 20 November 2013 (effective for annual periods beginning on or after 1 January 2014),

Amendments to IAS 32 "Financial Instruments: presentation" – Offsetting Financial Assets and Financial Liabilities, adopted by the EU on 13 December 2012 (effective for annual periods beginning on or after 1 January 2014),

Amendments to IAS 36 "Impairment of assets" – Recoverable Amount Disclosures for Non-Financial Assets, adopted by the EU on 19 December 2013 (effective for annual periods beginning on or after 1 January 2014),

Amendments to IAS 39 "Financial Instruments: Recognition and Measurement" novation of Derivatives and Continuation of Hedge Accounting, adopted by the EU on 19 December 2013 (effective for annual periods beginning on or after 1 January 2014).

Amendments to IFRIC 21 "Levies"

IFRIC 21 provides guidance on when to recognise a liability for a levy imposed by a government, both for levies that are accounted for in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets and those where the timing and amount of the levy is certain.

Standards and Interpretations issued by the IASB and adopted by the EU but not in force

Amendments to IFRS 15 "Revenue from Contracts with customers"

IFRS 15 specifies how and when an IFRS reporter will recognise revenue as well as requiring such entities to provide users of financial statements with more informative, relevant disclosures. The standard provides a single, principles based five-step model to be applied to all contracts with customers. IFRS 15 was issued in May 2014 and applies to an annual reporting period beginning on or after 1 January 2017.

The Group apply only those standards which were effective as the balance sheet date.

The adoption of the above presented Amendments and new Standards and Interpretations would have no significant impact on the Consolidated Financial Statements of the Group.

The Board of Directors examines and analyzes in order to be able to identify the impact of the changes on the consolidated financial statements.

3. Significant accounting policies

3.1. Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("EU").

3.2. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for certain properties and financial instruments that are measured at revalued amounts or fair values, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

3.3. Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between the aggregate of the fair value of the consideration received and the fair value of any retained interest and the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. When assets of the subsidiary are carried at revalued amounts or fair values and the related cumulative gain or loss has been recognised in other comprehensive income and accumulated in equity, the amounts previously recognised in other comprehensive income and accumulated in equity are accounted for as if the Group had directly disposed of the relevant assets (i.e. reclassified to profit or loss or transferred directly to retained earnings as specified by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IAS 39 Financial Instruments: Recognition and Measurement or, when applicable, the cost on initial recognition of an investment in an associate or a jointly controlled entity.

3.4. Business combination

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as

equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with IAS 39, or IAS 37 Provisions, Contingent Liabilities and Contingent Assets, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

3.5. Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss in the consolidated statement of comprehensive income. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

For the Group accounting policy regarding the goodwill on acquisition of investment in affiliate see notes 3,6 below.

3.6. Investments in associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of an associate recognised at the date of acquisition is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

The requirements of IAS 39 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognised forms part of

the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

Upon disposal of an associate that results in the Group losing significant influence over that associate, any retained investment is measured at fair value at that date and the fair value is regarded as its fair value on initial recognition as a financial asset in accordance with IAS 39. The difference between the previous carrying amount of the associate attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when it loses significant influence over that associate.

When a group entity transacts with its associate, profits and losses resulting from the transactions with the associate are recognised in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

3.7. Leases

Whether a transaction is a leasing transaction or if it contains such component depends on its content at the time of its conclusion. If the performance of the agreement depends on the use of a specific asset or if it assigns the right to use the asset, it must be considered to contain a leasing component and is therefore accounted for accordingly.

Financial leasing in the context of which the majority of the risk and rewards related to the ownership right to the leased asset is transferred to the Company is capitalised at the start of the lease at the fair value of the leased asset or at the present value of the minimum lease payments if it is lower. Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Financial costs are directly accounted for through profit/loss. The capitalised leased asset is amortised during the estimated useful life or the lease period, whichever is shorter. The initial costs incurred at the time when the financial lease contract is concluded increase the acquisition value of the leased asset and are accounted for under the term of the lease similarly to lease revenues. A lease in the context of which the lessor retains the majority of the risks and benefits related to the ownership right of the leased asset is accounted for an operative lease.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term.

Prepaid rent represents title to perpetual usufruct of land acquired by or granted to a group entity by the Polish State which is accounted for as an operating lease. The amount paid to acquire a title to perpetual usufruct of land is recognized as operating lease expense in profit or loss over the period of entitlement to use of the land. There is no contract or agreement in the Group designated as financial lease.

3.8. Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances. The revenue from sales transactions is recorded on the date of performance in accordance with the terms and conditions of the relevant supply contracts. The sales revenue does not include value added tax. All income and expense is recognized in accordance with the comparability principle in the appropriate period.

3.9. Rendering of services

Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract. The stage of completion of the contract is determined as follows:

- installation fees are recognised by reference to the stage of completion of the installation, determined as the proportion of the total time expected to install that has elapsed at the end of the reporting period;
- servicing fees included in the price of products sold are recognised by reference to the proportion of the total cost of providing the servicing for the product sold; and
- revenue from time and material contracts is recognised at the contractual rates as labour hours and direct expenses are incurred.

3.10. Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

3.11. Foreign currency translation

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into in order to hedge certain foreign currency risks; and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into Currency Units using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a jointly controlled entity that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals, the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Goodwill and fair value adjustments on identifiable assets and liabilities acquired arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in equity.

The financial statements were prepared in "EUR", and the functional currency of individual subsidiaries is the same as that of individual countries. The Group chose EUR as the currency of presentation to make it easier for investors to interpret the financial statements.

3.12. Borrowing costs

ENEFI ENERGY EFFICIENCY PUBLIC LIMITED COMPANY



Consolidated financial statements for the year ended December 31, 2014

Notes to the consolidated financial statements

All date in EUR unless otherwise indicated

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

3.13. Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

3.14. Retirement benefit costs

Defined contribution plan

One subsidiary of the Company operates a defined contribution pension plan for employees. Pension costs are charged against profit or loss as the related service is provided.

3.15. Share-based payment arrangements

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

The policy described above is applied to all equity-settled share-based payment transactions that were granted after 1 February 2010 and is effective until December 31, 2014. No amounts have been recognised in the consolidated financial statements in respect of other equity-settled share-based payments.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

No amounts have been recognized in the consolidated financial statements as cash-settled share-based payments.

3.16. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted by the end of the reporting period.

The notes set out on pages 10 to 60 are an inseparable part of these consolidated financial statements.

ENEFI ENERGYEFFICIENCY PUBLIC LIMITED COMPANY

Consolidated financial statements for the year ended December 31, 2014

Notes to the consolidated financial statements



All data in EUR unless otherwise indicated

The notes set out on pages 10 to 60 are an inseparable part of these consolidated financial statements.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

3.17. Property, plant and equipment

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the consolidated statement of financial position at their carrying amounts, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognized as to write off the cost or valuation of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

The estimated useful lives for the current and comparative periods are as follows:

Buildings	50 years
Structures	10 years
Plant and equipment	3-25 years
Vehicles	5 years

3.18. Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Intangible assets acquired in business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

3.19. Emission quotas

The Group receives emission rights free of charge in Hungary and in Poland in the context of the European Emissions Trading System. The rights are credited annually, the Group must return them on the basis of the actual emission.

The Group uses the net liability method when accounting for the emission rights it receives pursuant to which reserves are only accounted for when the actual emission exceeds the amount of emission rights received and still held.

Emission rights purchased from third parties are registered at acquisition value and they are accounted for as reimbursement rights, in other words, they are allocated to emission liabilities and are re-valued at fair value.

3.20. Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

3.21. Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a first-in-first-out ("FIFO") basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

3.22. Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Contingent liabilities

Contingent liabilities acquired in a business combination are initially measured at fair value at the acquisition date. At the end of subsequent reporting periods, such contingent liabilities are measured at the higher of the amount that would be recognised in

ENEFI ENERGYEFFICIENCY PUBLIC LIMITED COMPANY



Consolidated financial statements for the year ended December 31, 2014

Notes to the consolidated financial statements

All date in EUR unless otherwise indicated

accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets and the amount initially recognised less cumulative amortisation recognised in accordance with IAS 18 Revenue.

3.23. Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss ("FVTPL"), held-to-maturity ("HTM") investments, available-for-sale ("AFS") financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL.

Financial assets at FVTPL

Financial assets are classified as at FVTPL when the financial asset is either held for trading or it is designated as at FVTPL.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if:

- it forms part of a contract containing one or more embedded derivatives, and IAS 39 Financial Instruments: Recognition and Measurement permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item in the consolidated statement of comprehensive income.

The notes set out on pages 10 to 60 are an inseparable part of these consolidated financial statements.

Held-to-maturity investments

HTM investments are non-derivative financial assets with fixed or determinable payments and fixed maturity dates that the Group has the positive intent and ability to hold to maturity. Subsequent to initial recognition, HTM investments are measured at amortised cost using the effective interest method less any impairment.

Available for sale financial assets

AFS financial assets are non-derivatives that are either designated as AFS or are not classified as loans and receivables, HTM investments or FVTPL.

Listed redeemable notes held by the Group that are traded in an active market are classified as AFS and are stated at fair value at the end of each reporting period. The Group also has investments in unlisted shares that are not traded in an active market but that are also classified as AFS financial assets and stated at fair value at the end of each reporting period (because the directors consider that fair value can be reliably measured). Fair value is determined based on market prices or in case of reliable obtainable market prices, valuation mode is applied as alternative method. Changes in the carrying amount of AFS monetary financial assets relating to changes in foreign currency rates (see below), interest income calculated using the effective interest method and dividends on AFS equity investments are recognised in profit or loss. Other changes in the carrying amount of AFS financial assets are recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. When the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

Dividends on AFS equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established.

The fair value of AFS monetary financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate prevailing at the end of the reporting period. The foreign exchange gains and losses that are recognised in profit or loss are determined based on the amortised cost of the monetary asset. Other foreign exchange gains and losses are recognised in other comprehensive income.

