



**CAPITAL GROUP
SIMPLE**

**CONSOLIDATED ANNUAL REPORT FOR THE PERIOD
FROM 1st January 2010 TO 31st December 2010**

Warsaw, March 21, 2011

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1. LETTER OF THE PRESIDENT OF THE MANAGEMENT BOARD

Dear Sirs,

On behalf of the Management Board of SIMPLE S.A., which is a parent company in the Capital Group SIMPLE, I would like to present the results of Group achieved in 2010. The year 2010 was a good year for the Group. The Group achieved the revenues in the amount of 23,027 k PLN that in comparison to 2009 reflects the dynamic of growth by more than 31%. The financial results of the Group were also a record. The net profit in 2010 amounted to 1,900 k PLN that constitutes the increase by 109% in comparison to last year.

This increase was achieved basing in the organic development of the Parent Company-SIMPLE S.A., including: complete changes in organization and personnel of the Company, change of the style and method of the management, initiation of three effective sale channels for the products and services (headquarter, departments and network of partners). The results of these changes may be observed in Q4 2010, which was the record quarter in the history. The growth dynamic was achieved in all key sectors, to which the offer of SIMPLE S.A. is addressed.

The very good financial results allowed to start new acquisition process of IT companies in order to increase the market share of ERP systems and to obtain new products, technologies and to win new clients.

The commercial, production and service processes were being improved in the last year. The high quality of our products and services allow to establish the constant competitive dominance in the market.

The year 2010 was also the year when the picture of SIMPLE S.A. and the total Group was improved. It is reflected by the big interest of the investors that results in the increase of the share price. During the last the share price increased by more than 100%. SIMPLE S.A. also has been granted with the following honors: European Medal, Gazelles of Business and Top Builder Title.

In 2011, we will implement the quick development strategy by the further organic development and acquisition of the companies from IT market.

I would like to thank to all Shareholders of SIMPLE S.A., who trusted us and I ensure the further and consequent business activity aimed at improvement of the efficiency, development and growth of the Group's value.

With regards,
Bogusław Mitura

The President of the Management Board of
SIMPLE S.A.

2. Consolidated financial statement of the SIMPLE Group for 2010.

Pursuant to the Ordinance of the Council of Ministers dated on 19th February 2009 on the current and periodic information provided by the issuers of securities and conditions of considering as equal the information required by the legal provisions of the non-member country (Dz. U. 2009 nr 33 poz. 259) the Management Board is obliged to prepare the annual financial statement reflecting the accurate and reliable property and financial standing of the SIMPLE S.A. Group for the period from 1st January 2010 to 31st January 2010 and the financial result for this period.

Pursuant to the best knowledge of the Management Board basing in the Group's documents, the consolidated financial statement for the 1st six months of the fiscal year 2010 was prepared in compliance with the binding accounting standards. It contains the real picture of the Group's development and achievements and the description of the basic risks and threats.

This document contains

- 2.1 General information**
- 2.2 Consolidated Statement on Comprehensive Income**
- 2.3 Consolidated Statement of Financial Condition**
- 2.4 Consolidated Statement of Changes in Equity**
- 2.5 Consolidated Statement on Cash-Flows**
- 2.6 Additional Information**
- 2.7 Notes to Financial Statement**

2.1. GENERAL INFORMATION

1. Information on SIMPLE Group

SIMPLE S.A. is the parent company of the Group. The capital group includes the following companies:

Subsidiaries:

1. SIMPLE LOCUM SP. Z O.O. seated in Warsaw, at ul. Bronisława Czecha 49/51. THE COMPANY SIMPLE S.A. on 24th March 2006 under the notary deed (Rep A No. 1726/06) in the presence of the Public Notary Urszula Statkiewicz-Wysocka established the new company under the name SIMPLE LOCUM. SIMPLE S.A. has a full control over this Company by acquisition of the shares in exchange for transfer of real estate as the contribution in a form of notary deed (Rep. A No. 1829/06) on 29.03.2006. The value of acquired shares is 2,669 k PLN. It has 100% of votes at the General Meeting.
2. SIMPLE CPS SP. Z O.O., seated in Warsaw, at Bronisława Czecha 49/51. The Company's activity started under the name SIMPLE INVEST SP. Z O.O. established on 25th October 1999 under the notary deed (Rep A No. 5653/99) in the Public Notary's Office in Warsaw in the presence of the Public Notary Anna Chelstowska. On 1st August 2002 the name of the company was changed into INVEST SL SP. Z O.O. under the notary deed (Rep A No. 6624/20025) in the Public Notary's Office in Warsaw in the presence of the trainee notary Wojciech Szczypkowski, the deputy of the Public Notary Dorota Kałowska. On 15th June 2004 the name of the company was changed into SIMPLE CPS SP. Z O.O. under the notary deed (Rep A No. 7373/2004) in the Public Notary's Office in Warsaw in the presence of the trainee notary Wojciech Szczypkowski, the deputy of the Public Notary Dorota Kałowska. The value of acquired shares pursuant to the purchase price is 30 k PLN. It has 100% of votes at the General Meeting. As of 31st December 2007 the recoverable amount was set for the amount 14 k PLN and the carrying amount of the shares is 16 k PLN.

