GIEŁDA PAPIERÓW
WARTOŚCIOWYCH
W WARSZAWIE

Separate Financial Statements of Giełda Papierów Wartościowych w Warszawie S.A. for the Year Ended 31 December 2013

(all amounts in PLN thousands, unless otherwise stated)

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(all amounts in PLN thousands, unless otherwise stated)

Separate Statement of Financial Position

	Note	As at 31 December 2013	As at 31 December 2012
Non-current assets		**496 790**	**443 592**
Property, plant and equipment	5	112 279	129 010
Intangible assets	6	95 439	35 383
Investment in associates	8	11 652	11 652
Investment in subsidiaries	7	253 455	250 497
Deferred tax assets	9	-	2 570
Available-for-sale financial assets	10	20 955	11 183
Prepayments	12	3 010	3 297
Current assets		**225 645**	**206 391**
Inventories		166	253
Corporate income tax receivable		10 496	4 815
Trade and other receivables	11	23 940	23 640
Available-for-sale financial assets	10	118	118
Cash and cash equivalents	13	190 925	177 565
TOTAL ASSETS		**722 435**	**649 983**
Equity		**456 483**	**384 881**
Share capital	14	63 865	63 865
Other reserves	14	12	(2 943)
Retained earnings	14	392 606	323 960
Non-current liabilities		**249 904**	**247 336**
Employee benefits payable	16	4 313	4 180
Liabilities on bonds issue	15	243 617	243 157
Deferred tax liability	9	1 974	-
Current liabilities		**16 048**	**17 766**
Trade payables	15	3 184	3 358
Dividends and other liabilities	15	3 894	3 598
Employee benefits payable	16	8 970	10 810
TOTAL EQUITY AND LIABILITIES		**722 435**	**649 983**

The attached Notes are an integral part of these Separate Financial Statements for the year ended 31 December 2013

(all amounts in PLN thousands, unless otherwise stated)

Separate Statement of Comprehensive Income

	Note	Twelve-month period ended 31 December 2013	Twelve-month period ended 31 December 2012
Sales revenues	17	194 351	195 932
Operating expenses	18	(125 255)	(114 877)
Other income	19	1 629	5 399
Other expenses	20	(1 598)	(10 573)
Operating profit		**69 127**	**75 881**
Financial income	19	49 773	22 337
Financial expenses	20	(11 874)	(17 018)
Profit before income tax		**107 026**	**81 200**
Income tax expense	21	(5 641)	(15 642)
Net profit for the period		**101 385**	**65 558**
Other comprehensive income:			
Income to be reclassified as gains or losses		2 955	(2 707)
Net change of fair value of available-for-sale financial assets		(166)	873
Effective portion of change of fair value of cash flow hedges		3 121	(3 580)
Total other comprehensive income		**2 955**	**(2 707)**
Total comprehensive income		**104 340**	**62 851**
Basic/diluted earnings per share (in PLN)		**2,42**	**1,56**

The attached Notes are an integral part of these Separate Financial Statements for the year ended 31 December 2013

(all amounts in PLN thousands, unless otherwise stated)

Separate Statement of Cash Flows

	Note	Twelve-month period ended 31 December	
		2013	**2012**
Cash flows from operating activities:		**88 418**	**65 528**
Cash generated from operation		95 085	88 882
Net profit of the period		**101 385**	**65 558**
Adjustments:		**(6 300)**	**23 324**
Income tax	21	5 641	15 642
Depreciation of property, plant and equipment	5	12 018	9 822
Amortisation of intangible assets	6	9 909	3 911
(Profit) / Loss on exchange rate differences		(482)	1 041
(Profit) / Loss on sale of property, plant and equipment and intangible assets		124	489
Goodwill impairment losses		-	7 946
Gains or losses or revaluation of investments		-	2 011
Financial (income) / expense of available-for-sale financial assets		(601)	(2 079)
Financial income from dividends	19	(43 255)	(11 523)
Income from interest on deposits	19	(5 211)	(7 650)
Interest and premium on issued bonds		11 657	14 795
Other		6 166	(6 252)
Change in current assets and liabilities:		(2 266)	(4 829)
(Increase) / Decrease of inventories		87	7
(Increase) / Decrease of trade and other receivables and prepayments		(14)	3 833
Increase / (Decrease) of trade and other payables		(632)	(7 115)
Increase / (Decrease) of employee benefits payable		(1 707)	(1 554)
Income tax expense		(6 667)	(23 354)

The attached Notes are an integral part of these Separate Financial Statements for the year ended 31 December 2013

(all amounts in PLN thousands, unless otherwise stated)

	Note	Twelve-month period ended 31 December	
		2013	**2012**
Cash flows from investing activities:		(31 756)	(159 824)
Purchase of property, plant and equipment		(4 113)	(11 712)
Purchase of intangible assets		(63 805)	(12 019)
Proceeds from sale of property, plant and equipment and intangible assets		134	40
Investment in subsidiaries		(2 958)	(213 935)
Sale of available-for-sale financial assets	10	-	58 004
Acquisition of available-for-sale financial assets	10	(10 105)	-
Interest received	19	5 836	8 275
Dividends received	19	43 255	11 523
Cash flows from financing activities:		(43 797)	(613)
Paid dividend and Social Benefit Fund		(32 600)	(60 640)
Paid interest		(11 197)	(15 656)
Proceeds from bond issue		-	75 683
Net (decrease) / increase in cash and cash equivalents		**12 866**	**(94 909)**
Effect of movements in exchnage rates on cash held		494	(1 041)
Cash and cash equivalents - opening balance		**177 565**	**273 515**
Cash and cash equivalents - closing balance		**190 925**	**177 565**

The attached Notes are an integral part of these Separate Financial Statements for the year ended 31 December 2013

(all amounts in PLN thousands, unless otherwise stated)

Separate Statement of Changes in Equity

	Share capital	Other reserves	Retained earnings	Total
As at 31 December 2012	**63 865**	**(2 943)**	**323 959**	**384 881**
Dividend	-	-	(32 738)	**(32 738)**
Social Benefit Fund	-	-	-	-
Transactions with owners recognised directly in equity	**-**	**-**	**(32 738)**	**(32 738)**
Net profit of the year ended 31 December 2013	-	-	*101 385*	***101 385***
Income to be reclassified as gains or losses on fulfilment of certain conditions	-	*2 955*	-	***2 955***
Net change of fair value of available-for-sale financial assets	-	*(166)*	-	***(166)***
Effective portion of change of fair value of cash flow hedges	-	*3 121*	-	***3 121***
Total comprehensive income for the financial year ended 31 December 2013	**-**	**2 955**	**101 385**	**104 340**
As at 31 December 2013	**63 865**	**12**	**392 606**	**456 483**
As at 31 December 2011	**63 865**	**(236)**	**319 041**	**382 670**
Dividend	-	-	(60 440)	**(60 440)**
Social Benefit Fund	-	-	(200)	**(200)**
Transactions with owners recognised directly in equity	**-**	**-**	**(60 640)**	**(60 640)**
Net profit of the year ended 31 December 2012	-	-	*65 558*	***65 558***
Income to be reclassified as gains or losses on fulfilment of certain conditions	-	*(2 707)*	-	***(2 707)***
Net change of fair value of available-for-sale financial assets	-	873	-	***873***
Effective portion of change of fair value of cash flow hedges	-	*(3 580)*	-	***(3 580)***
Total comprehensive income for the financial year ended 31 December 2012	**-**	**(2 707)**	**65 558**	**62 851**
As at 31 December 2012	**63 865**	**(2 943)**	**323 959**	**384 881**

The attached Notes are an integral part of these Separate Financial Statements for the year ended 31 December 2013

1. General information

1.1. Legal status and scope of operations of the company

Giełda Papierów Wartościowych w Warszawie Spółka Akcyjna ("Warsaw Stock Exchange", "WSE", "Exchange" or "Company") with its registered office in Warsaw at 4, Książęca Street, was established by Notarial Deed on 12 April 1991 and registered in the Commercial Court in Warsaw on 25 April 1991, entry no. KRS 0000082312, VAT no. 526-025-09-72, Regon 012021984. WSE has been listed on WSE's Main Market since 9 November 2010.

The core activities of the Exchange include organising exchange trading in financial instruments and activities related to such trading. At the same time, the Exchange pursues activities in education, promotion and information concerning the capital market and organises an alternative trading system. The Exchange is active on the following markets:

- **WSE Main Market** (trade in equities, other equity-related financial instruments and other cash markets instruments as well as derivatives);
- **NewConnect** (trade in equities and other equity-related financial instruments of small and medium-sized enterprises);
- **Catalyst** (trade in corporate, municipal, co-operative, Treasury and mortgage bonds operated by WSE and BondSpot);

The Company is also present in Ukraine through the Warsaw Stock Exchange Representation Office.

As at 31 December 2013, WSE controlled 5 subsidiaries and held shares in 2 affiliates (KDPW S.A. and Centrum Giełdowe S.A.).

1.2. Approval of the financial statements

Warsaw Stock Exchange is a parent entity and also prepares consolidated financial statements of the WSE Group available at www.gpw.pl.

The separate financial statements were authorised for issuance by WSE's Management Board on 20 February 2014.

2. Summary of significant accounting policies

2.1. Statement of compliance

These separate financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS") as adopted by the European Union.

As at the date of approval of these separate financial statements, considering the process of IFRS adaptation by the European Union, there are no differences in the accounting policies adopted by the Company under the IFRS and the IFRS as adopted by the European Union.

2.2. Basis of preparation of the separate financial statements

These separate financial statements are presented in the Polish zloty (PLN), which is the functional currency of the Company, and all values are presented in thousands of Polish zlotys (PLN'000) unless stated otherwise.

The separate financial statements have been prepared on the historical cost basis, except for hedge accounting of cash flows and available-for-sale financial assets which are measured at fair value.

These separate financial statements have been prepared with the assumption that the Company will continue its operations in the foreseeable future. As at the date of the preparation of these separate financial statements, WSE's Management Board identified no threats to the Company's ability to continue its operations.

The preparation of separate financial statements in accordance with the IFRS requires making certain critical accounting estimates. It also requires the Management Board to exercise professional judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

The Company prepared the separate financial statements in accordance with the same accounting policies as those described in the separate financial statements as at 31 December 2012 other than for changes resulting from the amendments to the IFRS described below.

Amendments to existing standards adopted by the European Union which are effective for the Company's financial statements for the financial year starting on 1 January 2013:

1) Amendments to IAS 1 Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income;

2) IAS 19 (2011) Employee Benefits;

3) Amendments to IFRS 7 Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities;

4) Amendments to IFRS 1 Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters;

5) IFRS 13 Fair Value Measurement;

6) Amendments to IAS 12 Income Taxes – Deferred Tax: Recovery of Underlying Assets;

7) Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards – Government Loans;

8) Improvements to International Financial Reporting Standards 2009-2011.

The Company's application of the Amendments to IAS 1 means that in its statement of comprehensive income the Company presents the effective portion of net change in the fair value of available-for-sale financial assets and the effective portion of change in the fair value of cash flow hedging as items that may be reclassified to profit or loss in the future.

The Company's application of the Amendments to IAS 19 means that the Company recognises actuarial gains and losses resulting from changes of estimates of the pension benefits provisions in its separate statement of comprehensive income as other comprehensive income.

Following the entry into force of IFRS 13, the Company made additional fair value disclosures in its separate financial statements. Furthermore, the Company does not expect that IFRS 13 will have a significant impact on the separate financial statements as the methods and assumptions used to measure assets at fair value are consistent with the standard.

The Company does not expect that the Amendments of other Standards will have a significant impact on the separate financial statements.

The key accounting policies applied in the preparation of these separate financial statements are described below. These policies were continuously followed in all presented periods, unless indicated otherwise.

2.3. New accounting Standards and Interpretations of the IFRS Interpretations Committee (IFRIC)

The Group did not use the option of early application of new Standards and Interpretations already published and adopted by the European Union or planned for adoption in the near future which will take effect after the balance sheet date.

2.3.1 Standards and Interpretations adopted by the European Union

Certain Standards, Interpretations and Amendments to published Standards are not yet mandatorily effective for the annual period ending on 31 December 2013 and have not been applied in preparing these separate financial statements. The Company plans to adopt these pronouncements when they become effective. The following table presents:

- Standards and Interpretations **adopted by the EU** that are not yet effective for the annual period ending on 31 December 2013;
- Type of the expected impact on accounting policies implemented by a new Standard/Interpretation;
- Impact of the changes described on the Company's financial statements;
- Effective date of the amendments.

(all amounts in PLN thousands, unless otherwise stated)

Standard/Interpretation adopted by EU	Nature of impending change in accounting policy	Possible impact on financial statements	Effective date for periods beginning as the date or after that date
1. IFRS 10 Consolidated Financial Statements	IFRS 10 provides a new single model to be applied in the control analysis for all investees, including entities that currently are SPEs in the scope of SIC-12. IFRS 10 introduces new requirements to assess control that are different from the existing requirements in IAS 27 (2008). Under the new single control model, an investor controls an investee when (1) it is exposed or has rights to variable returns from its involvement with the investee, (2) has the ability to affect those returns through its power over that investee and (3) there is a link between the power and returns. The new standard also includes disclosure requirements and requirements relating to the preparation of consolidated financial statements. These requirements are carried forward from IAS 27 (2008).	The Company does not expect the amendment to have material impact on the financial statements.	1 January 2014
2. IFRS 11 Joint Arrangements	IFRS 11, *Joint Arrangements*, supersedes and replaces IAS 31, *Interest in Joint Ventures*. IFRS 11 does not introduce substantive changes to the overall definition of an arrangement subject to joint control, although the definition of control, and therefore indirectly of joint control, has changed due to IFRS 10. Under the new Standard, joint arrangements are divided into two types, each having its own accounting model defined as follows: • a joint operation is one whereby the jointly controlling parties, known as the joint operators, have rights to the assets, and obligations for the liabilities, relating to the arrangement. • a joint venture is one whereby the jointly controlling parties, known as joint venturers, have rights to the net assets of the arrangement. IFRS 11 effectively carves out from IAS 31, those cases in which, although there is a separate vehicle for the joint arrangement, separation is ineffective in certain ways. These arrangements are treated similarly to jointly controlled assets/operations, under IAS 31, and are now called joint operations. The remainder of IAS 31 jointly controlled entities, now called joint ventures, must be accounted for using the equity method. Proportionate consolidation is no longer possible.	The Company does not expect the amendment to have material impact on the financial statements.	1 January 2014
3. IFRS 12 Disclosure of Interests in Other Entities	IFRS 12 requires additional disclosures relating to significant judgements and assumptions made in determining the nature of interests in an entity or arrangement, interests in subsidiaries, joint arrangements and associates and unconsolidated structured entities.	The Company is not able to prepare an analysis of the impact Standard will have on the financial statements until the date of initial application.	1 January 2014

(all amounts in PLN thousands, unless otherwise stated)