AFS equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured with a valuation model as an alternative approach and derivatives that are linked to and must be settled by delivery of such unquoted equity investments are measured at cost less any identified impairment losses at the end of each reporting period.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For AFS equity investments, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as a default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

The notes set out on pages 10 to 60 are an inseparable part of these consolidated financial statements.

ENEFI ENERGYEFFICIENCY PUBLIC LIMITED COMPANY

Consolidated financial statements for the year ended December 31, 2014

Notes to the consolidated financial statements



All date in EUR unless otherwise indicated

For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

When an AFS financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of AFS equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. In respect of AFS debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

On derecognition of a financial asset other than in its entirety (e.g. when the Group retains an option to repurchase part of a transferred asset), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

The notes set out on pages 10 to 60 are an inseparable part of these consolidated financial statements.

3.24. Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities.

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IAS 39 Financial Instruments: Recognition and Measurement permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss.

Other financial liabilities

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Group are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of the obligation under the contract, as determined in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets; and
- the amount initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the revenue recognition policies.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Derivative financial instruments

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately.

3.25. Earnings per share

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

3.26. Service Concession Agreements

In accounting for public-to-private service concession agreements, the Group applies the following principles.

The provisions in interpretation 12 of the IFRIC are applied if the following conditions are met in case of a public-to-private service concession agreement: (a) the concession grantor has control over or can regulate what services, to whom and at what price are to be provided by the operator using the infrastructure; and (b) at the end of the agreement, the concession grantor will control, through ownership, beneficiary rights or otherwise, all the major residual assets relating to the infrastructure.

According to the terms of such agreements, the operator works as a service provider. The operator builds or develops the infrastructure used for providing public services (construction or development services), and operates and maintains the infrastructure for a definite period of time (operating services).

If certain contracts made with public authorities meet the above conditions then the infrastructure covered by such a contract will not be recognized in the Group's accounts as real estate property, machinery or equipment.

In the case of such contracts, the construction or development services provided by the Group will be presented at the actual value set out in the contract, whether received or receivable. The consideration set out in the contract will be accounted for as a financial asset or intangible asset.

Construction or development services provided by the Group will be presented as financial assets if, on the basis of the contract, the Group has an unconditional contractual right to receive funds from the concession grantor (local municipality) or at the latter's instruction in return for the construction or development services; and the concession grantor has no or hardly any chance for avoiding payment because the contract is lawfully enforceable. The Group is entitled to receive funds if the concession grantor provides a contractual guarantee that it will pay a fixed or calculable amount to the Group or pay the difference between the amounts received from the users of the public service and the fixed or calculable amount set out in the contract.

Construction or development services provided by the Group will be presented as intangible assets if, on the basis of the contract, the Group acquires the right (licence) to charge a fee on the users of the public service. In this case the costs of raising loans for the agreement will be capitalized during the construction or implementation phase of the agreement.

If the construction or development services provided by the Group are paid partly in cash and partly by intangible assets then the respective parts of the consideration so received will be accounted for separately.

If the Group has contractual obligations to maintain or restore the infrastructure taken over or developed by it then these obligations shall be accounted for in the financial statements at the value estimated at the time of preparing the statements.

3.27. Operating segments

An operating segment is a component of the business entity:

- (a) which conducts business activities involving revenues and expenditures (including revenues and expenditures related to transactions that are conducted with other components of the same business entity).
- (b) the operating results of which are regularly reviewed by the key operating decision maker of the business entity to be able to make a decision regarding the funds to be allocated to the segment and to evaluate its performance, and
- (c) in respect of which separate financial information is available.

The Group determines and presents operating segments based on the information that is provided internally to the Board of Directors. For this purpose the Group categorizes its operations into geographical segments. The segmentation was adopted when preparing these consolidated financial statements.

4. Critical accounting judgments and key sources of estimation uncertainty

With respect to the application of the Group's accounting policies, the management has to make decision, estimates and assumption as to the registration value of the assets and liabilities that cannot be clearly determined from other sources. The estimates and related assumptions are based on past experience and other factors that are considered relevant. The actual results may be different than these estimates.

The estimates and the assumptions on which they are based must be reviewed continuously. The modifications of accounting estimates must be recognised in the period when the modification was made if the modification only affects this period, or in the period when the modification was made and the periods after that if the modification affects the period under review as well as the future.

The following describes the critical decisions - with the exception of those that contain estimates - that the Group made in the context of the application of its accounting policies and which made the biggest impact on the amounts presented in the financial statements.

4.1. Provisions

Provision is recognized and measured based on IAS 37 Provisions, Contingent Liabilities and Contingent Assets. The entities of the Group is involved in a number of ongoing legal disputes. Based upon historical experience and expert reports, the Group assesses the developments in these cases, and the likelihood and the amount of potential financial losses which are appropriately provided for.

A provision is recognized by the Group when it has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

4.2. Valuation of concession rights

The Group is recognized the value of the project at Gyergyószentmiklós according to the standard of IFRIC 12 Service Concession Agreements. During the calculation the Company estimated the future net income of the project and determined the realisable value less cost to sell. During the determination of the fair value the Company calculated with discounted future cash flows. These future cash flows represents the management's best estimation. The details of the concession contract is disclosed in the Note 13.

The company measured all components of the Hungarian portfolio both in terms of assets and contracts, that is, on the basis of the net present value calculations. These assets are presented between financial assets in the statement of financial position, their book value is 5,728,710 EUR as of December 31, 2014 and 4,438,889 EUR as of December 31, 2013.

4.3. Useful lives of property, plant and equipment

The Group reviews the estimated useful lives of property, plant and equipment at the end of each reporting period. During the current year, the management determined that the useful lives of the properties, plants and equipments remained as in the previous years.

4.4. Impairment of property, plant and equipment and intangible assets

Impairment on property, plant and equipment or on intangible assets is determined based on estimations concerning the recoverable amount of those assets. Changes in accounting estimates relating to asset impairment (estimates of the asset's fair value less cost to sell and value in use, the free cash flow estimate, considerations regarding the discount rate, etc.) could have a material impact on the results of the Group.

In respect of tangible and intangible assets, the recovery on the business entity's assets is tested in the context of an impairment test. The corrections that appear necessary on the basis of the impairment test are presented by the Group in these consolidated financial statements.

4.5. Determining the Fair Value in case of Acquisitions

In case of acquisitions the Group determines the fair value of the assets and liabilities of the company or companies acquired.

The assets transferred by the acquiring entity in exchange for control over the acquired entity as well as any obligations assumed shall be valued at the fair value as at the time of the acquisition.

The costs of acquisition will be presented in the profit and loss statement.

4.6. Generating profit to create enough tax base to apply the deferred tax method

A deferred tax asset shall be recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. The management needs to make substantial assumptions with respect to the potential deferred tax, as well as about the time and amount of the profit which creates the tax base in view of the tax-planning strategy.

In the current year the Group followed a conservative approach and calculated only with the future cash flows of the currently contracted projects and determined the future utilizable deferred tax asset in that way. This business plan does not consider the utilization of the future free cash generated by the current engagements. If the Group start to grow – according to the management plans, it would be available to reverse the currently booked impairment on deferred tax asset, which is as of December 31, 2014 3,611,170 EUR (4,158,482 EUR as of December 31, 2013).

The balance of the above presented net deferred tax asset is 1,257,568 EUR as of December 31, 2014 and 1,257,568 EUR as of December 31, 2013.

ENEFI ENERGY EFFICIENCY PUBLIC LIMITED COMPANY



Consolidated financial statements for the year ended December 31, 2014

Notes to the consolidated financial statements

All data in EUR unless otherwise indicated

5. Revenue

	2014	2013
Heat sales	11 647 386	12 725 435
Electricity sales	4 512 147	5 702 731
Other (revenue)	3 407 621	3 282 590
Total	19 567 154	21 710 756

The Group recognise its revenue mainly from sale of electricity and heat energy. The sold heat energy derived from the Group own production, the electricity derived partly from own production and partly from external party.

6. Cost of sales

	2014	2013
Material costs	7 070 479	7 940 713
Cost of mediated services	3 578 128	3 398 473
Cost of sold goods	1 382 379	1 613 101
Total	12 030 986	12 952 287

A significant portion of the value of intermediated services consists of the cost of public utility charges re-invoiced in the course of operation.

7. Personal Cost

	2014	2013
Wages and salaries	2 222 502	2 146 459
Social security contributions	499 818	392 515
Other employee benefits	253 854	346 602
Total	2 976 174	2 885 576

The head count figure of the group is 174 as of December 31, 2014 and 183 as of December 31, 2013.

8. Service used

	2014	2013
Rental fees	362 963	447 155
Maintenance costs	380 839	335 855
Advisory fees	278 361	518 374
Property related services	253 022	219 918
Legal fees	102 543	236 562
Office, communication	47 021	73 641
Bank charges	38 354	35 972
Insurance fees	16 048	9 064
Car operation costs	1 618	4 318
Purchasing of distribution rights of electricity	0	892 088
Other services	165 678	10 809
Total	1 646 448	2 783 758

The notes set out on pages 10 to 60 are an inseparable part of these consolidated financial statements.

ENEFI ENERGYEFFICIENCY PUBLIC LIMITED COMPANY

Consolidated financial statements for the year ended December 31, 2014

Notes to the consolidated financial statements



ENEFI

All data in EUR unless otherwise indicated

9. Other Revenue and expenditures

	2014	2013
Other revenue		
Reversed provision	1 365 962	0
Reversal of impairment of assets	1 159 109	1 981 218
Other government grants	252 334	0
Government grant for emission quotas	150 100	238 874
Profit / loss on bankruptcy of subsidiary	121 012	5 105 624
Credited fines	29 408	0
Other revenues	385 650	243 570
Total	3 463 575	7 569 286
Other Expenditures		
Provision made during the year	1 881 148	393 891
Impairment of assets	246 082	1 987 780
Other taxes	103 556	90 555
Net loss on sale of plant, property and equipment	98 053	23 536
Performance Penalties	0	590 147
Goodwill impairment	0	62 219
Other government grants	0	48 896
Total	2 328 838	3 197 023
Total other revenue and expenditures	1 134 736	4 372 263

10. Financial income

	2014	2013
Interest income	530 812	267 665
Other finance income	208 724	264 718
Impairment of financial asset	0	-73 013
Net foreign currency gain / loss	-229 875	642 568
Interest expense	-455 217	-2 037 096
Other finance cost	-143 636	-358 295
Net profit/loss from financial activities	-89 192	-1 293 453

Expenses of financial transactions mostly include the impact of year-end revaluation of foreign currency denominated items.