Affiliates:

1. SOFTEAM SP. Z O.O. seated in Warsaw, at ul. Łopuszańska 53, registered on 5th June 2001 in the District Court for the capital city of Warsaw in Warsaw, 20th Business Department of the National Court Register, under KRS number 0000013271. The value of acquired shares pursuant to the purchase price is 53 k PLN, that constitutes 50.24% of the share capital.
2. SIMPLE SP. Z O. O. seated in Dąbrowa Górnicza at ul. Cieplaka 19, registered on 24th December 2002 in the National Court Register under KRS number 0000108452 in the District Court in Katowice, Business Department of the National Court Register. The value of acquired shares pursuant to the purchase price is 9,7 k PLN. It has 19,51% of votes at the General Meeting.

SIMPLE S.A. has its registered office at ul. Bronisława Czecha 49/51 04-555 Warszawa. The company acts as Spółka Akcyjna, established as a result of transformation of the Company SIMPLE z ograniczoną odpowiedzialnością under the notary deed prepared by the Public Notary Anna Chłostowska on 6th June 1997 (Rep. A-3549/97). The Company was registered in the National Court Register by the District Court for the capital city Warsaw, XX Business Department, under KRS number 0000065743.

2. Financial Statement

Pursuant to the Ordinance of the Council of Ministers dated on 19th February 2009 on the current and periodic information provided by the issuers of securities and conditions of considering as equal the information required by the legal provisions of the non-member country (Dz. U. 2009 No. 33 item 259) the Management Board is obliged to prepare the annual financial statement reflecting the accurate and reliable property and financial standing of the SIMPLE S.A. company for the period from 1st January 31 to 31st January and the financial result for this period.

Pursuant to the best knowledge of the Management Board basing in the Group's documents, the consolidated financial statement for the fiscal year 2010 was prepared in compliance with the binding accounting standards. It contains the real picture of the Group's development and achievements and the description of the basic risks and threats.

2.2. CONSOLIDATED STATEMENT ON COMPREHENSIVE INCOME

	Note	31.12.2010 000' PLN	31.12.2009 000' PLN
Revenues from sale	3	23 027	17 549
Cost of sales	4	-12 699	-9 766
Gross profit (loss)		10 328	7 783
Distribution costs	4	-4 326	-3 089
General administrative expenses	4	-3 371	-3 619
Net profit from sale		2 631	1 075
Other operating revenues	5	256	164
Other operating costs	6	-152	-113
(Profit (loss) on operating activities)		2 735	1 126
Other financial income	7	76	323
Financial costs	8	-368	-299
Profit (loss) before tax		2443	1 150
Income tax	9	-553	-283
Deferred income tax		10	43
Net profit (loss)		1 900	910
Other comprehensive income	10	0	0
Sum of other comprehensive income		0	0
Total other comprehensive income		1 900	910
Earnings per share			
basic		0.95	0.45
diluted		0.95	0.45

2.3. CONSOLIDATED STATEMENT ON FINANCIAL CONDITION

Note	31.12.2010 000' PLN	31.12.2009 000' PLN
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Non-current assets

Intangible assets	12	3946	37
Property, plant and equipment	13	4052	3735
Goodwill	42	19	19
Long-term receivables	17	54	53
Investments in other related entities	14	63	63
Long-term accrued and deferred assets	15	197	206
		8331	4113

Current assets

Inventories	16	52	17
Trade receivables and other receivables	17	7653	4213
Cash and cash equivalents	18	2108	2909
Short-term accrued and deferred assets	19	521	4389
		10334	11528

Total assets

	18665	15641
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Equity	21	2004	2004
Share capital	21		
Share premium	21		
Own shares		-21	0
Retained earnings		5358	5149
Net profit from fiscal period		1900	910
Total equity		9241	8063

Long-term liabilities and provisions

Provision due to the deferred income tax	22	4	1
Provision for retirement and similar benefits	23	241	663
Other provisions	24	649	289
Long-term loans and credits	25	2285	2519
Liabilities due to financial lease	26	681	193
		3860	3665

Short-term liabilities

Short-term loans and credits	27	158	201
Financial lease liabilities	26	279	154
Trade and other payables	28	3092	1446
Revenues of future periods	28	2035	2112
		5564	3913

Total liabilities

	9424	7578
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Total liabilities

	18665	15641
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2.4. CONSOLIDATED FINANCIAL STATEMENT ON THE CHANGES IN EQUITY for the reporting period from 1st January 2010 to 31st December 2010 and comparative period from 1st January 2009 to 31st December 2009.

	Share capital	Own shares	Share premium	Profit distribution, dividend payment	Retained earnings	Total equity
	000' PLN	000' PLN	000' PLN	000' PLN	000' PLN	000' PLN
1st January 2010	2004	0	0	0	6059	8063
Total other comprehensive income	0	0	0	0	1900	1900
Acquired treasury stocks	0	-21	0	0	0	-21
Dividend	0	0	0	-701	0	-701
31st December 2010	2004	-21	0	-701	7959	9241

1st January 2009	2004	0	0	0	5149	7153
Total other comprehensive income	0	0	0	0	910	910
As of 31st December 2009	2004	0	0	0	6059	8063