Standard/Interpretation adopted by EU	Nature of impending change in accounting policy	Possible impact on financial statements	Effective date for periods beginning as the date or after that date
4. IAS 27 Separate Financial Statements (2011)	IAS 27 (2011) carries forward the existing accounting and disclosure requirements of IAS 27 (2008) for separate financial statements with some minor clarifications. As well, the existing requirements of IAS 28 (2008) and IAS 31 for separate financial statements have been incorporated into IAS 27 (2011). The Standard no longer addresses the principle of control and requirements relating to the preparation of consolidated financial statements, which have been carried over into IFRS 10 Consolidated Financial Statements.	The Company does not expect the amendment to have material impact on the financial statements.	1 January 2014
5. IAS 28 Investments in Associates and Joint Ventures (2011)	There are limited amendments made to IAS 28 (2008): • *Associates and joint ventures held for sale*. IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* applies to an investment, or a portion of an investment, in an associate or a joint venture that meets the criteria to be classified as held for sale. For any retained portion of the investment that has not been classified as held for sale, the equity method is applied until disposal of the portion held for sale. After disposal, any retained interest is accounted for using the equity method if the retained interest continues to be an associate or a joint venture. • *Changes in interests held in associates and joint ventures*. Previously, IAS 28 (2008) and IAS 31 specified that the cessation of significant influence or joint control triggered remeasurement of any retained stake in all cases, even if significant influence was succeeded by joint control. IAS 28 (2011) now requires that in such scenarios the retained interest in the investment is not remeasured.	The Company does not expect the amendments to have material impact on the financial statements.	1 January 2014
6. Amendments to IAS 32 Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities	The Amendments do not introduce new rules for offsetting financial assets and liabilities; rather they clarify the offsetting criteria to address inconsistencies in their application. The Amendments clarify that an entity currently has a legally enforceable right to set-off if that right is: • not contingent on a future event; and • enforceable both in the normal course of business and in the event of default, insolvency or bankruptcy of the entity and all counterparties.	The Company does not expect the amendments to have material impact on the financial statements.	1 January 2014

(all amounts in PLN thousands, unless otherwise stated)

Standard/Interpretation adopted by EU	**Nature of impending change in accounting policy**	**Possible impact on financial statements**	**Effective date for periods beginning as the date or after that date**
7. Amendments to IFRS 10, IFRS 11 and IFRS 12: Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance	The amendments: • define the date of initial application of IFRS 10 as the beginning of the annual period in which the standard is applied for the first time (1 January 2013 unless early adopted). At this date, an entity tests whether there is a change in the consolidation conclusion for its investees; • limit the restatement of comparatives to the period immediately preceding the date of initial application; this applies to the full suite of standards. Entities that provide comparatives for more than one period have the option of leaving additional comparative periods unchanged; • requires disclosure of the impact of the change in accounting policy only for the period immediately preceding the date of initial application (i.e. disclosure of impact on the current period is not required); • will remove the requirement to present comparative information disclosures related to unconsolidated structured entities for any periods before the first annual period for which IFRS 12 is applied.	The Company does not expect the amendments to have material impact on the financial statements.	1 January 2014
8. Novation of Derivatives and Continuation of Hedge Accounting (Amendments to IAS 39 Financial Instruments: Recognition and Measurement)	The Amendments allow hedge accounting to continue in a situation where a derivative, which has been designated as a hedging instrument, is novated to effect clearing with a central counterparty as a result of laws and regulations, when the following criteria are met: • The novation is made as a consequence of laws or regulations • A clearing counterparty becomes a new counterparty to each of the original counterparties of the derivative instrument • Changes to the terms of the derivative are limited to those necessary to replace the counterparty	The Company does not expect the amendments to have material impact on the financial statements.	1 January 2014
9. Recoverable Amount Disclosures for Non-Financial Assets (Amendments to IAS 36 Impairment of Assets)	The Amendments clarify that recoverable amount should be disclosed only for individual assets (including goodwill) or cash-generated units for which an impairment loss was recognised or reversed during the period. The Amendments also require the following additional disclosures when an impairment for individual assets (including goodwill) or cash-generated units has been recognised or reversed in the period and recoverable amount is based on fair value less costs to disposal: • the level of IFRS 13 'Fair value hierarchy' within which the fair value measurement of the asset or cash-	The Company does not expect the amendments to have material impact on the financial statements.	1 January 2014

Standard/Interpretation adopted by EU	**Nature of impending change in accounting policy**	**Possible impact on financial statements**	**Effective date for periods beginning as the date or after that date**
	generating unit is categorised; • for fair value measurements categorised within Level 2 and Level 3 of the fair value hierarchy, a description of the valuation techniques used and any changes in that valuation technique together with the reason for making it; • for fair value measurements categorised within Level 2 and Level 3, each key assumption (i.e. assumptions to which recoverable amount is most sensitive) used in determining fair value less costs of disposal. If fair value less costs of disposal is measured using a present value technique, discount rate(s) used both in current and previous measurement should be disclosed.		

2.3.2. Standards and interpretations awaiting adoption by the European Union

The following table presents:

- Standards and Interpretations **awaiting adoption by the EU** that are not yet effective for the annual period ending on 31 December 2013;
- Type of the expected impact on accounting policies implemented by a new Standard/Interpretation;
- Impact of the changes described on the Company's financial statements;
- Effective date of the amendments

Standard/Interpretation awaiting adoption by EU	**Nature of impending change in accounting policy**	**Possible impact on financial statements**	**Effective date for periods beginning as the date or after that date**
1. IFRS 9 Financial Instruments (2009)	This Standard replaces the guidance in IAS 39 Financial Instruments: Recognition and Measurement, about classification and measurement of financial assets. The Standard eliminates the existing IAS 39 categories of held to maturity, available for sale and loans and receivable. Financial assets will be classified into one of two categories on initial recognition: • financial assets measured at amortized cost; or • financial assets measured at fair value.	The Company is analysing the impact of the new Standard and Amendments on the separate financial statements.	1 January 2015

Standard/Interpretation awaiting adoption by EU	**Nature of impending change in accounting policy**	**Possible impact on financial statements**	**Effective date for periods beginning as the date or after that date**
	A financial asset is measured at amortized cost if the following two conditions are met: • the assets is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and • its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. Gains and losses on remeasurement of financial assets measured at fair value are recognised in profit or loss, except that for an investment in an equity instrument which is not held for trading, IFRS 9 provides, on initial recognition, an irrevocable election to present all fair value changes from the investment in other comprehensive income (OCI). The election is available on an individual share-by-share basis. No amount recognised in OCI is ever reclassified to profit or loss at a later date.		
2. Additions to IFRS 9 Financial Instruments (2010)	The 2010 additions to IFRS 9 replace the guidance in IAS 39 *Financial Instruments: Recognition and Measurement*, about classification and measurement of financial liabilities and the derecognition of financial assets and financial liabilities. The Standard retains almost all of the existing requirements from IAS 39 on the classification and measurement of financial liabilities and for derecognition of financial assets and financial liabilities. The Standard requires that the amount of change in fair value attributable to changes in the credit risk of a financial liability designated at initial recognition as fair value through profit or loss, be presented in other comprehensive income (OCI), with only the remaining amount of the total gain or loss included in profit or loss. However, if this requirement creates or enlarges an accounting mismatch in profit or loss, then the whole fair value change is presented in profit or loss. Amounts presented in OCI are not subsequently reclassified to profit or loss but may be transferred within equity. Derivative financial liabilities that are linked to and must be settled by delivery of an unquoted equity instrument whose fair value cannot be reliably measured, are required to be measured at fair value under IFRS 9.	The Company is analysing the impact of the new Standard and Amendments on the separate financial statements.	1 January 2015
3. Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures	These Amendments change the disclosure and restatement requirements relating to the initial application of IFRS 9 *Financial Instruments* (2009) and IFRS 9 *Financial Instruments* (2010). The amended IFRS 7 requires to disclose more details about the effect of the initial application of IFRS 9 when an entity does not restate comparative information in accordance with the amended requirements of IFRS 9. If an entity adopts IFRS 9 on or after 1 January 2013, then it will no longer be required to restate comparative information	The Company is analysing the impact of the new Standard and Amendments on the separate financial statements.	1 January 2014

Standard/Interpretation awaiting adoption by EU	**Nature of impending change in accounting policy**	**Possible impact on financial statements**	**Effective date for periods beginning as the date or after that date**
	for periods prior to the date of initial application. If an entity early adopts IFRS 9 in 2012, then it has a choice either to restate comparative information or to provide the enhanced disclosures as required by the amended IFRS 7. If an entity early adopts IFRS 9 prior to 2012, then neither restatement of comparative information nor provision of the enhanced disclosures under the amended IFRS 7 are required.		
4. Amendments to IAS 19 Employee Benefits	The amendments apply to contributions from employees or third parties to defined benefit plans. The objective of the amendments is to simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary.	It is expected that the Amendment, when initially applied, will not have a material impact on the financial statements. The entity does not plan to change the accounting policy to account for such contributions as a reduction in the service cost in the same period in which they are payable.	1 July 2014
5. IFRIC Interpretation 21 Levies	The Interpretation provides guidance as to the identification of the obligating event giving rise to a liability, and to the timing of recognising a liability to pay a levy imposed by government. In accordance with the Interpretation, the obligating event is the activity that triggers the payment of that levy, as identified in the relevant legislation and as a consequence, the liability for paying the levy is recognised when this event occurs. The liability to pay a levy is recognised progressively if the obligating event occurs over a period of time. If the obligating event is the reaching of a minimum activity threshold, the corresponding liability is recognised when that minimum activity threshold is reached. The Interpretation sets out that an entity cannot have a constructive obligation to pay a levy that will be triggered by operating in a future period as a result of the entity being economically compelled to continue to operate in that future period.	The entity does not expect IFRIC 21, when initially applied, to have a material impact on the financial statements, since it does not result in a change in the entity's accounting policy regarding	1 January 2014

(all amounts in PLN thousands, unless otherwise stated)

Standard/Interpretation awaiting adoption by EU	**Nature of impending change in accounting policy**	**Possible impact on financial statements**	**Effective date for periods beginning as the date or after that date**
		levies imposed by governments.	
6. Improvements to IFRS (2010-2012)	The Improvements to IFRSs (2010-2012) contains 8 amendments to 7 standards, with consequential amendments to other standards and interpretations. The main changes were to: • clarify the definition of 'vesting conditions' in Appendix A of IFRS 2 Share-based Payment by separately defining a 'performance condition' and a 'service condition' • clarify certain aspects of accounting for contingent consideration in a business combination • amend paragraph 22 of IFRS 8 to require entities to disclose those factors that are used to identify the entity's reportable segments when operating segments have been aggregated. This is to supplement the current disclosure requirements in paragraph 22(a) of IFRS 8. • amend paragraph 28(c) of IFRS 8 Operating Segments to clarify that a reconciliation of the total of the reportable segments' assets to the entity's assets should be disclosed, if that amount is regularly provided to the chief operating decision maker. This proposed amendment is consistent with the requirements in paragraphs 23 and 28(d) in IFRS 8. • clarify the IASB's rationale for removing paragraph B5.4.12 of IFRS 9 Financial Instruments and paragraph AG79 of IAS 39 Financial Instruments: Recognition and Measurement as consequential amendments from IFRS 13 Fair Value Measurement. • clarify the requirements for the revaluation method in IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets to address concerns about the calculation of the accumulated depreciation or amortisation at the date of the revaluation. • make an entity providing management personnel services to the reporting entity a related party of the reporting entity.	The Company does not expect the Improvements to IFRS (2010-2012) to have a material impact on the financial statements.	1 July 2014
7. Improvements to IFRS (2011-2013)	The Improvements to IFRSs (2011-2013) contains 4 amendments to standards, with consequential amendments to other standards and interpretations. The main changes were to: • clarify the meaning of 'each IFRS effective at the end of an entity's first IFRS reporting period' as used in paragraph 7 of IFRS 1 First-time Adoption of IFRSs. • clarify that the scope exemption in paragraph 2(a) of IFRS 3 Business Combinations: - excludes the formation of all types of joint arrangements as defined in IFRS 11 Joint Arrangements from the scope of IFRS 3; and	The Company does not expect the Improvements to IFRS (2011-2013) to have a material impact on the financial statements.	1 July 2014

Standard/Interpretation awaiting adoption by EU	**Nature of impending change in accounting policy**	**Possible impact on financial statements**	**Effective date for periods beginning as the date or after that date**
	- only applies to the financial statements of the joint venture or the joint operation itself. • clarify that the portfolio exception included in paragraph 48 of IFRS 13 applies to all contracts within the scope of IAS 39 Financial Instruments: Recognition and Measurement or IFRS 9 Financial Instruments, regardless of whether they meet the definitions of financial assets or financial liabilities as defined in IAS 32 Financial Instruments: Presentation. • clarify that judgement is needed to determine whether the acquisition of investment property is the acquisition of an asset, a group of assets or a business combination in the scope of IFRS 3 and that this judgement is based on the guidance in IFRS 3.		

(all amounts in PLN thousands, unless otherwise stated)

2.4. Evaluation of balances presented in foreign currencies

Transactions presented in foreign currencies are booked at the transaction date at the following foreign exchange rate:

- the rate actually applied at such date, depending on the nature of the transaction – for sale or purchase of foreign currencies or payment of receivables or payables;
- the average rate published for the currency by the National Bank of Poland at the day preceding such date – for all other transactions.

As at the balance sheet date:

- monetary items presented in foreign currencies are converted with the closing foreign exchange (FX) rates;
- non-monetary items presented in foreign currencies valued at historical cost are converted at the FX rate prevailing at the transaction date;
- non-monetary items presented in foreign currencies at fair value are converted at the FX rate prevailing at the day of determining the fair value.

Foreign exchange gains and losses resulting from settlements of transactions in foreign currencies and from the conversions of monetary assets and liabilities denominated in foreign currencies are disclosed as profit/loss of the current period.

2.5. Segment reporting

Segment information is disclosed based on the entity's components monitored by managers to the extent of operating decision-making. An operating segment is a component of the entity, in respect of which separate financial information is available, serving the top management as a resource used in the decision-making process concerning allocation of resources and performance assessment.

The segments are identified based on specific service groups having homogenous characteristics. The presentation by operating segment follows the management approach at WSE Group level and is outlined in the Consolidated Financial Statements for the year ended 31 December 2013.

2.6. Property, plant and equipment

Property, plant and equipment are disclosed at the cost of purchase or production, expansion or modernisation, net of accumulated depreciation and impairment losses (principle in Note 2.8).
Purchase cost includes the cost of purchase, expansion and/or modernisation as well as external financing costs.

Depreciation is calculated for property, plant and equipment items over their estimated useful life, taking into account their residual value and using the straight-line depreciation method.

The estimated useful life periods are as follows:

Property, plant and equipment type	Useful life
Buildings[1]	10-40 years
Leasehold improvements	10 years
Vehicles	5 years
Computer hardware	3-5 years
Furniture, equipment and devices	5-10 years

[1] WSE also uses common areas of the "Centrum Giełdowe" building. Common areas (such as escalators, halls, corridors), owned in respective parts by the Exchange and other owners of the building, are managed by the Housing Community "Książęca 4" appointed for this purpose. The common areas of the building in the part owned by WSE are recognised as assets in the separate financial statements. The maintenance costs incurred in respect of the use of those areas of the building (such as current maintenance, repairs and refurbishments of technical equipment and installations included in common areas, electricity, security, administrative services, etc.) are recognised in the statement of comprehensive income at the time when they incurred.

Land is not subject to depreciation.

Individual components of property, plant and equipment with a different useful life are recognised separately and depreciated throughout the useful life taking into account their residual value.

The depreciation method, the depreciation rate and the residual value are subject to regular verification by the Company. Any changes resulting from the verification are recorded as a change in accounting estimates, prospectively.

A component of property, plant and equipment is derecognised when sold or when economic benefits from its use or disposal are no longer expected. Gains and losses on disposal/liquidation of property, plant and equipment are determined as the difference between the proceeds (if any) and the net book value of property, plant and equipment and included in the profit or loss of the period.

2.7. Intangible assets

2.7.1. Goodwill

Goodwill from acquisition is the difference between the purchase price and the fair value of the acquired net assets and identifiable contingent liabilities. After initial recognition, goodwill is disclosed at cost of purchase net of accumulated impairment losses (principle in Note 2.8). Goodwill is tested against potential impairment annually or more frequently in case of events or changes indicating potential impairment.