11. Income tax

	2014	2013
Current tax	-415 069	-325 407
Local business tax	-25 234	-42 930
Deferred tax loss (-) / gain	-590 446	94 727
Changes in impairment of deferred tax	547 312	-1 429 459
Total income tax	-483 437	-1 703 069

The notes set out on pages 10 to 60 are an inseparable part of these consolidated financial statements.

ENEFI ENERGYEFFICIENCY PUBLIC LIMITED COMPANY



Consolidated financial statements for the year ended December 31, 2014

Notes to the consolidated financial statements

All date in EUR unless otherwise indicated

The tax on the group's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated entities as follows:

	31 December 2014	31 December 2013
Hungary- income tax (500 bHUF profits under)	10%	10%
Hungary- income tax (500 bHUF profits over)	19%	19%
Hungary - Local business Tax	2%	2%
Poland - Income tax	19%	19%
Romanian - Income tax	16%	16%

Impairment movement table	31 December 2014	31 December 2013
Balance at January	4 158 482	2 729 023
Reversal of impairment	- 672 874	- 2 729 023
Impairment loss	125 562	4 158 482
Balance at December 31	3 611 170	4 158 482

The deferred tax assets and liabilities presented in the table below:

	31 December 2014	31 December 2013
Deferred Tax Assets	1 257 568	1 257 568
Deferred Tax Liabilities	-115 335	-71 547
	1 142 233	1 186 021

Deferred Tax receivable (liability)	Balance as 31 December 2012	Change	Balance as 31 December 2013	Change	Balance as 31 December 2014
Loss accruable under tax law	4 615 877	275 796	4 891 673	-245 422	4 646 251
Impairment of assets	833 611	-318 697	514 914	15 260	530 174
Tangible and intangible assets (including reserves for future investments)	-734 002	-79 095	-813 097	188 915	-624 182
Risk provision	248 105	23 504	271 609	15 716	287 325
Adjustment due to application of IFRIC 12	209 735	25 556	235 291	-476 792	-241 501
Impairment of deferred tax asset	-2 729 023	-1 429 459	-4 158 482	547 312	-3 611 170
Adjustment regarding bond repurchase program	-148 968	148 968	0	0	0
Other	220 696	23 416	244 112	-88 122	155 990
Net deferred tax receivables / (liabilities)	2 516 031	-1 330 010	1 186 021	-43 134	1 142 887

	31 December 2014	31 December 2013
IFRS Profit before tax loss (-)/gain	2 529 369	3 842 059
Calculated Corporate income tax	-252 937	-384 206
Local business tax	-25 234	-42 930
Associates results reported net of tax	-202 804	-23 586
Tax losses for which no deferred income tax asset was recognised	64 310	-1 429 459
Expenses not deductible for tax losses	-31 365	-19 880
Others	-35 407	196 993
Income Tax	-483 437	-1 703 069

The notes set out on pages 10 to 60 are an inseparable part of these consolidated financial statements.

12. Discontinued operations

In the course of preparing its consolidated financial statements for 2013, the Group accounts for the figures of Elektrociptownia "Gorlice" Spółka z.o.o., among sold business shares, as an activity that has been discontinued. According to the note 10. the Group accounts for the figures of Elektrociptownia "Gorlice" Spółka z.o.o., among sold business shares, as an activity that has been discontinued.

No similar event occurred during the year.

	2013
Revenue	1 032 332
Other Gains	1 201 180
Total Gains	2 233 512
Expenses	-876 527
Profit before tax	1 356 985
Attributable income tax expense	-27 959
Loss on sale of interest	-1 574 780
Impairment of receivables related to discontinued operations	-1 203 153
Recognised loss on sale of interest in 2012	927 740
Loss on discontinued operations in previous years	0
Profit for the year from discontinued operations (attributable to owners of the company)	- 521 167

	2013
Net cash inflows from operating activities	199 806
Net cash inflows from investing activities	-478
Net cash inflows / outflows from financing activities	1 739 828
Net cash inflows	1 939 156

ENEFI ENERGY EFFICIENCY PUBLIC LIMITED COMPANY



Consolidated financial statements for the year ended December 31, 2014

Notes to the consolidated financial statements

All date in EUR unless otherwise indicated

13. Intangible assets

	Concession rights	Software and other intangible assets	CO2	Total
Costs				
2013. január 1.	16 781 776	1 167 528	970 005	18 919 308
Additions	74 751	-	669 627	744 378
Disposals	-	1 101	970 005	971 106
Impairment	329 520	329 520	-	-
Transfer to assets held for sale	-	228 273	-	228 273
Effects of movements in exchange rates	165 017	10 659	22 347	198 023
2013. december 31.	17 021 030	597 975	647 280	18 266 284
Additions	90 043	-	1 575 204	1 665 247
Disposals	-	-	669 628	669 628
Classification adjustment	935 186	299 277	22 348	1 212 115
Transfer to assets held for sale	-	-	-	-
Effects of movements in exchange rates	28 020	31 463	-	59 483
2014. december 31.	16 147 867	267 235	1 575 204	17 990 305
Amortization				
2013. január 1.	11 553 939	181 127	-	11 735 066
Amortization	707 737	39 850	-	667 887
Disposals	-	649	-	649
Impairment loss	-	7 480	-	7 480
Reversal of impairment	339 310	-	-	339 310
Transfer to assets held for sale	-	13 504	-	13 504
Effects of movements in exchange rates	125 739	1 020	-	126 759
2013. december 31.	11 796 627	160 592	-	11 957 219
Amortization	716 984	33 720	-	750 704
Disposals	-	-	-	-
Impairment loss	-	-	-	-
Reversal of impairment	424 434	-	-	424 434
Classification adjustment	1 252 457	40 342	-	1 212 115
Effects of movements in exchange rates	15 072	27 214	-	42 286
2014. december 31.	10 821 648	207 440	-	11 029 088
Carrying amounts				
2013. január 1.	5 227 837	986 401	970 005	7 184 242
2013. december 31.	5 224 403	437 383	647 280	6 309 065
2014. december 31.	5 326 219	59 795	1 575 204	6 961 217

Concession right is related to the Company's Romanian project. These rights provide exclusive heat sales rights in the coming 15 and 20 years, respectively. As at 31 December 2014, the Company recognises concession rights only with respect to the Gyergyószentmiklós Project. The Company writes off the concession right in 25 years and accounts for impairment on software and other intangible assets with the linear method in 3 years.

The notes set out on pages 10 to 60 are an inseparable part of these consolidated financial statements.

ENEFI ENERGYEFFICIENCY PUBLIC LIMITED COMPANY

Consolidated financial statements for the year ended December 31, 2014

Notes to the consolidated financial statements



ENEFI

All data in EUR unless otherwise indicated

The notes set out on pages 10 to 60 are an inseparable part of these consolidated financial statements.

Gyergyószentmiklós (Gheorgheni)

Description of the agreement	E-STAR CDR signed a concession contract with the City of Gyergyószentmiklós for 25 years on 13.09.2010.
	Thus it is the right and obligation of E-STAR CDR to operate distant heating in Gyergyószentmiklós and to administer the distant heating infrastructure. The purposes of the contract are as follows: - Operating distant heating in Gyergyószentmiklós in conformity with the commercial conditions. Improving the living conditions of the consumers by providing effective and good-quality heating service. Permanent development of the heating system. Environment protection.
Essential parts of the agreement from the viewpoint of cash-flow	By signing the concession contract, E-STAR CDR assumes the following obligations: - EUR 74,079, annual concession fee. For the whole contracting period this is 1,851,980, which is payable in the first 6 years of the contract, in an equal quarterly breakdown. Taking over debts of EUR 604,744 from the previous service provider, which is payable within 3 months from signing the contract. Taking over a banking credit instalment of EUR 891,266 from the previous service provider .Paying in-progress investments made in 2009 in the amount of EUR 8,314,190, payable within 3 months from signing the contract.
Rights pertaining to the usage of the assets	Upon the expiry of the concession contract, all assets related to the distant heating system must be transferred to the city of Gyergyószentmiklós free of charge.
Obligations regarding the service, rights with regard to expecting the provision of service	Obligations: - Granted service licence - Obligation to provide service, providing continuous service, observing the operational parameters and performance requirements prescribed in the task block and in the distant heating regulations, supporting the price modification and submitting it for approval, paying the concession fee by the deadline, carrying out the investment and fulfilling other obligations assumed in the contract ,in the case where the contract expires or it is terminated, providing service until return to the concession grantor, but at most for 90 days.Taking over 20 distant heating employees. Rights: - Direct Service right, collecting the charge for distance heating,applying the distant heating price, submitting a modification proposal, submitting a contract modification proposal, terminating the contract if the contracting partner fails to meet its obligations.
Obligations regarding the procurement or construction of properties, machines and equipment	Taking over the paying in-progress investments worth EUR 8,314,190, and carrying out the investments specified in the contract.
Obligations to deliver, and rights to acquire specific assets at the end of the concession period	The assets received under concession and the investments undertaken and completed by the concessionaire go over into the ownership of the party granting the concession free of any charges and encumbrances.
Options for renewal or termination	Concession for another 12.5 years is possible after the expiry of the 25 years as agreed by the parties at that time. Termination of contract by any party if the contract is violated by the contracting partner or by the concession grantor if required by a local interest (subject to the payment of damages).
Other rights and obligations (e.g. essential large-scale repairs),	It is the obligation of E-STAR CDR to carry out all maintenance work and other required investments during the term of the concession contract.
Changes to the agreement taking place during the period	-

ENEFI ENERGY EFFICIENCY PUBLIC LIMITED COMPANY

Consolidated financial statements for the year ended December 31, 2014

Notes to the consolidated financial statements



All date in EUR unless otherwise indicated

14. Investments in affiliated companies

The Group disclose as an affiliated company the 21,65 % share in Energia Euro Park Sp. z o.o. within the Mielec Spółka z o. o. This share added to the Group in 2013, this transaction presented in the note 17 with more details.