2.5. CONSOLIDATED FINANCIAL STATEMENT ON CASH-FLOW FOR THE PERIOD FROM 1ST JANUARY 2010 TO 31ST DECEMBER 2010.

	31.12.2010 000' PLN	31.12.2009 000' PLN
Net profit (loss)	1900	910
Amortization and depreciation	625	1202
Interests paid	314	256
Gain (loss) on investment activity	52	5
Movements in provisions	-59	323
Movement in inventories	-35	0
Movement in receivables	-3440	-1280
Movement in short-term liabilities	1646	19
Movements in accrued and deferred assets and liabilities	-145	80
Net cash-flows from operating activities	858	1515
Net cash-flows from investment activity		
Proceeds on sale of non-current assets	87	8
Investments proceeds	9	21
Payments to acquire non-current assets	-128	-253

Investments payments	-22	-215
Net cash from investment activity	-54	-439
Cash-flows from financial activity		
Purchase of own shares	-21	0
Dividends and other payments to shareholders	-701	0
Received loans and credits	0	91
Payments for credits and loans	-276	-220
Payments for financial lease liabilities	-306	-144
Interests	-319	-257
Net cash-flows from financial activity	-1 623	-530
Net increase/ (decrease) in cash and equivalents	-819	546
Cash and cash equivalents, beginning of period	2704	2158
Cash and cash equivalents, end of period	1885	2704

2.6. ADDITIONAL INFORMATION

Description of applied accounting principles

This financial statement contains information pursuant to the Ordinance of the Minister of Finance dated on 19th February 2009 on the current and periodic information provided by the issuers of securities and conditions of considering as equal the information required by the legal provisions of the non-member country (Dz. U. 2009 No. 33 item 259 with further amendments).

The consolidated financial statement constituting a part of annual report was prepared pursuant to the International Financial Reporting Standards (IFRS) and the interpretations related to them announced in a form of the regulations of the European Commission.

The Group applies all International Standards of the Financial Reporting in preparing the financial statement. The transition date into IAS pursuant to IFRS 1 is 01.01.2005.

The financial statement was prepared at the concern going principle by the Group SIMPLE S.A. in foreseeable future.

Below there are presented the accounting principles applied to prepare this consolidated financial statement. These principles were applied in all presented periods.

Accounting principles

The financial statement of the Company was prepared in thousands of Polish zlotys, unless it is stated otherwise, basing on the records made in the accounting books of the Company, keep in compliance with the basic accounting principles.

- reliability
- correctness
- continuity

- completeness
- comparability
- proportionality of revenues and costs
- constancy of accounting principles

Property, plant and equipment

Other P,P&E including machinery, equipment, means of transport and other non-current assets are measured at the purchase prices or manufacturing costs, less the made accumulative amortization or depreciation write-offs and the impairment losses.

The non-current assets are depreciated by linear method, starting on the first month when the non-current assets is ready to use using the depreciation rates following the estimated economic life of the relevant non-current asset. The final value and the economic life of the non-current assets is verified at the end of each fiscal year.

If the final value of the non-current asset does not exceed 10% of its final value, it is missed at making depreciation charges.

The non-current assets available-for-sale are measured at lower of two values:

carrying amount or fair value, less the costs related to sale.

The non-current assets are classified as held-for-sale if their carrying amount will be recovered rather as a result of transaction than their further use. This condition is deemed as to be met only when the sale transaction is very likely and the assets are available to be sold in its current condition. The classification of the assets held-for-sale assumes the intention of the Management Board to finish sale transaction within a year from the classification change.

Profit and losses arisen as a result of sale, liquidation or discontinuance of use the non-current assets are determined as the difference between the revenues from sale and net value of these non-current assets and are recognized in profit and loss.

Intangible assets

The intangible assets are measured at the purchase price or post-revaluation amount after revaluation of the intangible assets, less the depreciation or amortization charges and also impairment losses. The intangible assets are amortized by the straight-line method for the economic life period.

The research and development works manufactured at its own in a form of the computer programs/software within the period of incurring expenses, unless the criteria of the intangible assets specified in IAS 38 are met, are recognized as the accrued and deferred income and after completion as the intangible assets which are tested at least as of the end of period. The deprecation period of the R&D works is set basing on expected cash flows related to the sale of manufactured products.

Investments

Investment real estates are presented in the statement of financial position at the post-revaluation amount equal to the amount generated from the measurement to its fair value, made by the expert basing on the market principles as of the specified day of the measurement, less within next periods by depreciation charges. The measurements are made with frequency ensuring the lack of important discrepancies between the book value and fair value as of the end of period, not less than once per fiscal year.

The Company includes its investments to the following categories:

- interests in the subsidiaries;
- financial assets available-for-sale;
- other financial assets.

The interests in the subsidiaries include the shares in the companies covered by the consolidation. The interests in the subsidiaries are measured at the purchase price adjusted by the impairment. The impairment allowances due to the interests in the subsidiaries are presented in the profit and loss statement as the revaluation of the financial assets.

Recoverable amounts of non-current assets

The PP&E, intangible assets and financial assets are verified regarding the impairment in case of events and changes which may cause this impairment.

The recoverable amounts are charged into the other operating costs within the period when this impairment occurred.

Inventories

The inventories include the goods, which are measured as of the end of period at the purchase price keeping the prudence principle after reduction by the recoverable amount. The allowances are made basing on the inventories turnover rate.

Trade receivables and other receivables

The trade receivables are recognized at the payable amount less the recoverable amounts for the doubt receivables. Estimation of these amounts is made basing on collecting results, when achievement of full receivable amount is unlikely.

Cash and cash equivalents

The cash in the statement includes cash at hand and on bank accounts.