For impairment testing purposes, goodwill is allocated to cash generating assets which are expected to benefit from the transaction responsible for the creation of goodwill.

2.7.2. Other intangible assets

Other intangible assets are disclosed at cost of purchase or production net of accumulated amortisation and impairment losses (principle in Note 2.8).

Amortisation is calculated with the straight-line method over the estimated useful life of other intangible assets. The estimated useful life of intangible assets varies from 1 to 5 years except for the intangible assets corresponding to the UTP trading system which have an expected useful life of 12 years.

Costs of intangible assets which do not improve or extend their useful life are recognised as cost when incurred. Otherwise, the costs are capitalised.

The amortisation method and the amortisation rate are subject to regular verification by the Company. Any changes resulting from the verification are recorded as a change in accounting estimates, prospectively.

A component of intangible assets is derecognised when sold or when economic benefits from its use or disposal are no longer expected. Gains and losses on disposal/liquidation of intangible assets are determined as the difference between the net proceeds (if any) and the book value of intangible assets and included in the profit or loss of the period.

2.8. Impairment of assets

At each balance sheet date, the Company reviews assets to determine whether there are indicators of impairment except for inventories (see Note 2.12) and deferred tax assets (see Note 2.18) to which other valuation procedures apply. If such indicators are identified, the recoverable amount of an asset is estimated (as the higher of: fair value less selling costs or value in use). Value in use corresponds to the discounted value of the estimated future economic benefits which would be generated by an asset. If an asset does not generate cash flows that are independent from the cash flows generated by other assets, the analysis is performed for the group of assets generating cash flows (a cash generating unit) to which the asset belongs.

If the carrying value of an asset (or a cash generating unit) is higher than its recoverable value, impairment is recognised and the asset value is written down to recoverable value. Impairment losses are charged to the profit or loss of the period.

(all amounts in PLN thousands, unless otherwise stated)

At the end of every reporting period, the Company checks for conditions indicating that the impairment losses recognised in previous reporting periods may be redundant or excessive. In that case, impairment losses are reversed in whole or in part and the asset value is disclosed net of the impairment losses (but including amortisation or depreciation). Impairment reversal is recognised in the profit and loss account.

Impairment of goodwill is not subject to reversal.

2.9. Investment in subsidiaries and associates

The Company measures investment in subsidiaries and associates at purchase cost less impairment losses.

2.10. Financial assets

2.10.1. Classification and valuation of financial assets

WSE classifies its financial assets in the following categories: loans and receivables; available-for-sale financial assets; held-to-maturity financial assets. This classification is based on the reason for purchasing financial assets. The WSE Management Board determines the classification of financial assets at their initial recognition. Financial assets are derecognised when the right to cash flows that they generate expires or is transferred if WSE transfers substantially all the risks and benefits of ownership.

Derivative financial instruments and hedge accounting

The Company uses derivative financial instruments to hedge FX risk. Embedded derivative instruments are separated from the host contract and disclosed separately if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host contract, a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, and the hybrid (combined) instrument is not measured at fair value with changes in fair value recognised in profit or loss.

At initial recognition of a derivative financial instrument as a hedging instrument, the Company formally documents the relationship between the hedging instrument and the hedged position. The documentation includes the purpose of risk management and the strategy of the hedging and the hedged risk, as well as the methods that the Company will use to evaluate the effectiveness of the hedging instrument. Both at establishment of a hedge and subsequently on a continuous basis, the Company evaluates whether it is reasonable to expect that the hedging instruments will remain highly effective in offsetting any change of the fair value or cash flows of each hedged position due to the specific risk for which the hedge was established, and whether the actual level of each hedge is within the range of 80-125%. Hedging of cash flows from future transactions applies to future highly probable transactions which present an exposure to variations in cash flows.

Derivative financial instruments are initially recognised at fair value. Transaction costs are recognised when incurred and charged to the profit or loss of the period. After initial recognition, the Company measures derivative financial instruments at fair value while gains and losses on change of fair value are recognised as described below.

Separate embedded derivatives

Change of the fair value of separate embedded derivatives is recognised in the profit or loss of the period.

Other non-trading derivatives

If a derivative is not classified as a hedging instrument, any change of its fair value is recognised in the profit or loss of the period.

Cash flow hedges

If a derivative financial instrument is used as a cash flow hedge against a specific risk related to a recognised asset, a recognised liability or a highly probable forecast transaction that could affect the profit or loss of the period, that portion of the gains or losses on the hedging instrument which represents effective hedging is recognised in other comprehensive income and presented as a separate hedging item in equity. The ineffective portion of changes in the fair value of the derivative instrument is recognised in the profit or loss of the period. Where a hedged position is a non-financial asset, the amount accumulated under equity is added to the carrying value of the asset on its recognition. Otherwise, the amount accumulated under equity is taken to the profit or loss of the period in which the hedged position affects the profit or loss.

If a hedging instrument no longer meets the criteria of hedge accounting, expires, is sold, terminated, exercised, or its purpose changes, then the Company ceases to apply the principles of hedge accounting. If a forecast transaction is not expected, the gains and losses recognised under equity are taken to the profit or loss of the period.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted on an active market, other than:

- financial assets that the entity intends to sell immediately or in the short term, which are classified as held for trading, and those that the entity designates at fair value through profit or loss upon initial recognition;
- financial assets that the entity designates as available-for-sale upon initial recognition; or
- financial assets which are classified as available-for-sale, and for which the holder may not recover substantially all of its initial investment, other than because of credit deterioration.

Loans and receivables are initially recognised at fair value plus directly attributable transaction costs. After initial recognition, loans and receivables are measured at amortised cost using the effective interest rate method less impairment losses, if any.

Interest on financial assets classified as loans and receivables is measured using the effective interest rate method and recognised in the profit or loss of the period as part of financial income.

Loans and advances include cash and cash equivalents as well as trade and other receivables.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are classified as available for sale or are not classified in any of the other categories of financial assets. In particular, they comprise Treasury debt securities and shares in entities over which WSE does not exercise control or exert significant influence. They are disclosed as non-current assets unless the Exchange Management Board intends to sell them within 12 months after the balance sheet date.

Available-for-sale financial assets are initially recognised at fair value plus directly attributable transaction costs. After initial recognition, available-for-sale financial assets are measured at fair value and any effect of change in the fair value other than impairment losses (see Note 2.10.2) and FX differences for available-for-sale debt instruments is recognised in other comprehensive income and presented in equity as fair value reserves. On derecognition, the cumulative profit of loss recognised in equity is taken to the profit or loss of the period.

Interest on available-for-sale securities calculated using the effective interest method is disclosed in the profit or loss of the period as part of financial income. Dividends from available-for-sale equity instruments are disclosed the profit or loss of the period as part of financial income when WSE acquires the rights to the respective payments.

The fair value of investments listed on an active market derives from the current price. Fair value is determined based on listed prices:

- for bonds – prices on the exchange;
- for Treasury bills – the day's closing prices obtained from Reuters;
- for shares – prices on the exchange.

If the market for a financial asset is not active (also in respect of non-listed securities), the Exchange determines the fair value using valuation techniques. These include the use of recent arm's length transactions, reference to transactions in other virtually identical instruments, discounted cash flow analysis and option pricing models, using market information to the maximum extent and relying on information from the entity to the minimum extent.

If available-for-sale financial assets are not quoted, they do not have a fixed maturity (equity instruments) and their fair value cannot be reliably determined, they are valued at cost net of impairment losses.

Changes in the fair value of monetary securities denominated in a foreign currency and classified as available-for-sale financial assets are allocated between conversion differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. The conversion differences on change in amortised cost are disclosed in the profit and loss, while other changes in the carrying amount are disclosed as other comprehensive income. Changes in the fair value of other monetary and non-monetary securities classified as available-for-sale are disclosed as other comprehensive income.

Goodwill hierarchy

WSE classifies the valuation of goodwill on the basis of a goodwill hierarchy which reflects the significance of valuation input data. The goodwill hierarchy includes the following levels:

- (unadjusted) trading prices on active markets for identical assets or liabilities (**level 1**);
- input data other than trading prices at level 1, which can be identified or observed for an asset or liability, directly (as prices) or indirectly (calculations based on prices) (**level 2**); and
- input data for an asset or liability not based on observable market data (non-observable data) (**level 3**).

Held-to-maturity financial assets

Held-to-maturity financial assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the entity intends and is able to hold to maturity, other than:

- classified by the entity upon initial recognition as measured at fair value and recognised in the profit or loss;
- classified by the entity as available-for-sale; and
- meeting the criteria of the definition of loans and receivables.

Held-to-maturity financial assets are initially recognised at fair value plus directly attributable transaction costs. After initial recognition, held-to-maturity financial assets are measured at amortised cost using the effective interest rate method less impairment losses, if any. Disposal or reclassification of held-to-maturity financial assets in an amount greater than insignificant at a time other than close to maturity means that the Company must reclassify all held-to-maturity investments as available-for-sale investments and that the Company is not allowed to recognise acquired investments as held-to-maturity financial assets until the end of the financial year and for two subsequent financial years.

Interest on held-to-maturity financial assets is measured using the effective interest rate method and recognised in the profit or loss of the period as part of financial income.

2.10.2. Impairment of financial assets

At each balance sheet date, the Exchange assesses whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of financial assets classified as available-for-sale, when determining impairment of securities, a significant or prolonged decline of a given security's fair value below cost, the financial standing and possibilities of further development of an issuer as well as the influence of the political and economic situation in the issuer's home country are taken into account. If such evidence exists in respect of available-for-sale financial assets, total cumulative losses – determined as the difference between the purchase price and present fair value less possible losses resulting from impairment recognised earlier in the statement of comprehensive income – are excluded from other comprehensive income and disclosed in the statement of comprehensive income. Losses from the impairment of equity instruments recognised earlier in the statement of comprehensive income are not reversed through the financial result.

If there is an evidence of a possible impairment of held-to-maturity investments measured at amortised cost, the amount of impairment is determined as the difference between the asset's carrying value and the present value of estimated cash flows discounted at the original effective group of assets interest rate.

If the indications of impairment cease to exist, impairment losses are reversed:

- through the profit or loss of the current period – in the case of financial assets classified as held-to-maturity investments and available-for-sale financial assets which are debt securities;
- through other reserves – in the case of available-for-sale financial assets which are equity instruments.

Impairment losses on trade receivables are created when there is objective evidence that WSE will not be able to collect all of the amounts that were due to the original terms of the receivables. The debtor's significant financial difficulties, probability of bankruptcy or creditor arrangement, delay in payments (more than 365 days) are all considered indicators that the trade receivables are impaired. The amount of the provision is the difference between the carrying amount of the asset and the present value of estimated future cash flows, discounted using the effective interest rate method.

Bad debts and allowances for doubtful receivables are written off through the profit or loss of the current period.

Receivables are written off the statement of financial position when their uncollectability has been documented:

- uncollectible decision recognised by the creditor as corresponding with the facts, issued by the appropriate authority of enforcement; or
- court decision rejecting an application for bankruptcy involving the liquidation of assets where the assets of the insolvent debtor are insufficient to cover the costs of the proceedings, or discontinuing the bankruptcy proceedings involving the liquidation of assets where the debtor's assets are insufficient to satisfy the claims of creditors, or closing bankruptcy proceedings involving the liquidation of assets; or
- report stating that the anticipated costs associated with the proceedings and enforcement of debt would be equal to or greater than the amount stated.

2.11. Other receivables

Other receivables are recognised initially at fair value, and subsequently measured at amortised cost using the effective interest rate method, net of impairment losses. Other receivables mainly comprise prepayments, deferred costs and payments for the rights to perpetual usufruct of land, which is equivalent to operating lease.

Prepayments and deferred cost items are recorded when expenditures incurred relate to products or services to be used in future periods. Prepayments and deferred costs comprise:

- long-term balances relating to future reporting periods, more than 12 months from the balance sheet date; and
- short-term balances relating to future reporting periods, up to 12 months from the balance sheet date.

Prepayments and deferred costs are recognised in the statement of comprehensive income over the lifetime of the relevant contract.

2.12. Inventories

Inventories are disclosed at the cost of purchase or acquisition, not higher than their net realisable value.

As at the balance sheet date, materials are stated at the lower of purchase price and net realisable value, less impairment losses. Impairment losses are charged to other expenses.

2.13. Cash and cash equivalents – recognised in the cash flow statements

Cash and cash equivalents include cash in hand, on-demand deposits with banks and other short-term investments with original maturities of three months or less from placement, receipt, acquisition or issue which are highly liquid or not exposed to significant change of fair value.

2.14. Equity

The Exchange's equity comprises:

- share capital disclosed at par, adjusted for hyperinflation;
- other reserves, including the revaluation reserve;
- retained earnings, comprised of:
    - retained earnings from prior years (comprised of supplementary capital and other reserves formed from prior year profits); and
    - profit of the current period.

Equity items (except for retained earnings and any surpluses on revaluation of assets) have been restated using the general price index beginning from the date on which a given equity item was contributed or otherwise formed, for the period in which the economy in which WSE carries out its operations was a hyperinflationary economy, i.e., until 31 December 1996. The effect of recalculating the appropriate equity items using the inflation ratios was reflected in retained earnings and is presented in Note 14.

2.15. Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method.

2.16. Financial liabilities

Financial liabilities at the balance sheet date are valued at amortised cost. The valuation is based on cost at which the liability was initially recognised less the repayment of the nominal value, adjusted for the cumulative amount of the discounted difference between the initial value and the maturity value. For instruments at floating interest rates, in relation to the next agreed re-pricing (on which the interest rate is determined), it is calculated using the effective interest rate method. The effective interest rate is the internal rate of return (IRR) of the liability, which is used for discounting future cash flows of the financial instrument to present value.

2.17. Contingent liabilities

A contingent liability is:

- a possible obligation resulting from past events whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events which are not fully under the entity's control; or
- a present obligation resulting from past events, which however is not recorded in the financial statements because:
  - it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
  - the amount of the obligation (liability) cannot be reliably determined.

2.18. Income tax

Income tax is comprised of current and deferred tax.

Current income tax is calculated on the basis of net taxable income for a given financial year determined in accordance with the binding tax regulations and using the tax rates provided in those regulations. Net taxable income (loss) differs from accounting profit (loss) for the year due to excluding taxable income and deductible costs relating to future periods as well as cost and income items that would never be deductible or taxable.

Deferred tax is calculated using the liability method as tax payable or reimbursable in the future in respect of differences between carrying amounts of assets and liabilities in the separate financial statements and the corresponding tax amounts used for the calculation of the tax base.

The deferred tax provisions are recorded in the full amount and are not subject to discounting.

Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the temporary differences could be utilised.

The amount of the deferred tax asset is analysed at each balance sheet date, and it is written down if the expected future taxable income or taxable temporary differences are not sufficient to utilise the asset in full or in part.

Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled. The deferred tax is recognised in the statement of comprehensive income for the given period unless the deferred tax relates to transactions or events recognised in other comprehensive income or directly in equity, when it is also recognised as other comprehensive income or directly in equity.

Deferred tax assets and liabilities can be offset when WSE has an enforceable right to offset current income tax receivables and liabilities and when the deferred tax assets and liabilities relate to income tax imposed on the same taxpayer by the same tax authorities.

2.19. Employee benefits

In accordance with the remuneration system, WSE employees are entitled to jubilee bonuses, retirement benefits and holiday pay. Retirement benefits are one-off payments, being a multiple of monthly remuneration (within a range from 100% to 500%, depending on the period of service and the number of months remaining to retirement age).