	31 December 2014	31 December 2013
Current assets	3 005 075	1 950 047
Non-current assets	3 577 917	3 130 825
Current liabilities	1 433 245	941 419
Non-current liabilities	560 142	0
	2 014	2 013
Revenue	10 391 855	8 640 055
Profit or loss for the year	720 568	163 036
Dividends received from the associate during the year	33 016	0
Net assets of the associate	4 589 605	4 139 453
Proportion of the Group's ownership interest in Energia Euro Park	21,65%	21,65%
Foreign currency exchange gain (loss)	34 705	35 285
Carrying amount of the Group's interest Energia Euro Park	958 945	860 907
Profit / loss on associated companies	157 022	-164 450

The notes set out on pages 10 to 60 are an inseparable part of these consolidated financial statements.

ENEFI ENERGY EFFICIENCY PUBLIC LIMITED COMPANY



Consolidated financial statements for the year ended December 31, 2014

Notes to the consolidated financial statements

All date in EUR unless otherwise indicated

15. Tangible assets

	Land and buildings	Plant and equipment	Other equipment	Asset under construction	Total
Costs or deemed costs					
January 1, 2013	7 955 418	16 402 719	254 886	2 007 987	26 621 010
Additions	296 628	290 929	63 369	3 295 275	3 946 201
Capitalizations	0	0	0	-1 625 571	-1 625 571
Disposals	-17 716	-399 231	-33 100	-20 789	-470 836
Transfers to assets held for sale	-2 199 986	-1 922 479	-174 402	-772 587	-5 069 454
Effects of movements in exchange rates	-91 625	-339 968	-20 394	-183 081	-635 068
December 31, 2013	5 942 719	14 031 970	90 359	2 701 234	22 766 282
Additions	120 519	-339 653	24 497	1 611 590	1 416 953
Capitalizations	0	0	0	-868 079	-868 079
Disposals	-128 685	-556 194	-3 941	-2 559	-691 379
Reclassification	1 509 911	3 432 906	380 369	582 395	5 905 581
Effects of movements in exchange rates	-184 722	-760 139	-15 065	-244 821	-1 204 747
December 31, 2014	7 259 742	15 808 890	476 219	3 779 760	27 324 611
Depreciation and impairment					
January 1, 2013	655 979	3 696 414	116 301	405 510	4 874 204
Depreciation for the year	339 256	886 667	96 704	2 199	1 324 826
Disposals	-2 351	-332 405	-18 690	0	-353 446
Impairment loss	0	5 052	0	684 992	690 044
Reversal of impairment	0	-189 091	0	0	-189 091
Transfers to assets held for sale	-192 903	-1 594 635	-152 744	0	-1 940 282
Effects of movements in exchange rates	-21 339	-52 693	-5 415	-1 289	-80 736
December 31, 2013	778 642	2 419 309	36 156	1 091 412	4 325 519
Depreciation for the year	310 293	884 758	44 432	0	1 239 483
Disposals	-114 472	-442 565	-2 683	0	-559 720
Impairment loss	0	0	0	46 207	46 207
Reversal of impairment	0	-25 217	0	0	-25 217
Reclassification	754 240	4 785 647	224 021	141 672	5 905 580
Effects of movements in exchange rates	-45 618	-411 151	-16 979	-21 094	-494 842
December 31, 2014	1 683 085	7 210 781	284 947	1 258 197	10 437 010
Carrying amounts					
At January 1, 2013	7 299 439	12 706 305	138 585	1 602 477	21 746 806
At December 31, 2013	5 164 077	11 612 661	54 203	1 609 822	18 440 763
At December 31, 2014	5 576 657	8 598 109	191 272	2 521 563	16 887 601

The Group recognised impairment in respect of its investments in an amount of EUR 46,207 and reversed impairment in an amount of EUR 25,217. The investments are related to the Hungarian and the Poland operation.

The notes set out on pages 10 to 60 are an inseparable part of these consolidated financial statements.

ENEFI ENERGYEFFICIENCY PUBLIC LIMITED COMPANY



Consolidated financial statements for the year ended December 31, 2014

Notes to the consolidated financial statements

All date in EUR unless otherwise indicated

16. Service concession arrangements

Financial asset at fair value accounted to profit and loss.

	2014	2013
Assets from service concession arrangements	5 728 710	4 438 889

Used assumption for net present value calculation

The discount rate is the project's internal discount rate at the time of the deal in any case.

Partner	Date	Maturity	2 014	2 013
Project 1	2007.07.24	2022.07.24	2 114 896	1 730 345
Project 2	2009.09.28	2024.09.28	1 118 868	1 089 526
Project 3	2005.10.15	2020.08.12	848 388	694 250
Project 4	2005.11.24	2017.11.24	105 802	143 043
Project 5	2006.11.30	2018.11.30	104 251	108 320
Project 6	2005.06.13	2017.06.13	89 851	132 627
Project 7	2006.01.17	2018.01.17	75 344	105 810
Project 8	2005.06.29	2018.01.17	73 808	129 383
Project 9	2005.10.06	2017.11.15	68 997	0
Project 10	2014.12.17	2022.09.30	62 415	0
Project 11	2014.12.17	2022.04.30	60 157	0
Project 12	2004.07.05	2016.07.05	54 964	74 551
Project 13	2014.12.17	2026.06.30	53 169	0
Project 14	2014.12.17	2021.09.30	51 160	0
Project 15	2006.08.14	2018.08.14	50 780	0
Project 16	2005.06.21	2017.06.21	48 433	52 980
Project 17	2014.12.17	2020.08.31	42 274	0
Project 18	2014.12.17	2021.02.28	39 026	0
Project 19	2005.12.29	2017.12.29	36 133	29 309
Project 20	2014.12.17	2020.03.31	32 764	0
Project 21	2014.12.17	2025.02.28	32 212	0
Project 22	2014.01.10	2019.11.30	31 930	0
Project 23	2014.12.17	2020.02.29	27 968	0
Project 24	2014.01.10	2018.12.31	27 878	0
Project 25	2014.12.17	2020.07.31	27 409	0
Project 26	2014.12.17	2021.12.31	27 348	0
Project 27	2014.01.10	2020.03.31	27 246	0
Project 28	2014.01.10	2020.02.28	25 737	0
Project 29	2014.12.17	2021.02.28	24 372	0
Project 30	2014.01.10	2019.09.30	24 211	0
Project 31	2008.09.15	2020.10.31	22 670	26 517
Project 32	2014.12.17	2024.12.31	18 771	0
Project 33	2014.12.17	2019.05.31	18 388	0
Project 34	2014.12.17	2025.02.28	18 223	0
Project 35	2008.05.20	2020.10.02	17 917	22 611
Project 36	2014.12.17	2024.12.31	16 463	0
Project 37	2014.12.17	2023.12.31	15 173	0
Project 38	2014.12.17	2021.01.31	13 726	0
Project 39	2014.01.10	2020.04.30	13 518	0
Project 40	2014.01.10	2019.11.30	12 039	0
Project 41	2014.01.10	2020.11.30	11 809	0
Project 42	2014.01.10	2019.06.30	11 167	0
Project 43	2014.01.10	2019.04.30	11 118	0
Project 44	2014.01.10	2024.11.30	11 037	0
Project 45	2014.01.10	2021.04.30	10 124	0
Project 46	2014.01.10	2018.11.30	8 979	0

The notes set out on pages 10 to 60 are an inseparable part of these consolidated financial statements.

ENEFI ENERGYEFFICIENCY PUBLIC LIMITED COMPANY



Consolidated financial statements for the year ended December 31, 2014

Notes to the consolidated financial statements

All date in EUR unless otherwise indicated

Project 47	2014.01.10	2021.05.31	8 714	0
Project 48	2014.12.17	2024.12.31	8 559	0
Project 49	2008.07.16	2017.04.30	8 181	17 160
Project 50	2014.01.10	2020.03.31	6 335	0
Project 51	2014.01.10	2019.04.30	6 265	0
Project 52	2014.01.10	2018.11.30	6 056	0
Project 53	2014.01.10	2019.11.30	5 940	0
Project 54	2014.01.10	2018.11.30	5 099	0
Project 55	2014.01.10	2023.12.31	4 392	0
Project 56	2014.12.17	2021.01.31	4 063	0
Project 57	2014.01.10	2018.11.30	3 914	0
Project 58	2014.01.10	2022.12.31	3 583	0
Project 59	2014.01.10	2018.11.30	3 252	0
Project 60	2014.01.10	2018.11.30	3 201	0
Project 61	2014.01.10	2019.06.30	2 589	0
Project 62	2014.01.10	2018.12.31	2 090	0
Project 63	2014.01.10	2018.11.30	2 064	0
Project 64	2014.12.17	2021.01.31	1 974	0
Project 65	2014.01.10	2018.10.31	1 586	0
Project 66	2014.01.10	2018.11.30	1 020	0
Project 67	2014.01.10	2018.11.30	920	0
Project 68	2006.05.15	2018.05.15	0	82 457
		Total	5 728 710	4 438 889

The notes set out on pages 10 to 60 are an inseparable part of these consolidated financial statements.

17. Business Combinations

Datas for 2014:

In current year the Group brought the remaining 51% shares in the Veszprém megyei non-profit Kft and Fejér megyei nonprofit Kft, the share ownership now 100% and the Group has the control again. Last year this shares are disclosed as an affiliated company regarding the lack of the control.