Provision for retirement and similar benefits

The Company establishes provisions for the employee benefits. The provisions are measured not less than as of the end of period at the reliable justified estimated value. Provisions for employee benefits include the retirement severance pays and leaves. As of the balance day, the Company establishes the provisions for the current value of the retirement severance pays to which the employees are entitled to this date, with the division into short-term and long-term using the actuarial method. This provision charges the other operating costs. The provisions are released at the end of each reporting period by the value of performed pay-rolls corresponding to the obligations.

Provisions

The Company established the provisions in case when as a result of economic events there are some or are highly probable to be the future obligations, which amount may be reliable estimated.

Liabilities

The liabilities are measured in the amount to be paid. The long-term financial liabilities are measured at the fair value of payments including discount.

Accrued and deferred assets and liabilities

In order to keep the proportionality of revenues and costs the Company makes the prepayments and accrued income which refer as to the costs as revenues.

The Company maintains the prepaid expenses – they are costs for the reporting period and expenses to the R&D works.

The Company maintains accrued expenses- it is the amount of obligations for the relevant period resulting from the allowances made in favor of the entity.

The accrued and deferred assets and liabilities include in particular the equivalents of invoiced allowances, which will be performed in the next periods.

Revenues from sale of products, goods, materials and services

The net revenues from sale include the economic benefits arisen in the period as a result of the business activity of the entity, at the reliable value, resulting in increase of equity by increase of the assets or decrease of the liabilities in a manner other than shareholder's contribution. In particular, they are the revenues from sale of products, including services and the sale of goods and materials.

The revenues also include the due amounts for sold products and basic and auxiliary activity services and for sold materials and goods set basing on net price after adjustments by granted discounts and rebates.

The adjustments of the revenues from sale are included to the period when they were made.

Other operating revenues

The other operating income is the income related to the operating activity of the entity. They include:

- Gain on non-current assets and intangible assets
- Gain on liquidation of non-current assets
- Received compensations
- Release of provisions, which charged the operating costs at establishment
- Written-off, pas due and depreciated liabilities

Financial income

The income due to the interests charged to agreementors, recognized at the date when the agreementors pays.

The income from the interests to cash on bank accounts recognized at the date when the bank accepts the account.

Business activity expenses

The all costs of sale, marketing, administration and management incurred in the reporting period. The value of sold goods and materials at the purchase price in the reporting period.

Other operating costs

The other operating expenses are the expenses related to the operating activity of the entity.

They include:

- loss on non-current assets and intangible assets
- Paid penalties and compensations
- Established provisions
- Court proceeding costs

Financial costs

The costs due to paid interests are charged directly to the profit and loss statement in the period when they occurred.

Income tax

The obligatory burdening of the result consists of:

- Corporate Income Tax (CIT)
- Deferred tax

The current tax burdening is calculated under the base of the financial results (the base of tax) of the relevant fiscal year. The tax profit (loss) differs from book profit (loss) because of excluding the revenues and costs which will never be a subject of taxation. The tax burdens of result are calculated basing on the basic tax rates binding in the relevant fiscal year.

Deferred income tax

The Company makes provisions and assets due to deferred income tax because of arising the temporary differences between the assets and liabilities value presented in the books and their tax value. The assets due to deferred income tax are recognized if it is likely that the income to be taxed will be achieved which will enable to use the temporary differences. The assets due to deferred income tax are recognized also for the tax losses to be deducted in the next years, but only when it is likely that the income to be taxed will be achieved in future which will enable it use these tax losses. The Company does not establish the assets due to deferred income tax if the practicability of using them in the future is doubtful.

The liability due to deferred income tax is recognized by the liability method, due to temporary differences between the tax value of such assets and liabilities and their carrying amount presented in the financial statement. Both the amount of reserve as the assets due to deferred income tax was set considering the tax rate applicable in the period when the provision/asset is established.

Earnings per share

The earnings per share for the each period are calculated by dividing the earnings for the relevant period by the number of shares in the relevant reporting period. The Company does not present diluted profit(loss) per one share.

Transactions in foreign currencies

The economic transactions expressed in foreign currencies causing the liabilities and receivables are recognized in the books at the average exchange rate set for the relevant currency by the National Bank of Poland.

The payment transactions expressed in the foreign currencies, as of the date of being made, are recognized at the purchase or sale exchange rate used by the bank, which serves the Company.

As of the end of period the receivables and liabilities are recognized pursuant to the average exchange rate published for the relevant currency by the National Bank of Poland.

The exchange differences, concerning the settlements expressed in foreign currencies arisen as of the valuation date and during the payment date are classified to the financial costs or revenues.

Lease

The PP&E using under the financial lease agreements which transfer to the Company all benefits and risk related to possessing are recognized in the balance sheet of the Company pursuant to the current value of minimum future

lease payments. The lease fees are divided into reduction of unpaid liability balance and financial costs charged directly against the profit and loss.

2.7. NOTES TO FINANCIAL STATEMENT

Note 1 Selected financial data

The selected financial data contained in this report were translated into EURO pursuant to the following principles.