The cost of mandatory pension contributions is charged to the profit or loss of the period.

WSE makes provision for liabilities on account of retirement benefits and jubilee bonuses determined on the basis of an estimation of such liabilities using an actuarial model. All provisions formed are charged to the statement of comprehensive income.

The Exchange makes provision for liabilities arising from unused holiday leave taking into account all outstanding unused holiday days, for compensation and severance payments made to those employees whose employment contracts are terminated for reasons independent of the employee, and for employee compensation costs incurred in the current period which will be paid out in future periods, including bonuses.

Provisions for retirement benefits and jubilee bonuses are recorded on the basis of the assumptions described in detail in Note 18.

Furthermore, the Company has an incentive scheme, according to which employees have the right to annual bonuses dependent on the net profit and the employee's individual performance. The Company sets up provisions for bonuses in order to assign costs to the periods to which they relate. Provisions are estimated according to the best knowledge of the WSE Management Board concerning probable bonuses to be paid based on the framework of the incentive scheme.

The Company pays contributions to the Employee Pension Scheme, which employees join voluntarily based on an agreement. After payment of the contributions, WSE has no further obligations to make payments in respect to the payment to the Employee Pension Scheme. These contributions are charged to costs of employee benefits as they are incurred. Paid pension contributions are recognised as a cost of the period they relate to.

2.20. Provisions

Provisions are recorded when the Company has a current (legal or constructive) obligation resulting from past events and it is probable that settling the obligation will result in an outflow of resources embodying economic benefits and the amount of the liability can be reliably estimated.

Provisions are recorded in particular against the following (if the above-mentioned conditions for recording a provision have been met):

- results of pending litigation and disputes;
- future employee benefits; and
- restructuring costs.

Provisions are recorded based on the WSE Management Board's best estimates of the expenditure necessary to settle the current obligation at the balance sheet date. If the effect of changes in the time value of money is material, the provision corresponds to the present value of the expenditure which as expected would be necessary to settle the obligation.

2.21. Revenue recognition

2.21.1. Sales revenue

Sales revenue is recognised when it is likely that economic benefits will flow to the Exchange from transactions and the amount of revenue can be reliably measured. Sales revenue is recognised at the fair value of the consideration received or due, representing receivables for services provided in the course of ordinary business activities. Sales revenue is recognised at the time the services representing WSE's core activities are provided.

Sales revenue consists of three main business segments (lines):

- Financial market,
- Commodity market,
- Other.

Sales revenue from the **financial market** consists of:

- Revenue from trading

  Trading revenue consists of the fees collected from Exchange Members on the basis of the Exchange Rules and the Alternative Trading System Rules. Trading fees are the main revenue item in this category. Trading fees depend on the value of transactions, the number of executed orders and the and type of traded instruments. In addition to trading fees, flat-rate fees are charged for access to and use of the IT systems of the Exchange.

- Revenue from listing

  Listing comprises the revenue collected from issuers on the basis of the Exchange Rules and the Alternative Trading System Rules. Fees for the listing of securities are the main revenue item in this category. In addition, fees for introduction to trading as well as other fees are collected from issuers.

- Revenue from information services:

  Revenue from information services consist of revenue earned on the sale of stock exchange information: real-time stock exchange data and statistical and historical data in the form of a statistical e-mail daily bulletin, electronic publications, calculation of indices, index licenses and other calculations. The sale of stock exchange information is based on separate agreements signed with exchange data vendors, exchange members and other organizations, mainly financial institutions.

Sales revenue from the **commodity market** consist of fees charged under the Exchange Commodities Trading Rules. These included mainly transaction and membership fees on the electricity market.

Other revenue is earned on other services provided by WSE including advertising services (sponsorship), lease of office space, as well as training on the stock exchange market organised according to needs.

2.21.2. Financial income

Financial income is comprised of gains on sale of financial assets, revenue from interest on available-for-sale and held-to-maturity financial instruments, as well as dividend income.

Interest income is recognised on a time-proportionate basis using the effective interest rate method. Dividend income is recognised at the moment of establishing the shareholders' right to receive the payment.

2.22. Bond issue expenses recognition

As an issuer of bonds, WSE pays debt service costs. Interest periods for series A and B bonds are semi-annual. Interest on bonds is calculated using the effective interest rate method. At each time there are changes in the interest rate, the Company determines a new effective interest rate that will be in effect immediately.

2.23. Leases

A lease agreement is classified as a finance lease when the terms of the agreement transfer substantially all risks and rewards of ownership to the lessee. All remaining leases are treated as operating leases.

2.23.1. WSE as lessee – operating lease

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. If it is not expected that the legal title of the leased land will be transferred to the lessee before the end of the lease term of land, it is classified as an operating lease. In particular, operating lease agreements comprise rights to perpetual usufruct of land owned by the State Treasury.

Payments made under operating leases (net of any incentives received from the lessor) are charged to costs on a straight-line basis over the period of the leases.

2.23.2. WSE as lessee – finance lease

Finance leases are capitalised in non-current assets at the commencement of the lease at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between (deducted from) the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental payments, net of finance charges, are included as finance lease liabilities. The interest element of the finance cost is charged to the statement of comprehensive income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset or the lease term.

3. Financial risk management

3.1. Financial risk factors

Warsaw Stock Exchange's activities expose it to a variety of financial risks. The Exchange is exposed to the following financial risks: market risk (including cash flow and fair value interest rate risk, currency risk and price risk), credit risk and liquidity risk. WSE's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise any potential adverse effects on WSE's financial performance. The WSE Management Board is responsible for risk management. WSE has dedicated departments, responsible for ensuring its liquidity, including foreign currency liquidity, debt collection and timely payment of liabilities, particularly tax liabilities.

3.2. Market risk

3.2.1. Cash flow and fair value interest risk

The Exchange is moderately exposed to interest rate risk. WSE has short-term and long-term assets whose interest terms and profitability were determined at the inception of contracts.

In the case of rising interest rates, WSE's cash flows will increase based on higher interest from assets at floating interest rates. On the other hand, if interest rates increase, the fair value of WSE's assets at fixed interest rates will decrease while cash flows from interest due will remain unchanged. The volatility of the yield and fair value caused by the volatility of interest rates decreases as the time to maturity decreases.

WSE minimises interest rate risk by maintaining a low average duration for the entire Treasury bond portfolio. In the case of an increase in interest rates, the Exchange obtains higher deposit interest rates and cash flows increase, while at the same time the fair value of the bonds decreases.

Based on a sensitivity analysis, an increase/(decrease) in the market interest rate by 0.50 percentage point (assuming no other changes) would result in 2013 in an increase/(decrease) in the net profit and cash flows by PLN 741.8 thousand and an increase/(decrease) in the revaluation reserve by PLN 91.0 thousand. Accordingly, an increase/(decrease) in interest rates by 0.50 percentage point (assuming no other changes) respectively would result in 2012 in an increase/(decrease) in the net profit and cash flows by PLN 639 thousand and an increase/(decrease) in the revaluation reserve by PLN 139.6 thousand.

WSE is also an issuer of bonds at floating interest rates. In the case of an increase in interest rates, WSE will be obligated to pay out interest coupons with a higher value; in the case of a decrease in interest rates, the value of those coupons will be lower.

Based on a sensitivity analysis of WIBOR 6M market interest rates, an increase/(decrease) in the market interest rate by 0.50 percentage point (assuming no other changes) would result in 2013 in an increase/(decrease) in the net profit and cash flows by PLN 1,225.0 thousand. Accordingly, an increase/(decrease) in interest rates by 0.50 percentage point (assuming no other changes) respectively would result in 2012 in an increase/(decrease) in the net profit and cash flows by PLN 1,232.5 thousand.

(all amounts in PLN thousands, unless otherwise stated)

The table below presents an analysis of financial assets and liabilities based on interest rate reset dates and maturity of the assets and liabilities, whichever is the earlier. The other financial assets, not represented in the table below, as well as financial liabilities (other than bond issue liabilities) bear no interest.

Maturity / interest rate reset date

Financial assets and liabilities as at 31 December 2013	Total	Up to 1 year				1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years
		Total	Up to 1 month	1 to 3 months	3 month to 1 year					
Long-term bonds (fixed interest rate, available for sale)	10 620	-	-	-	-	10 620	-	-	-	-
Short-term bonds (fixed interest rate, available for sale)	118	118	-	-	118	-	-	-	-	-
Bank deposits and current accounts	190 923	190 923	182 214	-	8 709	-	-	-	-	-
Total financial assets	**201 661**	**191 041**	**182 214**	-	**8 827**	**10 620**	-	-	-	-
Liabilities under bond issue - long-term	243 617	243 617	-	-	243 617	-	-	-	-	-
Liabilities under bond issue - short-term	-	-	-	-	-	-	-	-	-	-
Total financial liabilities	**243 617**	**243 617**	-	-	**243 617**	-	-	-	-	-

Maturity / interest rate reset date

Financial assets and liabilities as at 31 December 2012	Total	Up to 1 year				1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years
		Total	Up to 1 month	1 to 3 months	3 month to 1 year					
Long-term bonds (fixed interest rate, available for sale)	10 850	-	-	-	-	-	10 850	-	-	-
Short-term bonds (fixed interest rate, available for sale)	118	118	-	-	118	-	-	-	-	-
Bank deposits and current accounts	177 558	177 558	168 973	-	8 585	-	-	-	-	-
Total financial assets	**188 526**	**177 676**	**168 973**	-	**8 703**	-	**10 850**	-	-	-
Liabilities under bond issue - long-term	243 157	243 157	-	-	243 157	-	-	-	-	-
Liabilities under bond issue - short-term	-	-	-	-	-	-	-	-	-	-
Total financial liabilities	**243 157**	**243 157**	-	-	**243 157**	-	-	-	-	-

(all amounts in PLN thousands, unless otherwise stated)

3.2.2. Foreign exchange risk

WSE is exposed to moderate foreign exchange risk. However, because of the acquisition of the new trading system UTP, the WSE Management Board decided to secure cash flows related to the contract for the delivery of the system. The details are presented in Note 3.6.

Based on the results of an analysis of sensitivity to changes of the average foreign exchange rates as at 31 December 2013, a 10% decrease/increase in the average exchange rate of: EUR (i.e., PLN 0.4147), GBP (i.e., by PLN 0.4983) assuming no other changes would result in a decrease/increase in the net profit for 2013 by PLN 2,958 thousand. Based on the results of an analysis as at 31 December 2012, a 10% decrease/increase in the average exchange rate of: EUR (i.e., PLN 0.4088), GBP (i.e., by PLN 0.5012), US$ (i.e., by PLN 0.3100) would result in a decrease/increase in the net profit for 2012 by PLN 6,096 thousand.

The tables below summarise the Exchange's exposure to FX rates:

	As at 31 December 2013				
	PLN	**EUR**	**USD**	**Other**	**Total**
Available-for-sale Treasury bonds	10 738	-	-	-	**10 738**
Cash and cash equivalents	164 357	11 583	-	14 985	**190 925**
Trade receivables	17 030	4 191	-	-	**21 221**
Total financial assets	**192 125**	**15 774**	**-**	**14 985**	**222 884**
Trade payables	2 009	1 027	-	148	**3 184**
Liabilities on bonds issue	243 617	-	-	-	**243 617**
Dividends payable	138	-	-	-	**138**
Total financial liabilities	**245 764**	**1 027**	**-**	**148**	**246 939**
Net balance (assets-liabilities)	**(53 639)**	**14 747**	**-**	**14 837**	**(24 055)**

	As at 31 December 2012				
	PLN	**EUR**	**USD**	**Other**	**Total**
Available-for-sale Treasury bonds	10 968	-	-	-	**10 968**
Cash and cash equivalents	120 242	57 323	-	-	**177 565**
Trade receivables	15 716	3 835	-	1	**19 552**
Total financial assets	**146 926**	**61 158**	**-**	**1**	**208 085**
Trade payables	3 165	135	101	(43)	**3 358**
Liabilities on bonds issue	243 157	-	-	-	**243 157**
Dividends payable	132	-	-	-	**132**
Total financial liabilities	**246 454**	**135**	**101**	**(43)**	**246 647**
Net balance (assets-liabilities)	**(99 528)**	**61 023**	**(101)**	**44**	**(38 562)**

3.2.3. Price risk

WSE is exposed to debt and equity securities price risk because of investments held by WSE and classified as available-for-sale in the separate statements of financial position. The Exchange is not exposed to any mass commodity price risk.

(all amounts in PLN thousands, unless otherwise stated)

Debt securities purchased by WSE have a fixed redemption price and are characterised by low risk. Potential changes to their market prices depend on changes in interest rates, the impact of which is presented in Note 3.2.1 above.

3.3. Credit risk

Credit risk is defined as a risk of occurrence of losses due to a WSE counterparty's default of payments or as a risk of decrease in economic value of amounts due as a result of deterioration of a counterparty's ability to pay due amounts.

Credit risk connected with trade receivables is mitigated by the WSE Management Board by performing assessment of counterparties' credibility.

Resolutions of the WSE Management Board which are binding in the Company set payment dates that differ depending on groups of counterparties. These payment dates amount to 21 days for most counterparties; however, for data vendors, they are most often 60 days. The Company has put in place a procedure of collecting receivables under which amounts due are collected.

The credibility of counterparties is verified in accordance with internal regulations of WSE and general laws concerning the capital market as applicable to issuers of securities and Exchange Members.

By decision of the WSE Management Board, the portfolio of debt securities comprises only securities issued or guaranteed by the State Treasury (rating A2 according to Moody's). In this way, exposure to the risk of potential loss is mitigated. Buy-sell-back transactions also cover only bonds issued by State Treasury.

In the case of banks and financial institutions (for term deposits, bank accounts and buy-sell-back transactions), only entities with a high rating and stable market position are acceptable (i.e., Moody's rating higher than Baa2).

The maximum exposure of the Exchange to credit risk is reflected in the carrying value of trade receivables, loans granted, bank deposits held and the value of the portfolio of purchased debt securities.

The table below presents WSE's exposure to credit risk:

	As at	
	31 December 2013	**31 December 2012**
Trade receivables and other receivables (included in financial assets)	21 220	19 552
Debt securities (available-for-sale Treasury bonds and bills)	10 738	10 968
Bank deposits and current accounts (included in cash and cash equivalents)	190 923	177 558
Total	**222 881**	**208 078**

3.4. Liquidity risk

Analysis of WSE's financial position and assets shows that the Exchange is not materially exposed to liquidity risk.

An analysis of the structure of WSE's assets shows a considerable share of liquid assets and, thus, a very good position of WSE in terms of liquidity. Cash and cash equivalents and debt securities of WSE amounted to PLN 201,661 thousand as at 31 December 2013 (PLN 188,526 thousand as at 31 December 2012), representing 27.89% of the total assets as at 31 December 2013 (29.00% as at 31 December 2012).

An analysis of the structure of liabilities shows the following share of equity in the financing of the operations of WSE: equity accounted for 62.85% of total liabilities and equity as at 31 December 2013 (59.07% as at 31 December 2012).

The WSE Management Board monitors, on an on-going basis, forecasts of WSE liquidity on the basis of contractual cash flows, based on the current interest rates.