	Veszprém Megyei Nonprofit Kft.	Fejér Megyei Nonprofit Kft.	Összesen
	2014	2014	2014
Goodwill	0	0	0
Deferred tax assets	0	0	0
Total non current assets	0	0	0
Trade and other receivables	12 623	6 794	19 417
Accruals	0	0	0
Cash and cash equivalents	7 888	16 475	24 363
Total current assets	20 511	23 269	43 780
Assets held for sale	0	0	0
Total assets	20 511	23 269	43 780
Trade and other liabilities	1 716	6 481	8 197
Accruals	0	0	0
Total current liabilities	1 716	6 481	8 197
Total liabilities	1 716	6 481	8 197
Total liabilities	1 716	6 481	8 197
Net assets in fair value			
Net assets in fair value at the Group	18 795	16 788	35 583

Generated badwill in 2014

	Veszprém Megyei Nonprofit Kft.	Fejér Megyei Nonprofit Kft.	Összesen
Acquisition cost	839	839	1 677
Non Controlling interests	0	0	0
Net assets identified at the acquisition	18 795	16 788	35 583
Badwill generated at the acquisition	-17 956	-15 949	-33 906
Acquisition cost			
Acquisition cost in cash or cash equivalents	839	839	1 677
Acquisition cost	839	839	1 677

The notes set out on pages 10 to 60 are an inseparable part of these consolidated financial statements.

ENEFI ENERGY EFFICIENCY PUBLIC LIMITED COMPANY



Consolidated financial statements for the year ended December 31, 2014

Notes to the consolidated financial statements

All data in EUR unless otherwise indicated

Total consideration received	1 673 812	-93 012	-36	-9 003	1 571 761
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In June 2013 the E-Star Polska Spolka Z.o.o. sold the interest and the receivables of its subsidiary Elektrociepłownia Gorlice Spolka z. o. o. for 7.4 million PLN (1.784.514 EUR).

In last year the Group decided on the merging of its subsidiary the Euro-Energetyka Spolka z. o.o. to the Energia Euro Park Sp. z o.o. (EEPark). After the increase of EEPark share capital, the share capital will be divided into 32,982 shares. ESEC Mielec will hold 7,140 shares, i.e. 21.65% of shares in the value of the share capital of EEPark. A consolidation of Euro-Energetyka and EEPark will be effected by means of an increase of the share capital of EEPark from PLN 11,500,000.00 to PLN 16,491,000. The remaining shares will be owned by ARP SA, ESEC Mielec will have a pre-emptive right to purchase EEPark shares if they are sold by ARP SA.

After the increase of the share capital of EEPark, a merger of Euro-Energetyka and EEPark will be effected in the form of an acquisition of Euro-Energetyka by EEPark.

The conclusion of the consolidation agreement was aimed at enabling further participation of Company's subsidiaries in the electricity distribution in the "Euro Park" Special Economic Zone in Mielec. Previously, Euro-Energetyka used for this purpose a distribution network leased from ARP SA, however the lease agreement was terminated by ARP SA and EEPark became the owner of the distribution network. Euro-Energetyka thus lost the actual possibility of conducting its activities within the previous scope.

As a result of the consolidation agreement ESEC Mielec will become a shareholder in EEPark being the owner of the distribution network in the "Euro Park" Special Economic Zone with the value after the consolidation of approximately PLN 14,000,000 and conducting the activities related to the electricity trade and distribution in the Zone.

18. Inventories

	December 31, 2014	December 31, 2013
Coal	1 696 592	1 966 896
Other materials	557 795	561 942
Inventories gross total	2 254 387	2 528 838

The notes set out on pages 10 to 60 are an inseparable part of these consolidated financial statements.

ENEFI ENERGYEFFICIENCY PUBLIC LIMITED COMPANY



Consolidated financial statements for the year ended December 31, 2014

Notes to the consolidated financial statements

All date in EUR unless otherwise indicated

19. Trade receivables

	December 31, 2014	December 31, 2013
Trade receivables	3 841 839	3 534 523
	December 31, 2014	December 31, 2013
Not past due	2 733 936	2 461 122
Past due 0-90 days	505 917	562 874
Past due 91-180 days	26 291	524 748
Past due 181-360 days	326 875	321 288
More than one year	1 586 207	1 766 167
Trade receivable gross total	5 179 226	5 636 199
Impairment	-1 337 387	-2 101 676
Trade receivable total	3 841 839	3 534 523

In respect of receivables that were overdue on the balance sheet day but in terms of the probability of their influence - in the opinion of the Company's management - they do not pose a risk (or are covered with other assets or liabilities), the Company did not recognise impairment.

Non-impaired overdue receivable	December 31, 2014	December 31, 2013
Past due 0-90 days	505 917	562 874
Past due 91-180 days	26 291	510 527
Past due 181-360 days	326 875	0
More than one year	248 821	0
Total	1 107 904	1 073 401

Impairment movement table:

Impairment movement table	2014	2013
Balance at January 1	2 101 676	2 670 402
Impairment of assets	246 082	1 338 402
Recognised through acquisition	-	-
Write back	1 084 740	1 981 218
Decrease from sale of subsidiary	-	-
Exchange rate difference	74 369	74 090
Balance at December 31, 2014	1 337 387	2 101 676

When examining whether a given account receivable can be realised, the Group takes into account the changes, if any, in the quality of the receivable that occurred between the date of the loan provision and the end of the reporting period.

The payment deadline of accounts receivable is always 8 days.

20. Other receivables

	December 31, 2014	December 31, 2013
Receivables related to concession rights	3 610 124	3 610 124
VAT reclaimable	406 639	670 790
Corporate income tax receivable	140 600	46 629
Other tax receivables	107 821	72 388
Loan given	106 803	1 649 954
Advance Payments	45 614	221 228
Government grants	0	1 120 830
Other receivables	355 520	923 134
Other receivables gross	4 773 121	8 315 077
Impairment	-3 610 124	-6 697 964
Other receivables net	1 162 997	1 617 113

The notes set out on pages 10 to 60 are an inseparable part of these consolidated financial statements.

ENEFI ENERGYEFFICIENCY PUBLIC LIMITED COMPANY



Consolidated financial statements for the year ended December 31, 2014

Notes to the consolidated financial statements

All date in EUR unless otherwise indicated

21. Accruals

	December 31, 2014	December 31, 2013
Accrued revenue	218 865	475 245
Accrued expenses	378 003	456 061
Total	596 868	931 306

Revenues due consist of the revenues that were related to consumption in 2014 and were invoiced after the balance sheet day. Rental fees paid in advance typically consist of the rental fee of furnaces and other equipment paid to municipality customer in advance. The rental fee paid in advance is released in proportion to the term.

22. Cash and cash equivalents

	December 31, 2014	December 31, 2013
Bank balances	506 886	1 110 932
Call deposits	22 115	43 431
Cash on hand	10 975	14 172
Cash and cash equivalents	539 976	1 168 535

23. Subscribed capital

	December 31, 2014 piece	December 31, 2013 piece
Issued pieces shares (10HUF par value/ shares)	27 172 579	52 531 445

Registered capital on par value	December 31, 2014	December 31, 2013
Balance at 1 January	1 775 293	94 937
Issued shares during the year at par value	0	1 680 356
Par value of the cancelled treasury shares during the year	-805 325	0
Balance at 31 December	969 968	1 775 293

Movement of issued and fully paid shares	2014	2013
Balance at 1 January	52 531 445	2 640 000
Issued shares during the year (pieces)	0	49 891 445
Number of the cancelled treasury shares during the year	-25 358 866	0
Balance at 31 December	27 172 579	52 531 445

24. Reserves

	December 31, 2014	December 31, 2013
Share premium	54 198 984	65 103 540
Foreign currency translation	-1 025 669	-284 234
Total reserves	53 173 315	64 819 306

Movements of the reserves

	December 31, 2014	December 31, 2013
Balance at beginning of year	64 819 306	11 863 717
Movements	-11 645 991	52 955 589
Balance at the end of year	53 173 315	64 819 306

The general reserve is used from time to time to transfer profits from retained profits. There is no policy of regular transfer.

The notes set out on pages 10 to 60 are an inseparable part of these consolidated financial statements.

ENEFI ENERGYEFFICIENCY PUBLIC LIMITED COMPANY



Consolidated financial statements for the year ended December 31, 2014

Notes to the consolidated financial statements

All date in EUR unless otherwise indicated

Movement of share premium

	December 31, 2014	December 31, 2013
Balance at beginning of year	65 103 540	12 525 322
Share premium recognised during bankruptcy proceedings	0	52 578 218
Share premium from cancelled treasury shares during the year	-10 904 556	0
Balance at the end of year	54 198 984	65 103 540

Foreign currency translation

	December 31, 2014	December 31, 2013
Balance at beginning of year	-284 234	-961 557
Net foreign exchange losses (-) / gains	-741 435	677 323
Balance at the end of year	-1 025 669	-284 234

Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency are recognized directly in other comprehensive income and accumulated in the foreign currency translation reserve. Exchange differences previously accumulated in foreign currency translation reserve are reclassified to profit or loss on the disposal of the foreign operation.

25. Treasury Shares

Movements of pieces of treasury shares	31 December 2014	31 December 2013
	piece	piece
Opening	30 638 646	0
Shares recognised during bankruptcy proceedings	0	30 638 646
Number of treasury share bought back in the period	261 211	0
Number of the cancelled treasury shares during the year	-25 358 866	0
Closing (piece)	5 540 991	30 638 646
Attributable to subsidiary	1 522 643	1 261 432

Movements of book value of treasury shares	31 December 2014	31 December 2013
Opening	29 074 466	0
Shares recognised during bankruptcy proceedings	0	29 074 466
Value of treasury share bought back in the period	111 971	
Book value of the cancelled treasury shares during the year	-11 709 881	0
Movements of treasury shares in book value	17 476 556	29 074 466
Attribute to subsidiary	850 996	771 339

26. Non-controlling interest

	December 31, 2014	December 31, 2013
Balance at beginning of the year	1 624 328	3 174 267
Share of profit for the year	277 392	-137 716
Dividend paid to non-controlling interests	-169 122	-580 037
Disposal of the non-controlling interests related to sold subsidiary	0	-832 186
Net foreign exchange losses (-) / gains	-48 129	0
Balance at end of year	1 684 489	1 624 328

The notes set out on pages 10 to 60 are an inseparable part of these consolidated financial statements.