The items of assets and liabilities in the statement of financial position pursuant to the average exchange rate published as of the last balance day by the National Bank of Poland:

- As of 31.12.2010- 3.9603

- As of 31.12.2009- 4.1082

The items of the profit and loss statement and cash-flow statement pursuant to the average exchange rate translated as the arithmetic average of the exchange rates published by the National Bank of Poland as of the last day in the month of the relevant year:

- As of 31.12.2010- 4.0044

- As of 31.12.2009- 4.3406

Selected financial data translated into Euro:

	31.12.2010 000' PLN	31.12.2010 000' EUR	31.12.2009 000' PLN	31.12.2009 000' EUR
Statement on comprehensive income				
Net income from sale of products, goods and materials	23027	5750	17549	4043
Gross profit (loss) from sales	10328	2579	7783	1793
Operating profit (loss)	2735	683	1126	259
Gross profit (loss)	2443	610	1150	265
Net profit (loss)	1900	474	910	210
Statement of financial condition Assets				
Non-current assets	8331	2104	4113	1001
Current assets	10334	2610	11528	2806
Total assets	18665	4714	15641	3807
Liabilities				
Equity	9241	2334	8063	1962
Liabilities and provisions for liabilities	9424	2380	7578	1845
Total liabilities	18665	4714	15641	3807
Statement on cash-flow				
Net cash-flows from operating activities	858	214	1515	349
Net cash from investment activity	-54	-13	-439	-101
Net cash-flows from financial activity	-1623	-405	-530	-122
Cash, end of period	1885	471	2704	623

Note 2 Geographical structure

The SIMPLE S.A. Group conducts its business activity in the field of software and sale of hardware and also renders related services. The only geographical sector is the sale within the country which includes 100% of the Group's revenues.

	31.12.2010 000' PLN	31.12.2009 000' PLN
Revenues from sale		
- domestic	23027	17549
	23027	17549
Distribution costs		
- domestic	-12699	-9766
	-12699	-9766
Profit from sale		
- domestic	10328	7783
	10328	7783

SIMPLE Group distinguishes the branch sectors in the division into the revenues from sale of services and products and goods.

The revenues from sale, costs and results of sale are presented below, pursuant to the above division.

	31.12.2010 000' PLN	31.12.2009 000' PLN
Revenues from sale		
Sale of services and products	18728	15942
Sale of goods	4299	1607
	23027	17549
Distribution costs		
Distribution costs of products and services	-9238	-8565
Distribution costs of goods	-3461	-1201
	-12699	-9766
Profit from sale		
Profit from sale of services and products	9490	7377
Profit from sale of goods	838	406
	10328	7783

Note 3 Revenues from sale

The revenues from sale of Group are as follows:

	31.12.2010	31.12.2009
	000' PLN	000' PLN
Revenues from sale of goods	18728	1607
Revenues from sale of services and products	4299	15942
	23027	17549

Note 4 Costs by category

	31.12.2010	31.12.2009
	000' PLN	000' PLN
Amortization of non-current assets and intangible assets	625	1202
Materials and energy consumption	750	565
Outsourced services	4401	3969
Taxes and fees	185	139
Remunerations/payrolls	9130	8071
Social insurances and other benefits	1483	1348
Other costs	361	271
Released provisions	0	-292
Value of goods and materials sold	3461	1201
Total	20396	16474
Including:		
Cost of sales	12699	9766
Distribution costs	4326	3089
General administrative expenses	3371	3619

Note 5 Other operating revenues

	31.12.2010	31.12.2009
	000' PLN	000' PLN
Received subsidies	34	0
Released provisions	9	43
Revenues from re-invoicing	142	85
Return of legal costs/Compensations	14	35
Others	57	1
Total	256	164

Note 6 Other operating costs

	31.12.2010 000' PLN	31.12.2009 000' PLN
Established provisions	37	0
Re-invoicing expenses	14	26
Paid compensations, legal fees	25	0
Receivables depreciation	0	72
Loss in non-current assets	52	5
Other, including donations	24	9
Total	152	112

Note 7 Financial income

	31.12.2010 000' PLN	31.12.2009 000' PLN
Dividends	1	0
Achieved interests	75	322
Exchange differences	0	1
Total	76	323

Note 8 Financial costs

	31.12.2010 000' PLN	31.12.2009 000' PLN
Paid interests from the liabilities and loans	50	61
Paid interests from bank credits	193	198
Paid interests from leasing installments	124	25
Paid interests from tax liabilities	0	2
Exchange differences	1	13
Financial costs	368	299

Note 9 Income tax

As of 31.12.2010 the Company paid income tax in the amount of 553 k PLN.

Below there is income tax amount reconciliation in the profit and loss statement with the financial result:

	31.12.2010 000' PLN	31.12.2009 000' PLN
Profit before tax	2443	1153
Non-taxable income	-50	-43
Costs constituting the tax deductible expenses	-1043	-625
Costs not constituting the tax deductible expenses	1412	1014
Adjustment of the result from consolidation	64	0
The base to calculate the income tax	2826	1499

Note 10 Other comprehensive income

In the period covered by this financial statement for the period from 1st January 2010 to 31st December 2010 other comprehensive income was not recognized.

Note 11 Earnings per share

The basic earnings per share is calculated as the quotient of the earning attributable to the owners of the Group and the average weighted number of ordinary shares during the year.

	31.12.2010 000' PLN	31.12.2009 000' PLN
Profit (loss) per shareholders	1900	910
Average weighted number of ordinary shares (in k pcs.)	2004	2004
Basic earnings (loss) per share (in PLN per one share)	0,95	0,45

The Group does not present diluted earnings (loss) per share.