(all amounts in PLN thousands, unless otherwise stated)

A liquidity analysis based on the contractual cash flows is presented in the following tables:

	As at 31 December 2013						
	Up to 1 month	**1-3 months**	**3-6 months**	**6-12 months**	**1-5 years**	**Over 5 years**	**Total**
Available-for-sale Treasury bonds and bills	-	-	-	625	10 625	-	**11 250**
Bank deposits and current accounts and cash in hand	182 216	-	-	8 709	-	-	**190 925**
Trade receivables	17 794	3 427	-	-	-	-	**21 220**
Total assets	**200 010**	**3 427**	**-**	**9 334**	**10 625**	**-**	**223 396**
Trade payables	3 184	-	-	-	-	-	**3 184**
Liabilities on bonds issue	-	-	4 729	4 802	264 110	-	**273 641**
Dividends payable	138	-	-	-	-	-	**138**
Total liabilities	**3 322**	**-**	**4 729**	**4 802**	**264 110**	**-**	**276 963**
Liquidity surplus/gap	**196 688**	**3 427**	**(4 729)**	**4 532**	**(253 485)**	**-**	**(53 567)**

	As at 31 December 2012						
	Up to 1 month	**1-3 months**	**3-6 months**	**6-12 months**	**1-5 years**	**Over 5 years**	**Total**
Available-for-sale Treasury bonds and bills	-	-	-	625	11 250	-	**11 875**
Bank deposits and current accounts and cash in hand	168 980	-	-	8 585	-	-	**177 565**
Trade receivables	16 149	3 403	-	-	-	-	**19 552**
Total assets	**185 129**	**3 403**	**-**	**9 210**	**11 250**	**-**	**208 992**
Trade payables	3 358	-	-	-	-	-	**3 358**
Liabilities on bonds issue	-	-	-	12 912	283 938	-	**296 850**
Dividends payable	132	-	-	-	-	-	**132**
Total liabilities	**3 490**	**-**	**-**	**12 912**	**283 938**	**-**	**300 340**
Liquidity surplus/gap	**181 639**	**3 403**	**-**	**(3 702)**	**(272 688)**	**-**	**(91 348)**

3.5. Capital management

WSE considers equity as its capital. The equity maintained is compliant with the Commercial Companies Code and the Act on Trading in Financial Instruments; there are no other external capital requirements.

WSE's objective when managing capital is to safeguard WSE's ability to continue as a going concern in order to provide returns to the shareholders and benefits to other stakeholders. WSE maintains sufficient liquidity to pay its liabilities in a timely manner. The risk of delays in timely payment of liabilities is minimal.

WSE's capital management policy also impacts the annually reviewed assumptions of WSE's policy of using liquid financial resources. These form the basis of the rules of conduct in this regard in a given financial year defined by the WSE Management Board.

The basic criteria for selecting financial instruments and their structure are the security of investments and, secondly, their profitability due to the fact that WSE is an institution of a public trust. WSE invests its free cash in highly liquid short-term instruments (bank deposits, repo transactions in Treasury bills, Treasury bills and bonds) and long-term instruments (Treasury bonds). The cash invested in short-term instruments is maintained at a level which ensures payment of the amounts due resulting from WSE's current operations, payment of the dividend and investment expenditures. The results of cash management are reported to the WSE Management Board on an on-going basis.

3.6. Hedge accounting

The WSE Management Board has decided to hedge cash flows under the agreement for the delivery of a new trading system to WSE. As at 1 January 2012, the Company held the full amount in EUR against future payables for the acquisition of the new trading system. Considering that the cash in EUR is held against future payables, the Company has decided to recognise the cash held in the currency as a hedging instrument which hedges the cash flow risk of future payables arising from foreign exchange differences. Following the payment for UTP made in 2013, hedge accounting covers cash for the UTP-Derivatives module which offers extended functionalities for trading in derivatives - amount disclosed in Note 22.

4. Critical judgments and accounting estimates

Estimates and accounting judgments are subject to on-going verification. Estimates and judgments adopted for the purpose of preparing the financial statements are based on historical experience, analyses and predictions of future events, which to the best knowledge of the WSE Management Board are believed to be reasonable in the given situation.

4.1. Economic useful life for property, plant and equipment and intangible assets

The Company determines the estimated economic useful life and depreciation and amortisation rates for property, plant and equipment and intangible assets. These estimates are based on the anticipated periods for using the individual groups of property, plant and equipment and intangible assets. The adopted economic useful life may undergo considerable changes as a result of new technological solutions appearing on the market, plans of the WSE Management Board or intensive use.

4.2. Calculation of allowances for trade receivables

Detailed information on the method of calculation of allowances for trade receivables is presented in the Note 2.10.2., and detailed information on allowances made for trade receivables is presented in Note 11.

4.3. Goodwill impairment test

The cash flow generating unit, to which goodwill has been allocated, is subject to annual impairment tests. They are conducted using the discounted cash flows method based on financial forecasts. Forecasts are based on a number of assumptions, of which some (among others those relating to observable market data such as macroeconomic conditions) are beyond control of the Company.

4.4. Provisions

The Group creates provisions when companies of the Group have a current legal or customarily expected obligation resulting from past events and it is likely that the performance of such obligation will require an outflow of resources containing economic benefits and the amount of such obligation can be reliably estimated. The Group creates provisions based on the best estimates of the Management Boards of companies of the Group in the amount of expenditures necessary to perform the current obligation as at the balance sheet date. If the effect of change of the value of money in time is significant, the amount of provisions corresponds to the present value of expenditures which are expected to be necessary to perform the obligation.

5. Property, plant and equipment

The tables below present changes of the net book value of property, plant and equipment by category.

(all amounts in PLN thousands, unless otherwise stated)

	Year ended 31 December 2013				
	Land and buildings	Vehicles and machinery	Furniture, fittings and equipment	Property, plant and equipment under	Total
Net carrying value - opening balance	**89 623**	**14 461**	**1 054**	**23 872**	**129 010**
Additions	-	-	-	4 113	**4 113**
Reclassification	464	18 427	264	(27 893)	**(8 738)**
Disposals	-	(82)	(6)	-	**(88)**
Depreciation charge	(2 875)	(8 745)	(397)	-	**(12 018)**
Net carrying value - closing balance	**87 212**	**24 060**	**916**	**91**	**112 279**
As at 31 December 2013:					
Gross carrying value	120 588	72 925	5 026	91	**198 630**
Accumulated depreciation	(33 376)	(48 865)	(4 110)	-	**(86 351)**
Net carrying value	**87 212**	**24 060**	**916**	**91**	**112 279**

	Year ended 31 December 2012				
	Land and buildings	Vehicles and machinery	Furniture, fittings and equipment	Property, plant and equipment under	Total
Net carrying value - opening balance	**91 645**	**18 009**	**1 345**	**16 586**	**127 586**
Additions	-	-	-	11 712	**11 712**
Reclassification	563	3 791	72	(4 427)	**-**
Disposals	-	(459)	(7)	-	**(466)**
Depreciation charge	(2 585)	(6 881)	(356)	-	**(9 822)**
Net carrying value - closing balance	**89 623**	**14 461**	**1 054**	**23 872**	**129 010**
As at 31 December 2012:					
Gross carrying value	120 025	66 287	5 037	23 872	**215 222**
Accumulated depreciation	(30 402)	(51 827)	(3 983)	-	**(86 212)**
Net carrying value	**89 623**	**14 461**	**1 054**	**23 872**	**129 010**

(all amounts in PLN thousands, unless otherwise stated)

6. Intangible assets

The tables below present changes of the net book value of intangible assets by category.

	Year ended 31 December 2013			
	Licences	**Copyrights**	**Goodwill**	**Total**
Net carrying value - opening balance	**33 834**	**1 549**	**-**	**35 383**
Additions	69 932	32	-	**69 964**
Amortisation charge	(9 289)	(620)	-	**(9 909)**
Net carrying value - closing balance	**94 477**	**961**	**-**	**95 439**
As at 31 December 2013:				
Gross carrying value	166 496	3 396	-	**169 893**
Accumulated amortisation	(72 019)	(2 435)	-	**(74 454)**
Net carrying value	**94 477**	**961**	**-**	**95 439**

	Year ended 31 December 2012			
	Licences	**Copyrights**	**Goodwill**	**Total**
Net carrying value - opening balance	**25 071**	**2 268**	**7 946**	**35 285**
Additions	14 410	-	-	**14 410**
Disposals/ Impairment	(2 437)	(17)	(7 946)	**(10 401)**
Amortisation charge	(3 210)	(701)	-	**(3 911)**
Net carrying value - closing balance	**33 834**	**1 549**	**-**	**35 383**
As at 31 December 2012:				
Gross carrying value	95 406	3 791	7 946	**107 143**
Impairment	-	-	(7 946)	**(7 946)**
Accumulated amortisation	(61 572)	(2 242)	-	**(63 813)**
Net carrying value	**33 834**	**1 549**	**-**	**35 383**

The useful life of the UTP trading system to the extent of intangible assets was determined until 31 March 2025 (12 years). Consequently, the net value of the UTP trading system as at 31 December 2013 was PLN 87,289 thousand.

As at 27 December 2012, the WSE Management Board decided to discontinue organising trading in exchange commodities on the POEE WSE Energy Market as of the end of Q1 2013. The decision stems from the WSE Group's strategy, which provides for concentration of trade in commodities on the markets organised by the Polish Power Exchange. On 8 February 2013, the WSE Management Board decided to recognise full impairment of the goodwill of POEE. As a consequence, as at 31 December 2012, a POEE goodwill impairment loss write-off was recognised at PLN 7,946 thousand. The amount was included in the other expenses of the Company

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(all amounts in PLN thousands, unless otherwise stated)

7. Investment in subsidiaries

WSE held investments in the following subsidiaries as at 31 December 2013: Towarowa Giełda Energii S.A. ("Polish Power Exchange", "PolPX"), BondSpot S.A., WSEInfoEngine S.A., Instytut Rynku Kapitałowego – WSE Research S.A. ("IRK"), and WSE Commodities Sp. z o.o. WSE held investments in the following subsidiaries as at 31 December 2012: Towarowa Giełda Energii, BondSpot S.A., WSEInfoEngine S.A. and Instytut Rynku Kapitałowego – WSE Research S.A.

WSE Commodities Sp. z o.o. is WSE's subsidiary as of Q3 2013 following the acquisition of 100% of the shares.

As at 31 December 2012, a full goodwill impairment write-off was conducted by WSE for IRK at PLN 1,000 thousand. The amount is included in the Company's other expenses. IRK's negative financial results in the years 2010-2012 were the cause of the goodwill impairment write-off.

The tables below present WSE's investment in subsidiaries as at 31 December 2013 and 31 December 2012.

As at 31 December 2013

	Value at cost	Revaluation	Impairment	Carrying value	Number of shares	% stake in equity	% votes	Net profit/loss for 2013
Polish Power Exchange Group	214 582	-	-	214 582	14 500 000	100,00	100,00	41 848
BondSpot S.A.	32 683	-	-	32 683	9 295 679	92,96	92,96	3 315
WSECommodities Sp. z o.o.	109	-	-	109	2 000	100,00	100,00	(15)
WSEInfoEngine S.A.	5 445	-	-	5 445	5 445	100,00	100,00	(2 118)
Instytut Rynku Kapitałowego - - WSE Research S.A.	1 637	-	(1 000)	637	3 274	100,00	100,00	(157)
Total	**254 455**	-	**(1 000)**	**253 455**				**42 873**

As at 31 December 2012

	Value at cost	Revaluation	Impairment	Carrying value	Number of shares	% stake in equity	% votes	Net profit/loss for 2012
Polish Power Exchange Group	214 582	-	-	214 582	14 500 000	100,00	100,00	38 795
BondSpot S.A.	32 470	-	-	32 470	9 246 659	92,47	92,47	6 052
WSEInfoEngine S.A.	3 445	-	-	3 445	3 445	100,00	100,00	42
Instytut Rynku Kapitałowego - - WSE Research S.A.	1 000	-	(1 000)	-	2 000	100,00	100,00	(177)
Total	**251 497**	-	**(1 000)**	**250 497**				**44 712**

(all amounts in PLN thousands, unless otherwise stated)

WSE Commodities Sp. z o.o. was established by a notary deed on 2 January 2013. The share capital of the company comprised 100 shares with a nominal value of PLN 50 per share. WSE held 100% of shares in the share capital of WSE Commodities Sp. z o.o. as at 28 August 2013. WSE decided to increase the share capital of WSE Commodities in order to pay for 1,900 newly issued shares with a nominal value of PLN 50 per share on 28 August 2013. The share capital of WSE Commodities is now PLN 100 thousand. The Exchange's interest in the share capital of WSECommodities and in the total number of voting rights amounted to 100% as at 31 December 2013.

8. Investment in associates

WSE held investments in the following associates as at 31 December 2013: Krajowy Depozyt Papierów Wartościowych S.A. and Centrum Giełdowe S.A. WSE held investments in the following associates as at 31 December 2012: Krajowy Depozyt Papierów Wartościowych S.A., Centrum Giełdowe S.A.

The tables below present WSE's investment in associates as at 31 December 2013 and 31 December 2012.

As at 31 December 2013

	Value at cost	Revaluation	Impairment	Carrying value	Number of shares	% stake in equity	% votes	Net profit/loss for 2013
KDPW S.A.	7 000	-	-	7 000	7 000	33,33	33,33	36 078
Centrum Giełdowe S.A.	4 652	-	-	4 652	46 506	24,79	24,79	1 890
Total	**11 652**	-	-	**11 652**				**37 968**

As at 31 December 2012

	Value at cost	Revaluation	Impairment	Carrying value	Number of shares	% stake in equity	% votes	Net profit/loss for 2012
KDPW S.A.	7 000	-	-	7 000	7 000	33,33	33,33	24 613
Centrum Giełdowe S.A.	4 652	-	-	4 652	46 506	24,79	24,79	4 191
Total	**11 652**	-	-	**11 652**				**28 804**

In accordance with Article 4.3 of the Statute of KDPW S.A., the company has only registered shares. The registered offices of KDPW S.A. and Centrum Giełdowe S.A. are located in Poland.

(all amounts in PLN thousands, unless otherwise stated)

9. Deferred tax

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred taxes relate to the same authority.

Changes in the gross deferred tax assets balance are as follows:

	Period	
	12 months ended 31 December 2013	12 months ended 31 December 2012
Deferred tax assets (net) - opening balance	**(2 570)**	**(2 829)**
(Charged to) / Recognition in the financial statement	3 851	894
(Charged to) / Recognition in other comprehensive income	693	(635)
Deferred tax assets (net) - closing balance	**1 974**	**(2 570)**

Deferred tax assets (without offsetting) are as follows:

	As at	
	31 December 2013	31 December 2012
Recognition in the statement of comprehensive income	**(5 023)**	**(4 846)**
Unused holiday	(292)	(350)
Jubilee bonuses and retirement benefits	(973)	(976)
Annual and merit awards	(1 225)	(1 518)
Impairment on interests	(1 127)	(1 108)
Interest paid on bonds purchase	(27)	(27)
Difference between accounting and carrying value of property, plant and equipment and intangible assets	-	(494)
Impairment allowance for receivables	(379)	(166)
Other	(1 000)	(207)
Recognition in other comprehensive income	**(108)**	**(840)**
Hedge accounting	(108)	(840)
Total recognition in the statement of comprehensive income and other comprehensive income	**(5 131)**	**(5 686)**

(all amounts in PLN thousands, unless otherwise stated)

Deferred tax liabilities (without offsetting) are as follows:

	As at	
	31 December 2013	**31 December 2012**
Charge to the statement of comprehensive income	**6 996**	**2 968**
Financial income	313	391
Difference between accounting and carrying value of property, plant and equipment and intangible assets	6 158	1 600
Non-realised foreign exchange differences	-	487
Other	525	490
Charge to other comprehensive income	**109**	**148**
Fair value of shares	-	-
Fair value of debt securities	109	148
Total charge to the statement of comprehensive income and other comprehensive income	**7 105**	**3 116**

10. Available-for-sale financial assets

The table below presents changes of available-for-sale financial assets in 2013 and 2012.