ENEFI ENERGYEFFICIENCY PUBLIC LIMITED COMPANY



Consolidated financial statements for the year ended December 31, 2014

Notes to the consolidated financial statements

All data in EUR unless otherwise indicated

29. Loans and borrowings

	December 31, 2014	December 31, 2013
Liabilities from bond issues	0	0
Secured bank loans	7 893 305	8 711 879
Other loans	600 983	0
Finance lease liabilities	12 268	27 033
Financial liabilities	8 506 556	8 738 912
Current portion of secured bank loans	1 073 394	1 388 258
Current portion of other loans	600 983	0
Current portion of finance lease liabilities	9 429	7 235
Total current liabilities	1 683 806	1 395 493
Non-current portion of secured bank loans	6 819 911	7 323 621
Non-current portion of finance lease liabilities	2 839	19 798
Total non-current liabilities	6 822 750	7 343 419

Bank loans

Bank name	Closing date	Reference interest	Margin %	Currency	31 December 2014	31 December 2013
BzWBK	2017.05.31	WIBOR	3,00%	PLN	6 804 027	7 715 565
BzWBK	2018.12.31	WIBOR	2,50%	PLN	1 089 278	996 314
Total					7 893 305	8 711 879
Due in one year					1 073 394	1 388 258

The notes set out on pages 10 to 60 are an inseparable part of these consolidated financial statements.

ENEFI ENERGY EFFICIENCY PUBLIC LIMITED COMPANY

Consolidated financial statements for the year ended December 31, 2014

Notes to the consolidated financial statements



All date in EUR unless otherwise indicated

30. Employee Share Ownership Program

Movement in the present value of the defined benefit obligation	2014	2013
Defined benefit obligation as at January 1		
Current service costs	761 869	854 279
Interest expense	42 531	39 611
Benefits paid	32 125	34 339
Actuarial gains and losses	-109 980	-75 635
FX difference	82 747	10 188
Business combinations	-246	-10 887
	0	-90 026
Defined benefit obligation as at December 31	809 046	761 869
Expense recognizes in profit and loss		
Current service costs	42 531	39 611
Interest expense	32 125	34 339
Actuarial gains and losses	82 747	10 188
Total expense recognized in profit or loss	157 403	84 138
Actuarial assumptions	2014	2013
Discount rate as at 31 December	3,40%	4,69%
Future salary increases	2,50%	2,51%

This table contains the expenditures of the Executive Share Option Program of the Poland segment.

The notes set out on pages 10 to 60 are an inseparable part of these consolidated financial statements.

ENEFI ENERGY EFFICIENCY PUBLIC LIMITED COMPANY



Consolidated financial statements for the year ended December 31, 2014

Notes to the consolidated financial statements

All date in EUR unless otherwise indicated

31. Deferred Income

	December 31, 2014	December 31, 2013
Government grants	3 445 489	3 541 247
Other deferred income	0	0
Total deferred income	3 445 489	3 541 247
Current portion of government grants received	261 533	268 810
Total current deferred income	261 533	268 810
Non-current portion of government grants received	3 183 956	3 272 437
Total non-current deferred income	3 183 956	3 272 437

One of the Polish subsidiaries of the Group has expanded its capacities. During 2011 they installed 2 new gas engines which meant a significant expansion of capacity and also decreased the emission of pollutants by the Group thanks to the environmentally friendly technology. The Company received EU subsidies in an amount of PLN 14.8 million PLN (EUR 3,814,924) for the gas engine purchase. The subsidies were accounted for in accordance with the IAS 20 Standard on Accounting for Government Grants.

32. Other long term liability

	December 31, 2014	December 31, 2013
Other long term liability regarding Romanian concession rights	198 504	444 931
Long term liability from interest rate swap	475 326	350 498
Other long term liability	0	0
Total	673 830	795 429

The other long term liabilities contains the long term liability of the concession rights of the projects of Romania and the interest rate swaps of the Poland segment.

33. Accruals and deferred income

	December 31, 2014	December 31, 2013
Accrued expenses	727 194	835 527
Current portion grant received	332 799	359 530
Deferred revenue	0	3 734
Total	1 059 993	1 198 791

34. Other short term liabilities

	December 31, 2014	December 31, 2013
Trade payables	3 897 175	4 345 799
Liabilities from concession contracts (current)	919 070	806 412
Other taxes payable	767 378	1 672 668
Wages and salaries	156 049	126 089
Social security	151 530	132 773
Advance payment received	124	125
Other liabilities	347 491	977 221
Total	2 341 642	3 715 288

A significant part of the trade payables of the Group related to E-Star Mures Energy SA under bankruptcy (2,009,162 EUR) at December 31, 2014. Regarding the unadopted bankruptcy, the Group should have to pay the these liabilities in case there will be any revenue at this subsidiary.

The notes set out on pages 10 to 60 are an inseparable part of these consolidated financial statements.

Consolidated financial statements for the year ended December 31, 2014

Notes to the consolidated financial statements

All date in EUR unless otherwise indicated

35. Related Party Transactions

Related party out of consolidation

Related party	Nature of the related party	Reference
Csaba Soós	Shareholder of the Group	1. Note

The balances of transactions with the above affiliated partners at the balance sheet date are as follows:

	December 31, 2014	December 31, 2013
Transactions affecting the balance sheet		
No such transaction		
Transactions affecting the comprehensive income		
Late payment penalty paid for related party regarding the transactions of previous years	19 061	0
Receivable against related party - Csaba Soós	0	216 376
Remitted interest under bankruptcy	0	131 862
Interest income from related party	0	9 174
Total	19 061	357 412

The terms and conditions of loans received from and granted to affiliated partners are in line with the market conditions.

The remuneration of the Board of Directors, Supervisory Board in 2014:

	2014	2013
Gross honorarium	74 830	47 032
Commission fee	16 523	22 962
Total	91 353	69 994

Consolidated financial statements for the year ended December 31, 2014

Notes to the consolidated financial statements

All date in EUR unless otherwise indicated

36. Segment information

Segment information for the year 2014:

	Hungary 2014	Rumania 2014	Poland 2014	Other 2014	Total 2014
Property, plant and equipment	737 137	351 467	15 798 997	-	16 887 601
Intangible assets	54 528	5 005 431	1 901 258	-	6 961 217
Investments in affiliated companies	-	-	958 945	-	958 945
Investments in other companies	-	-	35 944	-	35 944
Financial Asset	-	5 728 710	-	-	5 728 710
Other long term receivables	-	1 594	-	-	1 594
Deferred tax assets	1 230 175	27 393	-	-	1 257 568
Total non-current assets	2 021 840	11 114 595	18 695 144	-	31 831 579
Inventories	-	397 757	1 856 630	-	2 254 387
Trade receivables	770 856	556 618	2 504 938	9 426	3 841 838
Other receivables due within a year	884 351	138 786	76 670	63 190	1 162 997
Accruals and prepaid expenses	567 734	2 246	26 888	-	596 868
Securities	685	-	-	-	685
Cash and cash equivalents	257 157	130 627	152 181	11	539 976
Total current assets	2 480 783	1 225 034	4 617 307	72 627	8 396 751
Total assets	4 502 623	12 340 630	23 312 451	72 627	40 228 331
Loans and other long term financial liabilities	-	-	6 822 750	-	6 822 750
Provisions	843 487	-	724 183	-	1 567 670
Deferred tax liabilities	-	441	114 894	-	115 335
Deferred income	-	-	3 183 956	-	3 183 956
Other long-term liabilities	-	198 504	475 326	-	673 830
Total non-current liabilities	843 487	198 944	11 321 109	-	12 363 540
Trade payables	346 965	2 385 534	1 111 341	53 328	3 897 168
Loans and other short term financial liabilities	724	-	1 683 082	-	1 683 806
Provisions (current)	-	-	1 402 943	-	1 402 943
Accruals and deferred income	309 329	-	267 849	482 815	1 059 993
Other liabilities	22 098	1 273 350	1 045 486	708	2 341 642
Total current liabilities	679 116	3 658 884	5 510 701	536 851	10 385 552
Total liabilities	1 522 603	3 857 829	16 831 810	536 851	22 749 093
Revenue	2 172 591	1 625 902	15 768 661	-	19 567 154
Cost of sales	- 950 972	- 804 753	- 1 656 711	-	- 3 412 436
Gross Profit	1 221 619	821 150	14 111 950	-	16 154 718
Material cost	- 23 017	- 72 519	- 8 523 014	-	- 8 618 550
Personnel cost	- 437 397	- 314 220	- 2 224 557	-	- 2 976 174
Service used	- 566 855	- 370 853	- 709 402	662	- 1 646 448
Other revenue and expenditures, net	675 993	58 188	611 111	- 210 555	1 134 736
Operation costs	- 351 276	- 699 405	- 10 845 862	- 209 893	- 12 105 436
Depreciation	- 149 696	- 746 161	- 1 094 330	-	- 1 990 187
Impairment of Property, Plants and equipments	25 217	424 434	46 207	-	495 858
Net profit/loss from financial activities	- 1 679 982	- 1 643 639	- 741 587	616 052	- 89 192
Net profit/loss from associated companies	-	-	157 022	-	157 022
Profit before tax	2 425 846	- 1 843 621	1 540 986	406 159	2 529 370
Income tax expense	- 40 169	27 160	- 470 429	-	- 483 438
Profit for the year	2 385 677	- 1 816 460	1 070 557	406 159	2 045 932
Attributable to:					
Owners of the Company	2 385 677	- 1 816 460	793 173	406 159	1 768 548
Non-controlling interests	-	-	277 384	-	277 384

Consolidated financial statements for the year ended December 31, 2014

Notes to the consolidated financial statements

All date in EUR unless otherwise indicated

Segment information for the year 2013:

	Hungary 2013	Rumania 2013	Poland 2013	Other 2013	Total 2013
Property, plant and equipment	1 562 288	855 253	16 023 222	-	18 440 763
Intangible assets	86 383	5 213 394	1 009 288	-	6 309 065
Investments in affiliated companies	-	-	860 907	-	860 907
Investments in other companies	-	-	9 598	-	9 598
Financial Asset	-	4 438 889	-	-	4 438 889
Goodwill	-	-	-	-	-
Other long term receivables	-	1 596	-	-	1 596
Deferred tax assets	1 223 521	-	34 047	-	1 257 568
Total non-current assets	2 872 192	10 509 132	17 937 062	-	31 318 386
Inventories	-	394 439	2 134 399	-	2 528 838
Trade receivables	641 052	528 998	2 351 676	12 797	3 534 523
Other receivables due within a year	1 191 765	139 499	222 659	63 190	1 617 113
Accruals and prepaid expenses	841 093	3 447	86 766	-	931 306
Securities	-	-	-	-	-
Cash and cash equivalents	344 355	173 376	650 441	363	1 168 535
Total current assets	3 018 265	1 239 759	5 445 941	76 350	9 780 315
Total assets	5 890 457	11 748 891	23 383 003	76 350	41 098 701
Loans and other long term financial liabilities	-	-	7 343 419	-	7 343 419
Provisions	717 283	-	688 654	-	1 405 937
Deferred tax liabilities	-	-	71 547	-	71 547
Deferred income	-	-	3 272 437	-	3 272 437
Other long-term liabilities	-	444 931	350 498	-	795 429
Total non-current liabilities	717 283	444 931	11 726 555	-	12 888 769
Trade payables	655 453	2 245 605	1 398 450	46 291	4 345 799
Loans and other short term financial liabilities	-	99	1 395 394	-	1 395 493
Provisions (current)	-	-	1 049 490	-	1 049 490
Accruals and deferred income	517 745	-	268 478	412 568	1 198 791
Other liabilities	1 285 426	1 018 333	1 410 821	708	3 715 288
Total current liabilities	2 458 624	3 264 037	5 522 633	459 567	11 704 861
Total liabilities	3 175 907	3 708 968	17 249 188	459 567	24 593 630
Revenue	2 219 287	1 827 569	17 663 900	-	21 710 756
Cost of sales	-2 419 493	-1 144 094	-1 447 993	-	-5 011 580
Gross Profit	-200 206	683 475	16 215 907	-	16 699 176
Material cost	-29 457	-63 199	-7 848 051	-	-7 940 707
Personnel cost	-514 083	-318 061	-2 053 432	-	-2 885 576
Service used	-892 205	-371 112	-1 508 022	-12 419	-2 783 758
Other revenue and expenditures, net	7 293 863	568 451	-1 345 908	-2 144 143	4 372 263
Operation costs	5 858 118	-183 921	-12 755 413	-2 156 562	-9 237 778
Depreciation	-387 032	-407 296	-1 198 385	-	-1 992 713
Impairment of Property, Plants and equipments	71 128	332 230	-572 081	-	-168 723
Net profit/loss from financial activities	911 653	-1 992 166	-170 518	-42 422	-1 293 453
Net profit/loss from associated companies	-	-	-164 450	-	-164 450
Profit before tax	6 253 661	-1 567 678	1 355 080	-2 198 984	3 842 059
Income tax expense	-1 554 402	-78	-148 589	-	-1 703 069
Loss from discontinued operation	-	-	-521 167	-	-521 167
Profit for the year	4 699 259	-1 567 756	685 304	-2 198 984	1 617 823
Owners of the Company	5 469 510	-1 567 756	823 019	-2 198 984	1 755 538

Consolidated financial statements for the year ended December 31, 2014

Notes to the consolidated financial statements

All date in EUR unless otherwise indicated

Non-controlling interests -137 715 -137 715

37. Management of Financial and Market Risks

The Group is exposed to risks relating to the changes of market and financial conditions. These changes may have an impact on the profit as well as on the value of the assets and liabilities. The purpose of financial risk management is to continuously diminish risks through operative and financing measures.

The Group is exposed to the following risks:

- Market risk
 - Currency risk
 - Interest risk
- Liquidity risk
- Credit risk

37.1. Market risk

The Group's operations are primarily exposed to the financial risk relating to the changes of exchange rates and interest rates. The Group does not purchase derivative financial instruments to cover its interest rate and exchange rate risks.

37.2. Currency risk

The Group makes transactions also in foreign currencies therefore it is exposed to exchange rate risk. The Group manages exchange rate risks by means of forward currency transactions in accordance with its relevant regulation.

The Group's selling prices are primarily determined in HUF, PLN and RON and payments are also received mostly in these currencies. The Group operates primarily in Hungary, Poland and in Romania.

The management periodically reviews contracts made in foreign currencies and considers the opportunity of managing the relevant risk by means of derivative transactions.

The Group's foreign currency denominated assets and liabilities were valued at the end of the reporting period as follows.

December 31, 2014	RON	PLN	HUF
Receivables	1 226 034	4 617 304	2 480 783
Trade payables	-3 658 884	5 510 701	-1 522 603
Revenue	1 625 902	15 768 661	2 172 591
Expenditures	-3 147 796	-13 244 160	-377 734
External loans	0	-6 822 750	0
Net position	-3 954 744	5 829 756	2 753 037

December 31, 2013	RON	PLN	HUF
Receivables	671 943	2 661 101	2 673 910
Trade payables	-3 708 869	-8 510 375	-3 175 907
Revenue	1 625 770	17 663 900	11 195 054
Expenditures	-4 296 005	-19 748 761	-5 796 672
External loans	-99	-8 740 163	0
Net position	-5 707 260	-16 674 298	4 896 385

Consolidated financial statements for the year ended December 31, 2014

Notes to the consolidated financial statements

All date in EUR unless otherwise indicated

37.3. Sensitivity analysis:

Transactions are mostly made in RON, HUF or PLN, our exposure to exchange rates were evaluated on the basis of the fluctuation of the exchange rates of these three currencies.

The Company's exchange rate sensitivity for the year 31 December, 2014 presented in the table below:

Movements in exchange rate (%)	Exchange rate			Effect for current year result
	EUR/HUF	EUR/RON	EUR/PLN	
97,69%	0,0031	0,2179	0,2292	-106 908
		0,2230	0,2243	-63 595
		0,2282	0,2400	-20 282
100,00%	0,0032	0,2179	0,2292	-43 313
		0,2230	0,2346	0
		0,2282	0,2400	43 313
102,31%	0,0032	0,2179	0,2292	20 282
		0,2230	0,2243	63 595
		0,2282	0,2400	106 908

We prepared the calculation for 31 December, 2013. also:

Movements in exchange rate (%)	Exchange rate			Effect for current year result
	EUR/HUF	EUR/RON	EUR/PLN	
97,69%	0,0033	0,2181	0,2356	403 907
		0,2233	0,2243	-113 106
		0,2284	0,2467	-630 120
100,00%	0,0034	0,2181	0,2356	517 014
		0,2233	0,2411	0
		0,2284	0,2467	-517 014
102,31%	0,0034	0,2181	0,2356	630 120
		0,2233	0,2243	113 106
		0,2284	0,2467	-403 907

Consolidated financial statements for the year ended December 31, 2014
Notes to the consolidated financial statements

All date in EUR unless otherwise indicated

37.4. Risk of changing interest rate

Interest rate risk is the risk that future cash-flows from certain financial assets and liabilities may fluctuate due to the changes in market interest rates.

A change in market interest rates may pose a risk for the Group in the case of variable-interest long-term loans and bonds.

The effective interest rates payable by the Group as at 31 December 2014 on its outstanding loans were as follows:

	2014	2013
Effective interest rate:	4,6%	6,5%

37.5. Sensitivity analysis

A 50 base point change in the interest environment would cause the following change in the Group's profitability:

December 31, 2014

Movement in interest rate	4,1%	4,6%	5,1%
Interest payable:	-49 422	0	43 695

December 31, 2013

Movements in interest rate:	6%	6,5%	7%
Interest payable:	-43 695	0	43 695

37.6. Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations. Liquidity risk must be managed eventually by the Board of Directors. The Group manages its liquidity risk by keeping a proper level of reserves, bank credit lines, reserve loan raising opportunities; and by continuously monitoring its planned and actual cash-flow data as well as by reconciling the expiry dates of financial assets and liabilities.

Liquidity and interest risk table:

December 31, 2014						
In Euro	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Contractual	Carrying
Loans and borrowings	1 683 806	1 096 787	6 698 551	0	9 479 144	8 506 556
Other long term liability	0	350 042	323 788	0	673 830	673 830
Trade and other payables	7 275 047	0	0	0	7 275 047	7 275 047
Total financial liabilities	8 958 853	1 446 829	7 022 339	0	17 428 021	16 455 433

December 31, 2013						
In Euro	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Contractual	Carrying
Loans and borrowings	1 582 803	829 921	7 877 046	0	10 289 769	8 738 912
Other Long term liability	0	350 042	445 387	0	795 429	795 429
Trade and other payables	9 259 877	0	0	0	9 259 877	9 259 877
Total financial liabilities	10 842 680	1 179 963	8 322 433	0	20 345 075	18 794 218

37.7. Credit risk

Credit risk is the risk that a debtor defaults on its contractual obligations which may cause a financial loss to the Group.

Most of the Group's customers are large multinational firms, local municipalities, or listed firms or subsidiaries of companies controlled by local municipalities.

Consolidated financial statements for the year ended December 31, 2014

Notes to the consolidated financial statements

All date in EUR unless otherwise indicated

Most of the Group's customers have been doing business with the Group for years and credit losses have been very rare. As a result of the current market environment, watching the creditworthiness of partners on a day-to-day basis became one of the most important tasks of the management.

	December 31, 2014	December 31, 2013
Not past due	2 733 936	2 461 122
Past due 0-90 days	505 917	562 874
Past due 91-180 days	26 291	524 748
Past due 181-360 days	326 875	321 288
More than one year	1 586 207	1 766 167
Trade receivable gross total	5 179 226	5 636 199

38. Material Events after the Reporting Period

The Company notified its reputable Investors that according to the information sent by the National Tax and Customs Administration on 23rd January 2015 to the Company, on the basis of the requisition of the inland revenue of Romania, member state it has initiated proceedings against the Company for over HUF 687 million and the contributions thereof.

The Company stated that the claim constituting the subject of the execution proceedings is equivalent with the former claim of the tax authority of Târgu Mures which was not enforced within the bankruptcy proceedings and therefore was lost.

The Company in the execution proceedings commenced upon the requisition of the tax authority of Târgu Mures the Company shall apply legal remedy towards the Romanian as well as the Hungarian tax authority.