Note 12 Intangible assets

	Software and licenses 000' PLN	Costs of R&D works 000' PLN	Total 000' PLN
As of 1st January 2009			
Gross value	52	7235	7287
Current depreciation	-30	-6560	-6590
Net book value at the beginning of the year	22	675	697
Fiscal year 2009			
Net book value at the beginning of the year	22	675	697
Increases	32	0	32
Amortization and depreciation	-17	-675	-692
Net book value at the end of the year	37	0	37
As of 31st December 2009			
Gross value	84	7235	7319
Current depreciation	-47	-7235	-7282
Net book value at the end of the year	37	0	37
As of 1st January 2010			
Gross value	84	7235	7319
Current depreciation	-47	-7235	-7282
Net book value at the beginning of the year	37	0	37
Fiscal year 2010			
Net book value at the beginning of the year	37	0	37
Increases	9	3982	3991
Amortization and depreciation	-16	-66	-82
Net book value at the end of the year	30	3916	3946

As of 31st December 2010

Gross value	93	3982	4075
Current depreciation	-63	-66	-129
Net book value at the end of the year	30	3916	3946

The computer licenses and software are depreciated by the estimated economic life, which is average 5 years.

Note 13 Property, plant and equipment

	Lands and buildings	Technical equipment	Means of transport	Equipment and other non-current assets	Total
	000' PLN	000' PLN	000' PLN	000' PLN	000' PLN
As of 1st January 2009					
Gross value	2650	633	1701	4	4988
Depreciation	-131	-447	-590	-3	-1171
Net book value	2519	186	1111	1	3817
Fiscal year 2009					
Net book value at the beginning of the year	2519	186	1111	1	3817
Increases	0	77	359	4	440
Disposal	0	0	-58	0	-58
Amortization and depreciation	-48	-129	-333	0	-510
Depreciation	0	31	15	0	46
Net book value	2471	165	1094	5	3735
As of 31st December 2009					
Gross value	2650	710	2002	8	2581
Current depreciation	-179	-545	-908	-3	-1635
Net book value	2471	165	1094	5	3735
As of 1st January 2010					
Gross value	2650	710	2002	8	2581
Depreciation	-179	-545	-908	-3	-1635
Net book value	2471	165	1094	5	3735
Fiscal year 2010					
Net book value at the beginning of the year	2471	165	1094	5	3735
Increases	0	194	874	0	1068
Disposal	0	0	-376	0	-376
Amortization and depreciation	-47	-83	-409	-1	-540
Amortization due to liquidation	0	0	165	0	165
Net book value	2424	276	1348	4	4052
As of 31st December 2010					
Gross value	2650	904	2500	8	6062
Current depreciation	-226	-628	-1152	-4	-2010
Net book value	2424	276	1348	4	4052

As of 31st December 2010 the Company did not concluded any agreements obligating it to purchase PP&E.

Note 14 Shares and stocks in subsidiaries and other entities

SIMPLE S.A. is the parent company of the Group. The capital group includes the following companies:

Subsidiaries:

1. SIMPLE LOCUM SP. Z O.O. seated in Warsaw, at ul. Bronisława Czecha 49/51. SIMPLE S.A. Company on 24th March 2006 under the notary deed (Rep A No. 1726/06) in the presence of the Public Notary Urszula Statkiewicz-Wysocka established the new company under the name SIMPLE LOCUM. SIMPLE S.A. has a full control over this Company by acquisition of the shares in exchange for transfer of real estate as the contribution in a form of notary deed (Rep. A No. 1829/06) on 29.03.2006. The value of acquired shares is 2,669 k PLN. It has 100% of votes at the General Meeting.

2. SIMPLE CPS SP. Z O.O. seated in Warsaw at ul. Bronisława Czecha 49/51. The Company's activity started under the name SIMPLE INVEST SP. Z O.O. established on 25th October 1999 under the notary deed (Rep A No. 5653/99) in the Public Notary's Office in Warsaw in the presence of the Public Notary Anna Chelstowska. On 1st August 2002 the name of the company was changed into INVEST SL SP. Z O.O. under the notary deed (Rep A No. 6624/20025) in the Public Notary's Office in Warsaw in the presence of the trainee notary Wojciech Szczypkowski, the deputy of the Public Notary Dorota Kałowska. On 15th June 2004 the name of the company was changed into SIMPLE CPS SP. Z O.O. under the notary deed (Rep A No. 7373/2004) in the Public Notary's Office in Warsaw in the presence of the trainee notary Wojciech Szczypkowski, the deputy of the Public Notary Dorota Kałowska. The value of acquired shares pursuant to the purchase price is 30 k PLN. It has 100% of votes at the General Meeting.

As of 31st December 2007 the recoverable amount was set for the amount 14 k PLN and the carrying amount of the shares is 16 k PLN.

Affiliates:

1. SOFTEAM SP. Z O.O. seated in Warsaw, at ul. Łopuszańska 53, registered on 5th June 2001 in the District Court for the capital city of Warsaw in Warsaw, 20th Business Department of the National Court Register, under KRS number 0000013271. The value of acquired shares pursuant to the purchase price is 53 k PLN, that constitutes 50.24% of the share capital.

2. SIMPLE SP. Z O. O.seated in Dąbrowa Górnicza at ul. Cieplaka 19, registered on 24th December 2002 in the National Court Register under KRS number 0000108452 in the District Court in Katowice, Business Department of the National Court Register. The value of acquired shares pursuant to the purchase price is 9.7 k PLN. It has 19.51% of votes at the General Meeting.