	Period	
	12 months ended 31 December 2013	**12 months ended 31 December 2012**
Opening balance	**11 301**	**68 442**
Additions (purchase of Treasury bonds and bills and valuation of discount, premium and interests)	10 081	1 454
Decrease (redemption of Treasury bonds and bills)	-	(58 000)
Reclassification from portfolio of available-for-sale financial assets	-	(647)
Decreases (sale of Treasury bonds, bills and shares)	-	(16)
Change in fair value - recognised in total comprehensive income	(308)	68
- shares	*(103)*	*(270)*
- Treasury bonds and bills	*(206)*	*338*
Closing balance	**21 073**	**11 301**
Long-term	*20 955*	*11 183*
Short-term	*118*	*118*

WSE has in its financial assets portfolio 10Y Treasury bonds (issue no. DS1015) with a nominal value of PLN 10,000,000. The bonds bear interest at a fixed rate of 6.25% paid annually. The bonds mature on 24 October 2015. WSE classifies Treasury bonds as available-for-sale financial assets. The fair value of bonds at a balance sheet date is measured at the current purchase price of the instrument based on market quotations.

(all amounts in PLN thousands, unless otherwise stated)

The table below presents available-for-sale financial assets by category.

	As at	
	31 December 2013	**31 December 2012**
Debt financial assets	**10 738**	**10 968**
Treasury bonds	10 738	10 968
Equity financial assets	**10 335**	**333**
Listed on the active market	230	333
Not listed on the active market	10 105	-
Total available-for-sale financial assets	**21 073**	**11 301**

The table below presents available-for-sale financial assets by short-term and long-term assets.

	As at	
	31 December 2013	**31 December 2012**
Interest:		
S.C. SIBEX - Sibiu Stock Exchange S.A.	*230*	*333*
Aquis Exchange Limited	*10 105*	-
Treasury bonds fixed rate	10 620	10 850
Longt-term financial assets	**20 955**	**11 183**
Treasury bonds fixed rate	118	118
Short-term financial assets	**118**	**118**
Total long-term and short-term financial assets	**21 073**	**11 301**

(all amounts in PLN thousands, unless otherwise stated)

Long-term equity financial assets available-for-sale include shares in the following companies:

	As at 31 December 2013			
	Value at cost	**Impairment**	**Revaluation**	**Carrying value**
Innex	3 820	(3 820)	-	-
S.C. SIBEX - Sibiu Stock Exchange S.A.	1 343	(1 011)	(103)	230
Aquis Exchange Limited	10 105	-	-	10 105
Total equity financial assets	**15 268**	**(4 831)**	**(103)**	**10 335**

	As at 31 December 2012			
	Value at cost	**Impairment**	**Revaluation**	**Carrying value**
Innex	3 820	(3 820)	-	-
S.C. SIBEX - Sibiu Stock Exchange S.A.	1 343	(1 011)	-	333
Total equity financial assets	**5 163**	**(4 831)**	**-**	**333**

WSE acquired a stake in the Ukrainian Stock Exchange Innex in July 2008. The intention of WSE was to transform Innex into a state-of-the-art platform of trading in Ukrainian securities and subsequently also derivatives. Impairment of the shares of Innex at PLN 3,820 thousand (equal to the total value of the investment) was written off in 2008 due to the following:

- deep economic crisis in Ukraine, which significantly affected the market outlook and prevented WSE from pursuing an active policy on the Ukrainian capital market; and
- significant decrease in the number of privatisations, which are currently Innex's main stream of revenue, which caused Innex's loss for 2008.

The shares of Innex are not listed on any market and, consequently, it is not possible to sell them in the short term. The financial results of Innex for 2013 do not meet the conditions of reversal of the impairment loss for the shares of Innex as at 31 December 2013.

(all amounts in PLN thousands, unless otherwise stated)

S.C. SIBEX – Sibiu Stock Exchange S.A. (SIBEX) has been listed on S.C. SIBEX – Sibiu Stock Exchange S.A. (SIBEX) since 2010. The purchase price of SIBEX shares was PLN 1,343 thousand, while as at 31 December 2013 the fair value based on the share price was PLN 230 thousand. Due to the consolidated loss of the SIBEX Group for 2011, the separate loss of SIBEX for three quarters of 2012, and a more than double decline in the share price over the period 2010-2013, the WSE Management Board decided to recognise a goodwill impairment loss of the interest in SIBEX at PLN 1,011 thousand as at 31 December 2012.

Innex has its registered office in Ukraine. SIBEX has its registered office in Romania.

WSE and Aquis Exchange Limited signed an agreement concerning acquisition of new issue shares of Aquis Exchange Limited on 19 August 2013. The agreement concerned the acquisition of 384,025 ordinary shares of new issue for GBP 13.02 per share. The price of the first subscription for 153,609 shares was GBP 2 million. Acquisition of the remaining 230,416 shares is subject to approval of the UK's Financial Services Authority for Aquis Exchange to engage in operating activities and subject to approval of the Polish Financial Supervision Authority for WSE to acquire more than 30% of Aquis shares. The total price of 384,025 of Aquis Exchange to WSE will be GBP 5 million. Aquis Exchange Limited was authorised by the UK's Financial Services Authority and launched operations in November 2013. The Company did not receive the UK's Financial Services Authority authorisation to increase its stake in Aquis Exchange Limited to between 30% and 50% of shares and votes by 31 December 2013. The Company received the authorisation on 12 February 2014, details in Note 30.

The fair value of shares of exchange-listed companies is recognised at the trading price.

As at 31 December 2013, the fair value of the company was determined on the basis of the trading price.

As there is no active market for shares of Innex and it is not possible to reliably determine the fair value of the shares, they were recognised at cost net of the impairment loss.

The shares of Aquis Exchange were stated at cost as at 31 December 2013 and could not be stated at fair value under the accounting policy of WSE.

As at 31 December 2013, the valuation of all available-for-sale financial assets of WSE is based on input data classified as level 1 in the goodwill hierarchy.

	As at 31 December 2013					
	Carrying value	**Fair value**	**Level 1**	**Level 2**	**Level 3**	**Total (level 1-3)**
Treasury bonds	10 738	10 738	10 738	-	-	**10 738**
Equity financial assets	230	230	230	-	-	**230**
Sibex	*230*	*230*	*230*	-	-	***230***
Innex PJSC	-	-	-	-	-	-
Total	**10 968**	**10 968**	**10 968**	**-**	**-**	**10 968**

	As at 31 December 2012					
	Carrying value	**Fair value**	**Level 1**	**Level 2**	**Level 3**	**Total (level 1-3)**
Treasury bonds	10 968	10 968	10 968	-	-	**10 968**
Equity financial assets	333	333	333	-	-	**333**
Sibex	*333*	*333*	*333*	-	-	***333***
Innex PJSC	-	-	-	-	-	-
Total	**11 301**	**11 301**	**11 301**	**-**	**-**	**11 301**

(all amounts in PLN thousands, unless otherwise stated)

11. Trade and other receivables

Trade and other receivables include the following:

	As at	
	31 December 2013	**31 December 2012**
Gross trade receivables	*23 668*	*20 675*
Impairment allowances for receivables	*(2 448)*	*(1 123)*
Net trade receivables	21 220	19 552
Total financial assets	**21 220**	**19 552**
Short-term prepayments	2 591	1 605
Other receivables and advance payments	129	2 484
Total non-financial assets	**2 720**	**4 088**
Total trade and other receivables	**23 940**	**23 640**

11.1. Trade receivables

Trade receivables by credit quality are as follows:

Gross trade receivables	**Current receivables (no impairment)**	**Overdue receivables (no impairment)**				**Impaired and overdue receivables**
		1 to 30 days	**31 to 60 days**	**61 to 90 days**	**Over 90 days**	
As at 31 December 2013	19 047	844	168	455	706	2 448
As at 31 December 2012	17 343	668	(80)	82	1 539	1 123

Trade receivables which are neither overdue nor impaired include mainly receivables from Exchange Members (banks and brokerage houses) and receivables from issuers of securities as well as receivables for other services.

The table below presents trade receivables which are neither overdue nor impaired by type of debtor:

	As at 31 December	
	2013	**2012**
Exchange Members	14 352	13 721
Issuers*	822	732
Other*	3 873	2 889
Total	**19 047**	**17 343**

** receivables from debtors who are at the same time Exchange Members and Issuers or Exchange Members and Data Vendors are presented under receivables from Exchange Members*

Receivables from Exchange Members include receivables from Polish and foreign banks and brokerage houses, whose risk rating are presented in the table below. Due to the fact that WSE does not have its own credit rating system, external credit ratings were used. If a single debtor had no credit rating, the rating of the parent company of the debtor was used.

(all amounts in PLN thousands, unless otherwise stated)

The table below presents receivables from Exchange Members by Moody's ratings:

	As at 31 December	
	2013	**2012**
Aa	151	176
A	4 943	3 984
Baa	4 733	4 155
Ba	790	452
B	19	6
No rating	3 716	4 948
Total	**14 352**	**13 721**

Receivables from issuers include fees due from companies listed on WSE.

Other trade receivables include mainly fees for information services and other sales. Other trade receivables as at 31 December 2013 comprised receivables from ca. 126 clients, out of which ca. 34% were foreign clients (as at 31 December 2012: ca. 132 clients, foreign clients – ca. 37%). The main group of debtors, as at 31 December 2013 and as at 31 December 2012, were information vendors and issuers.

As at 31 December 2013, gross trade receivables at PLN 4,621 thousand (31 December 2012 – PLN 3,332 thousand) were **overdue**. Of this amount, overdue receivables from debtors in bankruptcy were at PLN 611 thousand (31 December 2012 – PLN 432 thousand) and other past due receivables were PLN 4,011 thousand (31 December 2012 – PLN 2,900 thousand).

As at 31 December 2013, trade receivables which were overdue and impaired amounted to PLN 2,448 thousand (PLN 1,123 thousand as at 31 December 2012). The balance includes PLN 611 thousand of receivables from bankrupt debtors and PLN 1,836 thousand of other overdue receivables (as at 31 December 2012: PLN 432 thousand of receivables from bankrupt debtors and PLN 691 thousand of other overdue receivables).

The table below presents the impairment loss on receivables in 2012-2013.

	Period	
	12 months ended 31 December 2013	**12 months ended 31 December 2012**
Opening balance	**1 123**	**4 018**
Initial impairment allowances	1 385	229
Receivables written off during the period as	-	(7)
Reversal of impairment allowance	(60)	(3 117)
Closing balance	**2 448**	**1 123**

The creation and reversal of impairment allowance for receivables was recognised as other expenses or other income, respectively. The amounts that are charged to the impairment allowance account are written off if the payment is overdue (more than 365 days) or the cash is not expected to be collected, i.e., it is highly probable that the debtor will declare bankruptcy, will be subject to financial restructuring or when the debtor has significant financial difficulties.

WSE has no collateral on receivables. None of the trade receivables were renegotiated.

(all amounts in PLN thousands, unless otherwise stated)

Gross trade receivables by geographical concentration:

	As at	
	31 December 2013	**31 December 2012**
Domestic receivables	14 879	14 260
Foreign receivables	8 789	6 415
Total	**23 668**	**20 675**

The table below presents WSE's eight biggest receivables balances as at 31 December 2013 and as at 31 December 2012:

	As at 31 December 2013	**Share**	**As at 31 December 2012**	**Share**
Contractor A - Exchange Member	1 063	4%	564	3%
Contractor B - Other	1 017	4%	945	5%
Contractor C - Exchange Member	1 000	4%	854	4%
Contractor D - Exchange Member	976	4%	1 286	6%
Contractor E - Exchange Member	953	4%	836	4%
Contractor F - Exchange Member	937	4%	1 069	5%
Contractor G - Other	898	4%	-	0%
Contractor H -Exchange Member	799	3%	806	4%
Other contractors	16 025	69%	14 314	69%
Total gross trade receivables	**23 668**		**20 674**	

In the opinion of the WSE Management Board, due to the trade receivables due date (60 days), the fair value of those receivables is close to their book value.

12. Non-current prepayments

As at 31 December 2013, non-current prepayments amounted to PLN 3,010 thousand (as at 31 December 2012: PLN 3,297 thousand).

Non-current prepayments related mainly to the right to perpetual usufruct of land (PLN 2,861 thousand as at 31 December 2013, PLN 2,976 thousand as at 31 December 2012).

The current portion of prepayments in respect of the right to perpetual usufruct of land in the amount of PLN 106 thousand as at 31 December 2013 (PLN 106 thousand as at 31 December 2012) is included in prepayments and deferred costs in Note 13.

Perpetual usufruct of land is deferred and amortised over 40 years.

13. Cash and cash equivalents

Cash and cash equivalents include the following:

	As at	
	31 December 2013	**31 December 2012**
Cash	2	7
Current accounts	1 087	389
Bank deposits	189 836	177 169
Total cash and cash equivalents	**190 925**	**177 565**

Cash and cash equivalents include short-term bank deposits, current accounts and cash in hand. For short-term deposits and current accounts, given their short realisation period, the fair value is equal to the carrying amount.

(all amounts in PLN thousands, unless otherwise stated)

In the statement of financial position, deposits are measured at amortised cost using the effective interest rate. The average maturity of such deposits was 7 days in 2013 (8 days in 2012).

14. Equity

Equity of WSE includes the following:

	As at	
	31 December 2013	31 December 2012
Share capital	63 865	63 865
Other reserves	12	(2 943)
Retained earnings	392 606	323 960
Total equity	**456 483**	**384 881**

14.1. Share capital

The share capital of WSE includes the following:

	As at	
	31 December 2013	31 December 2012
Share capital	41 972	41 972
Revaluation of share capital using the inflation rate	21 893	21 893
Total share capital	**63 865**	**63 865**

The share capital from before the year 1996 with a nominal value of PLN 6,000 thousand was restated by applying the general price index under IAS 29 (compound inflation for the period from April 1991 to December 1996 at 464.9%).

As at 31 December 2013, the share capital of the parent entity stood at PLN 41,972 thousand and was divided into 41,972,000 shares with a nominal value of PLN 1 per share including 14,807,470 series A shares (35.28% of all shares) and 27,164,530 series B shares (64.72% of all shares). The Company's shares were fully paid up.

Series A shares are preferred registered shares which may be exchanged into bearer shares and become series B ordinary shares on exchange. Series A shares are preferred as to the voting rights. Each series A share gives 2 votes. In 2013, 42,000 series A preferred registered shares were converted into series B ordinary bearer shares.

Series B shares are bearer shares. Each series B share gives 1 vote. Series B shares confer 27,164,530 votes at the General Meeting (47.84% of all votes).

As at 31 December 2013, the State Treasury held 14,688,470 series A preferred registered shares, which represented 35,00% of all shares and conferred 29,376,940 votes, i.e., 51.74% of all votes at the General Meeting. The remaining series A shares (119,000; 0.28% of all shares) were mainly held by brokers and banks, which jointly conferred 238,000 votes (0.42% of all votes at the General Meeting).