According to the viewpoint of the Company the legal conditions of execution do not exist considering the previously successfully closed bankruptcy proceedings. The Company emphasizes that it considers the application of the tax authority of Târgu Mures for legal remedy sent through the Romanian centre as one against international law irrespectively of the bankruptcy proceedings, since the prerequisite thereof is that it had tried to execute its claim in Romania but that had no result.

On the basis of the application of the Company for legal remedy, the Hungarian tax authority decided in its order about the suspension of the execution proceedings that had been previously ordered upon the requisition of the Romanian tax authority.

The Company verified to the Hungarian tax authority with documents that the Romanian tax authority can not enforce its claims set forth in its requisition against the Company; therefore the execution proceedings against the Company have no legal basis either.

On the basis of the documents presented by the Company, the Hungarian tax authority stated in its order that the Company has significant assets in Romania. Considering however that the Romanian tax authority did not initiate execution in relation with the claims on these assets in Romania, the Hungarian tax authority initiated agreement proceedings with the Romanian tax authority in order to determine whether the legal conditions of the requisition exist.

The Court of Appeal of Târgu Mures accepted the appeal filed against the rejecting decision made by the Court of Justice at first instance in the lawsuit filed against the Municipality of Târgu Mures for compensation, it terminated the decision of the first instance court of justice and instructed it to completely retrial the case.

The Group created 25% provision regarding the event above (more details in 27. note).

39. Presentation of off-balance sheet items and their impact on financial statements

Based on the best estimate of the management, the Group made provision for the expected financial impact of legal matters in respect of which the Group may incur a loss. The management considered generating reserves justified in respect of the following matters:

- For the event presented in note 38 (632 232 EUR)

Based on the estimate of the management, no further provision had to be accounted in respect of other litigations by the Group.

Claimant	Defendant	Matter in dispute
dr. Tibor Botos	ENEFI Energy Efficiency Plc.	general meeting 26/04/2013
dr. Tibor Botos	ENEFI Energy Efficiency Plc.	general meeting resolution 04/11/2014
dr. Tibor Botos	ENEFI Energy Efficiency Plc.	general meeting resolution 14/10/2013
dr. Tibor Botos	ENEFI Energy Efficiency Plc.	general meeting resolution 13/02/2014
dr. Tibor Botos ENEFI Energy Efficiency Plc.	ENEFI Energy Efficiency Plc. Municipality of Nagydobos	general meeting resolution 18/04/2014 payment of contractor fee
ENEFI Energy Efficiency Plc.	Municipality of Szamoszeg	payment of contractor fee
E-star Mures Energy SA	Financial Office of Targu Mures	appeal against administrative order: 1.986.286 RON
Compania Aquaserv SA	E- Star Mures Energy SA	payment of outstanding fees pursuant to agreements with consumers: 77.248,21 RON
E- Star Mures Energy SA	Environmental Office – branch office in Szeben	appeal against administrative order 20.000 RON
E- Star Mures Energy SA	Office for Consumer Protection in Mures County	appeal against administrative order: 333,91 RON
E-On Energie Romania	E- Star Mures Energy SA	payment of outstanding fees pursuant to agreements with consumers: 5.441.260,69 RON
E- Star Mures Energy SA	Financial Office of Targu Mures	appeal against administrative order: 1.110.991 RON. Lost at first instance on 10/06/2014 Appeal filed on 10/12/2014
E-Star Mures Energy SA	148 residential consumer	payment of outstanding fees pursuant to agreements with consumers
Elsaco Electronic SRL	E-Star Mures Energy SA	contractual receivables 43.735,08 RON –
ISCIR	E-Star Mures Energy SA	contractual receivables 7.272,83 RON –
E-Star Mures Energy SA		bankruptcy proceedings on 8/02/2013

Consolidated financial statements for the year ended December 31, 2014

Notes to the consolidated financial statements

All date in EUR unless otherwise indicated

		indemnity in connection with breaching of Concession agreement, payment of public heating subsidies and payment of outstanding fees pursuant to agreements with consumers 124.040.531,19 RON
E-Star Mures Energy SA	Municipality of Targu Mures	The Town demanded within this lawsuit the qualification of the termination of the agreement by a counterclaim. Lost at first instance on 03/03/2014 Appeal filed on 17/09/2014
E-Star CDR SRL	432 residential consumer	payment of outstanding fees pursuant to agreements with consumers
E-Star CDR SRL és Termoenergy SRL	Hargaz Harghita Gaz SA and Gospodarie Oraseneasca SA	establishment of the partial rescission of contract – reclaiming the already paid contractual fees 851.820,85 RON
Termoenergy SRL	City of Gheorgheni – financial department	appeal against administrative order: 191.846 RON. Closed on first and second instance by the Company winning the lawsuit.
Fluid Group Hagen SRL	E-Star Investment Management SRL	payment of contractual fee: 81.291,20 RON
Fluid Group Hagen SRL	E-Star Investment Management SRL	liquidation process: 73.896,85 RON -
ENEFI Energy Efficiency Plc. Financial office of Targu Mures	Financial Office of Targu Mures ENEFI Energy Efficiency Plc.	Claim in order to cancel establishment of mortgage. Ask for Liquidation due to 9,895,031 RON tax liabilities.
ENEFI Energy Efficiency Plc.	Financial Office of Targu Mures	Claim in order to cancel establishment of mortgage.
ENEFI Energy Efficiency Plc.	Financial Office of Targu Mures	Claim in order to cancel establishment of mortgage.
ENEFI Energy Efficiency Plc.	Financial Office of Targu Mures	Claim in order to cancel executive order. Amount: RON 7.602.338,00
ENEFI Energy Efficiency Plc.	Financial Office of Targu Mures	Appeal against the refusal of our complaint against the minutes taken in order to state the condition of tax law insolvency against the tax law premise of our Company by the Financial Office. Claim of Financial Office: RON 2.035.727 tax liability.
ENEFI Energy Efficiency Plc.	Financial Office of Targu Mures	Appeal against the refusal of our complaint against the minutes taken in order to state the condition of tax law insolvency against the tax law premise of our Company by the Financial Office. Claim of Financial Office: RON 7.602.324 tax liability.
ENEFI Energy Efficiency Plc.	Financial Office of Targu Mures	Secondary lawsuit in the bankruptcy proceedings of Ben ComMixt Kft. Our Company as a creditor has filed a notice of protest against the unlawful claim of the Financial Office of RON 1.273.221 against the company under bankruptcy proceedings.

Consolidated financial statements for the year ended December 31, 2014

Notes to the consolidated financial statements

All date in EUR unless otherwise indicated

ENEFI Energy Efficiency Plc.	Financial Office of Targu Mures	Challenge against tax order, claim of Financial Office: RON 265.977 tax liability payment of contractual fees
UzinaElectrica (CET)	E-Star ZA Distriterm SRL	(payment demand). Claim: 1.023.813,35 RON suspended
UzinaElectrica (CET)	E-Star ZA Distriterm SRL	payment of contractual fees (liquidation proceedings)
-E-Star ZA Distriterm SRL		Claim: 1.023.813,35 RON
-ENEFI Energy Efficiency Plc.	-I&O	objection of the table of creditors
-E-Star Management Zrt.	Municipality of the City of Zalau	Value: 3.605.881 RON
-E-Star Investment Management		
Municipality of the City of Zalau	-E-Star ZA Distriterm SRL	termination of concession agreement, declaration of invalidity of sale and purchase agreement of backbone line.
	-ENEFI Energy Efficiency Plc.	suspended
I&O	-Financial Office of Szilágy County -E-Star ZA Distriterm	cancellation of tax debts: RON 8321
E-Star Energy Generation SA	Financial Office of Szilágy County	appeal against administrative order Value: 150.031 RON
-ENEFI Energy Efficiency Plc.		appeal against administrative order Value: 932.730 RON
-E-Star Management Zrt.	Financial Office of Szilágy County	
-E-Star ZA Distriterm SRL		
UzinaElectrica (CET)	E-Star Energy Generation SA	Claim of VAT difference Value: RON 280.578 suspended
E-Star Energy Generation SA	-UzinaElectrica (CET)	challenge of the decision of the court of auditors by CET
Financial Office of Szilágy County	- Court of Auditors -ENEFI Energy Efficiency Plc. -E-Star Management Zrt. -E-Star ZA Distriterm SRL	- the company submitted a request for intervention request for the revision of decision

Consolidated financial statements for the year ended December 31, 2014

Notes to the consolidated financial statements

All date in EUR unless otherwise indicated

40. Approval of financial statements

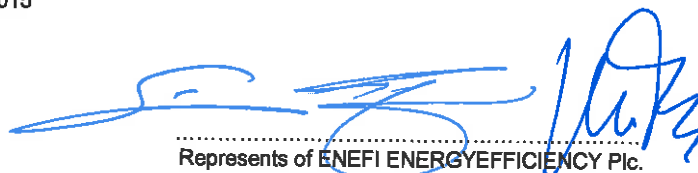
The Annual General Meeting of ENEFI Energy Efficiency Plc. approved the 2014 consolidated financial statements of the Company prepared in accordance with International Financial Reporting Standards (IFRS) showing a balance sheet total of 40 228 331 EUR and profit for the year of 1 303 386 EUR. The Board of Directors approved the issuance of the consolidated financial statement presented, however the Annual General Meeting of the owners authorised to approve the consolidated financial statements and may request changes before acceptance. Based on prior years experience the probability of the request for change from the Annual General Meeting of the owners is relatively small and unprecedented in the past.

41. Statements

We caution you that a number of important factors could cause actual results to differ materially from statements for the future.

Statement of responsibility – We declare that the Consolidated Financial Statements which have been prepared in accordance with the applicable accounting standards and the best knowledge, give a true and fair view of the assets, liabilities, financial position and profit or loss of ENEFI Energy Efficiency Plc. and its undertakings included in the consolidation, development and performance of the Company and its undertakings included in the consolidation, together with a description of the principal risks and uncertainties of its business.

Status: March 17, 2015



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Represents of ENEFI ENERGYEFFICIENCY Plc.