Note 15 Long-term accrued and deferred assets

	31.12.2010 000' PLN	31.12.2009 000' PLN
Provision for retirement and similar benefits	7	2
Unpaid remunerations	128	65
Unpaid social insurance contributions	23	18
Provision for unused leaves	39	120
	197	205

Note 16 Inventories

	31.12.2010 000' PLN	31.12.2009 000' PLN
Goods	52	17
	52	17

Note 17 Receivables

	31.12.2010 000' PLN	31.12.2009 000' PLN
Trade receivables	7480	4296
Allowance for uncollectible amounts	-218	-218
Net trade receivables	7262	4078
	7262	4078

Short-term receivables with the payment term exceeding the end of period:

	31.12.2010 000' PLN	31.12.2009 000' PLN
- Up to 1 month	2315	1837
- over 1 month to 3 months	2597	1424
- over 3 months to 6 months	532	153
- over 6 months to 1 year	455	296
- over 1 year	406	53
- overdue receivables	1175	533
Gross total receivables	7480	4296
- Receivables revaluation allowances	-218	-218
Net total receivables	7262	4078

Short-term overdue receivables with the division into receivables unpaid to:

	31.12.2010 000' PLN	31.12.2009 000' PLN
- Up to 1 month	489	221
- over 1 month to 3 months	78	49
- over 3 months to 6 months	259	19
- over 6 months to 1 year	112	26
- over 1 year	237	218
Total overdue gross receivables	1175	533
- Receivables revaluation allowances	-218	-218

Total overdue net receivables	957	315
Long- term receivables		
	31.12.2010	31.12.2009
	000' PLN	000' PLN
Due to paid deposits	54	53
	54	53

Note 18 Short-term investments

As of 31st December 2010 the Company presents the granted loans for:

I. The employees of SIMPLE S.A. 18 k PLN

On 20th April 2010 Simple S.A. granted the loan for the employee in the amount of 6 k PLN for the period from 20th April to 31st December 2011. The interest rate for the loan was established as Wibor 3M plus margin 1%. As of 31st December 2010 the remained amount to be paid is 4 k PLN and it is the principal amount. The interests are paid on a regular basis pursuant to the schedule from the agreement.

On 18th November 2010 Simple S.A. granted the loan for the employee in the amount of 10 k PLN for the period from 18th November 2010 to 30th June 2012. The interest rate for the loan was established as Wibor 3M plus margin 1%. As of 31st December 2010 the remained amount to be paid is 9 k PLN and it is the principal amount. The interests are paid on a regular basis pursuant to the schedule from the agreement.

On 24th November 2010 Simple S.A. granted the loan for the employee in the amount of 6 k PLN for the period from 24th November 2010 to 30th November 2011. The interest rate for the loan was established as Wibor 3M plus margin 1%. As of 31st December 2010 the remained amount to be paid is 5 k PLN and it is the principal amount. The interests are paid on a regular basis pursuant to the schedule from the agreement.

II. Cron Sp. z o. o. - 205 k PLN

It is unpaid amount of loan with due interest as of 31st December 2010, where the principal amount is 200 k PLN and the accrued interests as of 31st December 2010 are 5 k PLN.

On 9th January 2009 SIMPLE S.A. concluded the Loan Agreement with CRON Sp. z o.o. in Warsaw, ul. Czerniakowska 209 room 402 for the amount 200 k PLN with the interest rate 10% per year. The loan agreement is concluded for the period from 9th January 2009 to 31st March 2009. In the next periods the annexes extending the repayment period were concluded:

1. Annex No. 1 signed on 31st March 2009 extending the repayment period to 30th June 2009.
2. Annex No. 2 signed on 30th June 2009 extending the repayment period to 31st December 2009.
3. Annex No. 3 signed on 31st December 2009 extending the repayment period to 30th April 2010.
4. Annex No. 4 signed on 30th April 2010 extending the repayment period to 30th September 2010.
5. Annex No. 5 signed on 30th September 2010 extending the repayment period to 31st October 2011.

Short-term financial assets

	31.12.2010	31.12.2009
	000' PLN	000' PLN
Granted loans	223	205
	223	205

Pecuniary assets and equivalents

	000' PLN	000' PLN
Cash at hand and at bank account	1885	2704
	1885	2704

Note 19 Short-term accrued and deferred assets

	31.12.2010	31.12.2009
	000' PLN	000' PLN
R&D works expenses, beginning of period	4325	4244
Expenses for R&D works in the reporting period	40	81
Forwards of R&D works to intangible assets	-3983	0
Costs of past periods	139	64
	521	4389

Note 20 Assets available-for-sale

As of the end of the period, the Group does not have any non-current available-for-sale.

Note 21 Share capital

	31.12.2010	31.12.2009
	000' PLN	000' PLN
Share capital issued and paid:		
Number of shares	2 003 904	2 003 904
Nominal value per one share	0,001	0,001
Nominal value of all shares	2004	2004

The all shares issued by the parent company SIMPLE SA are the ordinary shares without any preferences to contribute in the profit distribution.

Note 22 Deferred tax

As of 31st December 2010 the Group has established provision in the amount of 4 k PLN because of the temporary differences between the book and tax value of assets.