(all amounts in PLN thousands, unless otherwise stated)

The shareholders and the percentage stakes held in the Company as at 31 December 2013 and 31 December 2012:

	As at 31 December 2013			As at 31 December 2012		
	Nominal value of shares	% held		Nominal value of shares	% held	
		share capital	votes		share capital	votes
Registered shares	**14 807**	**35,28%**	**52,16%**	**14 849**	**35,38%**	**52,31%**
State Treasury	14 688	35,00%	51,74%	14 688	35,00%	51,74%
Banks	56	0,13%	0,20%	14	0,03%	0,05%
Brokerage houses	49	0,12%	0,17%	98	0,23%	0,35%
Others	14	0,03%	0,05%	49	0,12%	0,17%
Bearer shares	**27 165**	**64,72%**	**47,84%**	**27 123**	**64,62%**	**47,73%**
Total	**41 972**	**100,0%**	**100,0%**	**41 972**	**100,0%**	**100,0%**

14.2. Other reserves

Other reserves include the following:

	Period	
	12 months ended 31 December 2013	12 months ended 31 December 2012
Revaluation reserve: opening balance	**(2 943)**	**(236)**
Revaluation reserve - available-for-sale financial assets	**637**	**(236)**
Revaluation	*784*	*(293)*
Deferred tax	*(148)*	*57*
Revaluation reserve - hedge accounting	**(3 580)**	**-**
Revaluation	*(4 420)*	*-*
Deferred tax	*840*	*-*
Revaluation reserve - change	**2 955**	**(2 707)**
Revaluation reserve - available-for-sale financial assets	**(166)**	**873**
Changes due to revaluation and sales	*(206)*	*1 077*
Deferred tax	*39*	*(205)*
Revaluation reserve - hedge accounting	**3 121**	**(3 580)**
Changes due to revaluation and sales	*3 854*	*(4 420)*
Deferred tax	*(732)*	*840*
Revaluation reserve: closing balance	**12**	**(2 943)**
Revaluation reserve - available-for-sale financial assets	**470**	**637**
Revaluation	*579*	*784*
Deferred tax	*(109)*	*(148)*
Revaluation reserve - hedge accounting	**(458)**	**(3 580)**
Revaluation	*(566)*	*(4 420)*
Deferred tax	*108*	*840*

(all amounts in PLN thousands, unless otherwise stated)

14.3. Retained earnings

The tables below present changes of retained earnings in 2012-2013.

	Reserve capital	Other reserves	Retained earnings	Profit for the period	Total
As at 31 December 2012	**37 020**	**243 274**	**(21 893)**	**65 558**	**323 959**
Distribution of the profit for the year ended 31 December 2012	-	32 220	33 338	(65 558)	-
Dividend and Social Benefit Fund	-	-	(32 738)	-	(32 738)
Other changes	-	-	-	-	-
Profit for the year ended 31 December 2013	-	-	-	101 385	101 385
As at 31 December 2013	**37 020**	**275 494**	**(21 293)**	**101 385**	**392 606**

	Reserve capital	Other reserves	Retained earnings	Profit for the period	Total
As at 31 December 2011	**38 023**	**182 766**	**(22 896)**	**121 148**	**319 041**
Distribution of the profit for the year ended 31 December 2011	-	60 508	60 640	(121 148)	-
Dividend and Social Benefit Fund	-	-	(60 640)	-	(60 640)
Other changes	(1 003)	-	1 003	-	-
Profit for the year ended 31 December 2012	-	-	-	65 558	65 558
As at 31 December 2012	**37 020**	**243 274**	**(21 893)**	**65 558**	**323 959**

As required by the Commercial Companies Code, which is binding upon the Company, the amounts to be divided between the shareholders may not exceed the net profit reported for the last financial year plus retained earnings, less accumulated losses and amounts transferred to reserves that are established in accordance with the law or the Articles of Association that may not be earmarked for the payment of dividend.

The net profit, which is the basis of the dividend payment for 2013, was calculated according to International Financial Reporting Standards ("IFRS") as adopted by the European Union.

As required by the Articles of Association of WSE, reserve capital is earmarked for covering losses that may arise in the operations of the Company and for supplementing the share capital or for payment of dividends. Transfers from distributed profit to reserve capital may not be lower than 10% of the profit. Transfers may be discontinued when reserve capital equals one-third of the share capital. One-third of reserve capital may only be used to cover losses reported in financial statements.

Reserves are maintained in the Company to ensure the ability of financing investments and other expenses connected with the operations of the Company. Reserves can be used towards share capital or payment of dividends.

(all amounts in PLN thousands, unless otherwise stated)

15. Trade payables and other liabilities

Trade payables and other liabilities include the following:

	As at	
	31 December 2013	**31 December 2012**
Trade payables	3 010	3 172
Payables to subsidiaries and associates	174	186
Dividends payable	138	132
Long-term liabilities on bonds issue	243 617	243 157
Total financial liabilities	**246 939**	**246 646**
Payables from other statutory settlements	2 953	2 360
Other liabilities	153	122
Accruals and deferred income	650	984
Total other liabilities	**3 756**	**3 466**
Total trade payables and other liabilities	**250 695**	**250 112**

According to the WSE Management Board, due to the short due dates of trade payables, the fair value of trade payables equals their book value.

On 5 December 2011, the WSE Management Board adopted Resolution No. 1473/2011 concerning an issue of series A and B bearer bonds. The goal of the issue was to finance WSE's projects including institutional consolidation of the exchange commodity market and expansion of the list of products available to investors on the market, as well as technology projects on the financial markets and the commodity market.

The issue of series A bonds with a nominal value of PLN 170,000,000 addressed only to qualified investors took place on 23 December 2011.

Series B bonds with a nominal value of PLN 75,000,000 were offered in a public offering on 10 February 2012. Series B bonds were issued on 15 February 2012.

Series A and B bonds have been introduced to trading on Catalyst, a public market in municipal and corporate bonds under the WSE brand. The nominal value was PLN 100 per bond.

The WSE bonds are unsecured floating bonds. Interest is fixed within an interest period based on WIBOR 6M plus a margin of 117 basis points.

The maturity of series A and B bonds is 2 January 2017.

(all amounts in PLN thousands, unless otherwise stated)

16. Employee benefits payable (retirement bonuses, pension benefits and jubilee bonuses)

WSE records provisions for retirement and pension benefits and jubilee bonuses (employee benefits) based on the actuarial valuation prepared as at the balance sheet date by an independent actuarial advisor.

	As at	
	31 December 2013	**31 December 2012**
Liabilities from retirement benefits and jubilee awards disclosed on the statement of financial position	**5 121**	**5 135**
- short-term	1 213	1 034
- long-term	3 908	4 101
Expenses from retirement benefits and jubilee awards disclosed on the statement of comprehensive income (Note 18)	**(14)**	**606**

Factors that have substantial impact on the present value of employee benefit liabilities include:

- rate of employee mobility (rotation);
- discount rate; and
- salaries increase rate.

Liabilities were calculated for each employee individually. The liability is valued based on the present value of WSE's future non-current payables in respect of retirement and pension benefits and jubilee bonuses. All calculations were prepared by an actuary.

The expected amount of retirement and pension benefits is calculated as a product of the expected retirement and pension base, expected growth in the base until the time of attaining retirement age, and a percentage ratio depending on the number of years in service. The resulting amount is discounted.

The expected amount of jubilee bonuses is calculated as a product of the expected bonus base, expected growth in the base until the time of acquiring the right to the bonus, and at the percentage ratio depending on years in the service. The resulting amount is subsequently discounted.

In 2013, the following assumptions were made in the actuarial valuation:

- the discount rate was determined based on the market yields of Treasury bonds whose currency and maturity are the same as the currency and the estimated maturity of the employee benefits payable – the nominal discount rate was determined at 4.0% p.a. (hence the real discount rate is 1.5%);
- the inflation rate is 2.5% p.a. and may fluctuate by +/-1 percentage point;
- wages and salaries and future benefits are assumed to grow by 3.5% p.a. (1 percentage point above inflation); and
- the mobility rate in 2013 is assumed to be 3.9%.

In 2012, the following assumptions were made in the actuarial valuation:

- the discount rate was determined based on the market yields of Treasury bonds whose currency and maturity are the same as the currency and the estimated maturity of the employee benefits payable – the nominal discount rate was determined at 3.6% p.a. (hence the real discount rate is 1.1%);
- the inflation rate is 2.5% p.a. and may fluctuate by +/-1 percentage point;
- wages and salaries and future benefits are assumed to grow by 3.5% p.a. (1 percentage point above inflation); and
- the mobility rate in 2012 is assumed to be 4.3%.

(all amounts in PLN thousands, unless otherwise stated)

The table below presents employee benefits payable by short-term and long-term payables.

	As at	
	31 December 2013	**31 December 2012**
Long-term	**4 313**	**4 180**
Retirement benefits and jubilee awards	3 908	4 101
Other	405	78
Short-term	**8 970**	**10 810**
Retirement benefits and jubilee awards	1 213	1 034
Other	7 757	9 776
Total	**13 283**	**14 989**

The table below presents changes to short-term and long-term employee benefits payable in 2012 and 2013.

	Period	
	12 months ended 31 December 2013	**12 months ended 31 December 2012**
Opening balance - short-term payables	**9 776**	**11 697**
- annual bonuses and merit awards	6 043	7 217
- non-competition agreements	165	-
- unused holiday	-	455
- overtime	-	12
- flat-rate car allowance	10	8
- provisions used	(8 237)	(9 613)
Opening balance - long-term payables	**78**	**318**
- reclassification to short-term	(29)	(160)
- provision increase	378	-
- provisions released	(22)	(80)
Closing balance - short-term and long-term payables	**8 162**	**9 854**

(all amounts in PLN thousands, unless otherwise stated)

17. Sales revenue

The table below presents sales revenue by business segment.

	Twelve-month period ended 31 December	
	2013	**2012**
Financial market	**192 907**	**193 114**
Trading	135 984	135 446
Listing	21 848	21 163
Information services	35 075	36 505
Commodity market	**131**	**980**
Trading	131	980
Other revenue	**1 313**	**1 838**
Total sales revenue	**194 351**	**195 932**

Revenue by geographic distribution was as follows:

	Twelve-month period ended 31 December 2013	**Share (%)**	**Twelve-month period ended 31 December 2012**	**Share (%)**
Revenue from foreign customers	52 147	27%	45 945	23%
Revenue from local customers	142 204	73%	149 987	77%
Total	**194 351**	**100%**	**195 932**	**100%**

18. Operating expenses

The table below presents operating expenses by category.

	Twelve-month period ended 31 December	
	2013	**2012**
Depreciation and amortisation	21 927	13 733
Salaries (Note 18.1)	32 002	30 661
Other employee costs (Note 18.1)	9 143	9 623
Rent and other maintenance fees	8 670	7 861
Fees and charges	19 095	18 109
External service charges (Note 18.2)	28 828	28 462
Other operating expenses (Note 18.3)	5 589	6 429
Total operating expenses	**125 255**	**114 877**

(all amounts in PLN thousands, unless otherwise stated)

18.1. Salaries and other employee costs

The tables below present salaries and other employee costs by category.

	Twelve-month period ended 31 December	
	2013	**2012**
Wages and salaries	29 904	30 210
Other payments after employment period (non-competition)	776	-
Termination benefits	915	64
Employee cost concerning jubilee bonus	408	387
Total employee costs	**32 002**	`

	Twelve-month period ended 31 December	
	2013	**2012**
Social security costs	3 791	4 211
Retirement benefit costs - defined benefit plans	(14)	606
Retirement benefit costs - defined contribution plans	1 638	1 459
Other current service benefits (including medical services, lunch subsidies, Social Benefit Fund)	3 728	3 347
Total other employee costs	**9 143**	**9 623**

The Exchange offers its employees defined benefit plans. The plans comprise old age and disability pension benefits and are based on the employee's length of service and remuneration rate (Note 16).

The Exchange offers its employees defined contribution plans (Employee Pension Scheme). A defined contribution plan is financed with contributions paid by WSE and by an employee to a pension fund operating independently of the financial structure of WSE.

The remuneration system for the members of the Exchange Management Board is defined in the employment contracts (as amended). It consists of a fixed part (base pay) and a variable part (incentive system, i.e., bonus) as well as additional benefits. The bonus depends on the degree of performance of a number of business targets (concerning the development of the capital market) and financial targets. The maximum amount of bonus available within the year is also defined. As part of the maximum bonus, the Exchange Supervisory Board may grant a discretionary bonus to Exchange Management Board members, which is not directly linked to the business and financial indicators. It is awarded on the basis of an assessment of performance of individual annual tasks.

Warsaw Stock Exchange offers the employees an incentive program consisting of a fixed part (base pay) and a variable part (annual bonus) as well as a discretionary bonus. The variable part of the incentive system – the annual bonus – is based on the employee's individual appraisal and tied to the results of WSE (until 2012, the Exchange's net profit; in 2013, the Exchange's operating profit). The discretionary bonus is awarded under the remuneration rules by the WSE Management Board on request of a superior in an amount not higher than the maximum set discretionary bonus (fixed as a % of the amount of remuneration paid).

(all amounts in PLN thousands, unless otherwise stated)

18.2. External service charges

The table below presents external services by category.

	Twelve-month period ended 31 December	
	2013	2012
Fixed assets maintenance	10 670	12 086
Security	996	1 007
Data transmission lines	5 120	4 310
Phone and mobile phone services	543	729
Software modification	722	165
Information services	788	584
Promotion, education and market development	3 834	4 916
Market liquidity support	1 010	1 045
Advisory and audit services	2 025	1 547
Legal and translation services	1 132	259
Transportation services	301	320
Lease fees	347	332
Cleaning services	368	337
Newspaper ads	1	32
Training	213	438
Mail fees	34	34
Bank fees	52	59
KDPW fees	37	38
Other	634	225
Total external service charges	**28 828**	**28 462**

18.3. Other operating expenses

The table below presents other operating expenses by category:

	Twelve-month period ended 31 December	
	2013	2012
Consumption of materials and energy	3 707	3 783
Membership fees	405	712
Property insurance	163	199
Impairment of perpetual usufruct	111	86
Business trips	688	1 086
Conferences	175	207
Other	340	356
Total other operating expenses	**5 589**	**6 429**

(all amounts in PLN thousands, unless otherwise stated)

19. Other income and financial income

19.1. Other income

Other income includes the following:

	Twelve-month period ended 31 December	
	2013	**2012**
Compensation received	1 016	437
Reversal of impairment allowance for receivables	-	2 888
Other	613	2 074
Total other income	**1 629**	**5 399**

19.2. Financial income

Financial income includes the following:

	Twelve-month period ended 31 December	
	2013	**2012**
Interest received from bank deposits and current accounts	5 211	7 650
Interest on financial assets	625	625
Income from sale of available-for-sale financial assets	(24)	1 454
Dividends	43 255	11 523
Other	706	1 085
Total financial income	**49 773**	**22 337**

Pursuant to Resolution No. 4/II/13 of the Ordinary General Meeting of BondSpot S.A. dated 8 April 2013, PLN 5,500 thousand of profit for 2012 was allocated for dividend. The dividend payment date was 12 June 2013. The dividend paid by BondSpot to WSE in 2013 was PLN 5,086 thousand. The dividend paid by BondSpot to WSE in 2012 from the 2011 profit was PLN 438 thousand.

Pursuant to Resolution No. 18/2013 of the Ordinary General Meeting of KDPW S.A. dated 13 June 2013, PLN 11,167 thousand of profit for 2012 was allocated for dividend The dividend payment date was set by the KDPW S.A. Supervisory Board on 5 November 2013. The dividend paid by KDPW to WSE in 2013 was PLN 3,722 thousand. The dividend paid by KDPW to WSE in 2012 from the 2011 profit was PLN 7,084 thousand.

Pursuant to Resolution No. 13/2013 of the Ordinary General Meeting of Centrum Giełdowe S.A. dated 26 March 2013, PLN 2,129 thousand of profit for 2012 was allocated for dividend. The dividend payment date was 30 April 2013. The dividend paid by Centrum Giełdowe S.A. to WSE in 2013 was PLN 528 thousand. Centrum Giełdowe S.A. paid no dividend in 2012.

Pursuant to Resolution No. 5 of the Ordinary General Meeting of PolPX dated 9 May 2013, PLN 33,919 thousand of profit for 2012 was allocated for dividend. The dividend payment date was 31 May 2013. The dividend paid by PolPX to WSE in 2013 was PLN 33,919 thousand. PolPX paid no dividend in 2012.

(all amounts in PLN thousands, unless otherwise stated)

20. Other expenses and financial expenses

20.1. Other expenses

Other expenses include the following:

	Twelve-month period ended 31 December	
	2013	**2012**
Donations	76	128
Loss on sale of property, plant and equipment	124	488
Impairment allowance for receivables	1 325	-
Impairment of investments	-	9 957
Other	73	-
Total other expenses	**1 598**	**10 573**

In 2013, donations were made to:

- Fundacja Mimo Wszystko Anny Dymnej (Dolina Słońca Therapy and Rehabilitation Centre) – PLN 36 thousand;
- KDPW CCP S.A. (support for the WIBID and WIBOR Council) – PLN 20 thousand;
- Fundacja 2065 im. Lesława Pagi (awards for the winner of the 11th edition of the Online School Exchange Game) – PLN 15 thousand;
- Other donations (statutory purposes, rehab and treatment, assistance for children) – PLN 5.1 thousand.

In 2012, donations were made to:

- Fundacja Polski Instytut Dyrektorów (Polish Directors Institute Foundation), statutory purposes – PLN 60 thousand;
- Fundacja Edukacji Rynku Kapitałowego (Capital Market Education Foundation) – for educational activities promoting knowledge of capital market) – PLN 12.5 thousand;
- Fundacja Europa (Europe Foundation - Olympics in knowledge about Poland) – PLN 6 thousand;
- Other donations (statutory purposes, rehab and treatment, assistance for children) – PLN 49 thousand.

20.2. Financial expenses

Financial expenses include the following:

	Twelve-month period ended 31 December	
	2013	**2012**
Interest on bond issue	11 657	15 879
Cost of bond issue	461	401
Other, including:	217	1 140
Surplus of negative fx differences over positive fx differences	-	*1 041*
Loss on sale of investments	-	*12*
Other	*217*	*87*
Total financial expenses	**11 874**	**17 018**

(all amounts in PLN thousands, unless otherwise stated)

21. Income tax

The table below presents income tax by current and deferred tax.

	Twelve-month period ended 31 December	
	2013	**2012**
Current income tax	1 791	14 748
Deferred tax (Note 10)	3 850	894
Total income tax	**5 641**	**15 642**

As required by the Polish tax regulations, the tax rate applicable in 2013 and 2012 is 19%.

The reconciliation of the theoretical amount of tax arising from profit before tax and the statutory tax rate with the income tax expense shown in the statement of comprehensive income is as follows:

	Twelve-month period ended 31 December	
	2013	**2012**
Profit before income tax	**107 026**	**81 200**
Income tax rate	19%	19%
Income tax at the statutory tax rate	**20 335**	**15 427**
Tax effect:		
Permanent differences	544	1 828
Tax relief for technology investments	(7 020)	-
Other adjustments	-	576
Non-taxable income from dividends from subsidiaries and associates	(8 218)	(2 189)
Total income tax	**5 641**	**15 642**

With a view to tax optimisation of the reorganisation of the WSE Group and its activity, WSE decided to set up a tax group comprised of WSE and WSECommodities. Consequently, on 28 August 2013, WSE and WSECommodities signed an agreement concerning the creation of a tax group for a period of three fiscal years starting on 1 December 2013 and ending on 31 December 2016 (the first fiscal year will be 13 months long). The agreement was registered by the First Mazovian Tax Office in Warsaw on 3 October 2013.

22. Contingent liabilities and investment commitments

WSE had no contingent liabilities or investment commitments other than under hedge accounting as at 31 December 2013 and as at 31 December 2012.

Contracted future investment commitments of the parent entity amounted to ca. PLN 10.5 million as at 31 December 2012 and related to the investment in the UTP-Derivatives system.

(all amounts in PLN thousands, unless otherwise stated)

23. Related party transactions

Related parties of WSE include its subsidiaries (BondSpot S.A., WSEInfoEngine S.A., Instytut Rynku Kapitałowego – WSE Research S.A., the Polish Power Exchange Group, and as of 2012 also WSE Commodities Sp. z o.o.) and associates (KDPW Group, Centrum Giełdowe S.A.). Related parties of WSE include also the State Treasury as the parent entity (holding 35.00% of the share capital and 51.74% of the total number of voting rights as at 31 December 2013), entities controlled and jointly controlled by the State Treasury and entities over which the State Treasury has significant influence. Furthermore, related parties include the key management personnel of WSE.

23.1. Information about transactions with companies which are related parties of the State Treasury

The Ministry of the State Treasury does not publish or provide companies owned by the State Treasury with a complete list of entities controlled and jointly controlled by the State Treasury and entities over which the State Treasury has significant influence. Consequently, in these financial statements, the WSE Management Board has disclosed transactions with entities which it has identified according to its best knowledge.

Related parties identified by the WSE Management Board include companies listed on WSE (issuers of securities) and Exchange Members. The Company charges fees to related parties listed on WSE including fees for introduction to exchange trading and fees for listing of financial instruments. Fees charged to related parties which are Exchange Members include fees for enabling the conclusion of transactions on the exchange market, fees for access to WSE's IT systems and fees for trading in financial instruments.

All the transactions with entities related to the State Treasury are concluded in the normal course of business and are carried out on an arm's length basis.

Individually material transactions with entities in which the State Treasury held a stake in 2013 included revenue from transactions, expenses and balances as at 31 December 2013 with the following companies in which the State Treasury held a stake:

	As at 31 December 2013		Year ended 31 December 2013	
	Receivables	**Liabilities**	**Sales revenue**	**Operating expenses**
Powszechna Kasa Oszczędności Bank Polski SA	1 000	3	12 000	40
Grupa Azoty S.A. (dawniej Zakłady Azotowe w Tarnowie Mościcah S.A.)	-	-	178	-
Polski Holding Nieruchomości SA	7	-	167	-
Polski Koncern Naftowy Orlen SA	19	-	122	-
Polska Agencja Prasowa SA	5	7	119	713
Energa SA	114	-	114	-
Other	57	10	1 054	109
Total	**1 202**	**20**	**13 754**	**862**

The individual and joint impact of other transactions with entities in which the State Treasury held a stake in 2013 was not material.

Individually material transactions with entities in which the State Treasury held a stake in 2012 included revenue from transactions and settlements as at 31 December 2012 with the following companies in which the State Treasury held a stake:

(all amounts in PLN thousands, unless otherwise stated)

	As at 31 December 2012		Year ended 31 December 2012	
	Receivables	**Liabilities**	**Sales revenue**	**Operating expenses**
Powszechna Kasa Oszczędności Bank Polski SA	854	3	11 553	59
Krajowy Depozyt Papierów Wartościowych SA	8	4	338	53
PGE Polska Grupa Energetyczna SA	5	-	248	-
PGE Górnictwoi Energetyka Konwencjonalna SA	3	6	186	61
Bank Gospodarki Żywnościowej SA	-	-	182	4
Enea SA	-	-	125	-
Powszechny Zakład Ubezpieczeń SA	-	-	102	20
Other	2	11	932	754
Total	**872**	**24**	**13 666**	**951**

The individual and joint impact of other transactions with entities in which the State Treasury held a stake in 2012 was not material.

In accordance with the Polish law, WSE is subject to tax obligations. Hence, WSE pays tax to the State Treasury, which is its related party. The rules and regulations applicable to WSE in this regard are the same as those applicable to other entities which are not related parties. In accordance with the Decree of the Minister of Finance of 16 March 2010 concerning fees paid to the Polish Financial Supervision Authority ("PFSA") by supervised entities which pursue activities on the capital market, WSE incurs costs of fees paid to the State Treasury in the amount set by the Polish Financial Supervision Authority. The Company contributes monthly prepayments for fees due to PFSA for supervision over the capital market. PFSA makes final yearly settlements of the fees by 10 February of the following year. Fees prepaid amounted to PLN 17,449 thousand in 2013 (PLN 18,403 thousand in 2012). Payables as at 31 December 2013 in respect of the difference between the amount of prepaid fees and the annual fees set by PFSA stood at PLN 782 thousand while receivables as at 31 December 2012 stood at PLN 1,580 thousand. Consequently, the Group's operating expenses in 2013 included PLN 18,231 thousand (PLN 16,823 thousand in 2012) of fees due to PFSA for supervision over the capital market.

(all amounts in PLN thousands, unless otherwise stated)

23.2. Transactions with subsidiaries

The tables below present the transactions of WSE with subsidiaries in 2013 and 2012.

	As at 31 December 2013		Year ended 31 December 2013	
	Receivables	**Liabilities**	**Sales revenue**	**Operating expenses**
Polish Power Exchange Group	48	-	75	20
BondSpot S.A.	16	17	34	160
WSEInfoEngine S.A.	12	39	99	226
Instytut Rynku Kapitałowego - WSE Research S.A.	13	71	132	306
Total	**89**	**127**	**340**	**712**

	As at 31 December 2012		Year ended 31 December 2012	
	Receivables	**Liabilities**	**Sales revenue**	**Operating expenses**
Polish Power Exchange Group	18	-	34	-
BondSpot S.A.	9	12	29	126
WSEInfoEngine S.A.	6	22	205	245
Instytut Rynku Kapitałowego - WSE Research S.A.	11	(7)	115	76
Total	**44**	**27**	**383**	**447**

Receivables from subsidiaries were not written off as uncollectible from subsidiaries or provided for in the year ended 31 December 2013 and 2012.

23.3. Transactions with associates

The tables below present the transactions of WSE with associates in the twelve months ended 31 December 2013 and 2012.

	As at 31 December 2013		Year ended 31 December 2013	
	Receivables	**Liabilities**	**Sales revenue**	**Operating expenses**
KDPW Group	57	2	69	42
Centrum Giełdowe S.A.	-	45	-	2 198
Total	**57**	**47**	**69**	**2 240**

	As at 31 December 2012		Year ended 31 December 2012	
	Receivables	**Liabilities**	**Sales revenue**	**Operating expenses**
KDPW Group	8	4	468	55
Centrum Giełdowe S.A.	-	155	-	1 811
Total	**8**	**159**	**468**	**1 866**

(all amounts in PLN thousands, unless otherwise stated)

Receivables from associates were not written off as uncollectible from associates or provided for in 2013 and 2012.

Pursuant to Resolution No. 13/2013 of the Ordinary General Meeting of Centrum Giełdowe S.A. dated 26 March 2013 concerning the distribution of profit for 2012, PLN 2,129.3 thousand was allocated for dividend. The share of WSE in the dividend was PLN 527.8 thousand. The dividend was paid on 29 April 2013.

Pursuant to Resolution No. 18/2013 of the Ordinary General Meeting of KDPW S.A. dated 13 June 2013 concerning the distribution of profit for 2012, PLN 11,167.2 thousand was allocated for dividend. The share of WSE in the dividend was PLN 3,722 thousand. The dividend payment date is 5 November 2013.

As owner and lessee of office space in the Centrum Giełdowe building, WSE pays rent and operating expenses for joint property to the building manager, Centrum Giełdowe S.A.

In 2013, WSE also concluded transactions with the Książęca 4 Street Housing Cooperative of which it is a member. The expenses amounted to PLN 3,016 thousand in 2013 and PLN 2,808 thousand in 2012. Moreover, when the Housing Cooperative generates a surplus during a year, the Company receives refunds. The refunds amounted to PLN 205 thousand in 2013 and PLN 119 thousand in 2012.

24. Information on remuneration and benefits of the key management personnel

Remuneration and benefits paid or due to the key management personnel on the WSE Management Board are as follows:

	Twelve-month period ended 31 December	
	2013	**2012**
Remuneration	4 463	3 666
Bonus - long-term liability	368	71
Other benefits	847	887
Termination benefits	942	-
Total remuneration and benefits of the key management	**6 620**	**4 624**

25. Future minimum lease payments

Lease fees paid under operating lease are charged to expenses over the lease period using the straight-line method. WSE is a party to office space and server room rental agreements subject to a termination notice of a three months, six months, twelve months and more than twelve months.

The total future minimum lease payments under non-cancellable operating leases are as follows:

	Future minimum lease payments under irrevocable operating lease			
	Up to 1 year	**1-5 years**	**Over 5 years**	**Total**
As at 31 December 2013	3 914	7 038	8 821	**19 773**
As at 31 December 2012	3 986	7 851	8 939	**20 776**

The amounts above include VAT. All operating lease payments are denominated in PLN. WSE's annual fees for perpetual usufruct of land are PLN 118 thousand. The costs of operating leases (space rentals) are presented in Note 18.

26. Derivative financial instruments

WSE had no derivative instruments as at 31 December 2013 and as at 31 December 2012.

27. Dividends

Pursuant to Resolution No. 4 of the Ordinary General Meeting dated 21 June 2013, PLN 32,738 thousand of the 2012 profit was allocated to dividend and the dividend payment date was set on 26 June 2013. The dividend was PLN 0.78 per share.

28. Supplementary data to the statement of cash flows

The item "Other" in operating activities mainly includes changes to the balances of the instrument hedging future cash flows and other items not classified as other items in operating activities

29. Earnings per share

The table below presents the calculation of earnings per share.

	Twelve-month period ended 31 December	
	2013	**2012**
Net profit for the period	101 385	65 558
Weighted average number of ordinary shares (in thousands)	41 972	41 972
Basic and diluted earnings per share (in PLN)	**2,42**	**1,56**

30. Events after the balance sheet date

Under an agreement of 10 January 2014, WSE granted a short-term loan of PLN 300 thousand to the subsidiary WSE InfoEngine S.A. for a term of one month, i.e., until 10 February 2014. The interest rate on the loan is 7% p.a.

The share capital of WSEInfoEngine S.A. was increased by PLN 600 thousand in January 2014. The stake of the Exchange in the share capital of WSEInfoEngine S.A. and in the total number of votes was 100% as at 31 December 2013.

On 12 February 2014, WSE received the approval of UK's Financial Conduct Authority (FCA) to increase its stake in Aquis Exchange Limited to between 30% and 50% of shares or votes. This fulfilled the last condition of the agreement with Aquis Exchange concerning acquisition of new issue shares. After the acquisition of the second tranche of shares of Aquis Exchange for GBP 3.0 million, WSE will hold shares representing 30% of votes and the right to 30% of share of profit.

On 18 February 2014, WSE received from Aquis Exchange Limited a confirmation of the allotment of 230,416 Aquis Exchange Limited shares to WSE in connection with the agreement concerning the acquisition of new issue shares of Aquis Exchange concluded on 19 August 2013. As at 18 February 2014, the Company holds 384,025 ordinary shares of Aquis Exchange which represent 39.06% of all shares and confer the right to exercise 32.16% of the economic rights and voting rights in Aquis Exchange Limited.

The separate financial statements are presented by the Management Board of Warsaw Stock Exchange:

Adam Maciejewski – President of the Management Board ……………………………………………..

Beata Jarosz – Vice-President of the Management Board ……………………………………………..

Paweł Graniewski – Vice-President of the Management Board ……………………………………………..

Mirosław Szczepański – Member of the Management Board ……………………………………………...

Dariusz Kułakowski – Member of the Management Board ……………………………………………...

Sylwia Sawicka – Chief Accountant …………………………………………….

Warsaw, 20 February 2014