Note 23 Employee benefits

The obligations due to employees benefits presented in the statement on financial position as of the end of period consist of:

	31.12.2010	31.12.2009
	000' PLN	000' PLN
Long-term provision for future benefits due to retirement	37	9
severance pays and similar		
Reserve due to leave benefits	204	654
	241	663

The value of this obligation was set in the following manner:

- The amount of the long-term provision for future benefits due to retirement severance pays and similar was valued by the actuary
- The amount of short-term provisions due to unused leave benefits is the amount of calculated equivalents for unused leaves to the end of period.

	31.12.2010	31.12.2009
	000' PLN	000' PLN
Remunerations/payrolls	9130	8071
Social insurances	1216	1122
Benefits for employees	267	225
	10613	9418

Information on average employment of the person employed under the agreement for employment and cooperation agreements.

	31.12.2010	31.12.2009
	000' PLN	000' PLN
Services	54	46
Sales and marketing	25	17
Production	31	30
Others	21	19
	131	112

Note 24 Other provisions

	31.12.2010	31.12.2009
	000' PLN	000' PLN
Costs of current period and liabilities of future period	108	40
Provision for liabilities due to taxes	113	84
Provision for remunerations	428	165
	649	289

Note 25 Credits and loans

	31.12.2010	31.12.2009
	000' PLN	000' PLN
Long-term		
Long-term loans	2182	2232
Long-term credits	103	287
Total credits and loans	2285	2519

The credit agreement of 7th April 2006 concluded with BPH S.A. by SIMPLE LOCUM SP. Z O.O., the collateral of which, pursuant to the § 7 of the agreement, is:

- Ordinary mortgage in the amount 2,350,000.00 PLN securing the payment of the credit capital,
- Collateral mortgage to the amount 1,750,000.00 PLN securing the interests payment and other bank receivables following the Agreement,
- Receivables assignment from the receivables insurance agreement (acc. to App. No. 2 to the agreement),
- In blank promissory note issued by the Borrower paid to the credit amount with the promissory note declaration (acc. to App. No. 3 to the agreement),
- Deposit in the amount 47,444 PLN set under the principles specified in the deposit agreement (acc. to App. No. 4 to the agreement),
- Declaration of the Borrower to be a subject of execution regarding the obligations following the Agreement (acc. to App. No. 2 to the agreement),
- Assignment of receivables from the current and future rent agreement of the areas located in the Real Estate (acc. to App. No. 6 to the agreement),
- Assignment of receivables from the bank account agreement kept on behalf of the Borrower (acc. to App. No. 7 to the agreement),
- Registered pledge (acc. to App. No. 8 to the agreement).

As of the end of period the amount of unpaid credit is 2182 k PLN.

SIMPLE S.A. took the credit towards Volkswagen Bank Polska S.A., which was intended for purchase of non-current assets. As of the end of the period, the amount of credit within the term of payment over twelve months is 103 k PLN.

Note 26 Financial lease liabilities

	31.12.2010 000' PLN	31.12.2009 000' PLN
Liabilities due to financial lease payable within:		
One year	327	182
Over one year	752	210
	<u>1079</u>	<u>392</u>
Future interests	-119	-44
Current value of future liabilities	<u>960</u>	<u>348</u>
Liability payable within 12 months- short-term liabilities	279	155
Liability payable over 12 months – long-term liabilities	681	193

Note 27 Short-term credits and loans

	31.12.2010 000' PLN	31.12.2009 000' PLN
Short-term		
Other bank credits	158	201
Total credits and loans	<u>158</u>	<u>201</u>

On 4th August 2006 SIMPLE S.A. concluded the Overdraft credit agreement No. 270-1/10/RB/2006 with the bank PKO BP. It is a credit in polish zlotys, renewable as the credit limit in the amount 500 k PLN. It was granted for the period from 4th August 2006 to 3rd August 2007. On 1st August 2007 the Annex No. 1 to the Agreement No. 270-1/10/RB/2006 of 4th August 2006 on prolongation of the agreement for the next year from 4th August 2006 to 3rd August 2008. On 1st August 2008 the Annex No. 2 to the Agreement No. 270-1/10/RB/2006 of 4th August 2006 on prolongation of the agreement for the next year from 4th August 2006 to 3rd August 2009. On 3rd August 2009 the Annex No. 3 to the Agreement No. 270-1/10/RB/2006 of 4th August 2006 on prolongation of the agreement for the next year from 4th August 2006 to 3rd August 2010. On 29th July 2010 the Annex No. 4 to the Agreement No. 270-1/10/RB/2006 of 4th August 2006 on prolongation of the agreement for the next year from 4th August 2006 to 3rd August 2011. The credit amount remains unchanged in the amount 500 k PLN. The collateral of this agreement are the promissory notes for the amount 500 k PLN. As of the end of the period, the Company did not use the credit line.

On 11th October 2010 SIMPLE S.A. concluded the Overdraft credit agreement No. 43/038/10/Z/VK for the amount 400 k PLN with BRE S.A. bank. It is a credit in Polish currency. This Agreement was concluded for the period from 12th October 2010 to 6th October 2011. The collateral for this Agreement is a blank promissory note. As of the end of the period, the Company did not use the credit line.

On 30th December 2010 SIMPLE S.A. entered into the Overdraft Agreement No. 102/2010 for the amount 300 k PLN with the Bank Polska Kasa Opieki S.A. in Warsaw. It is a credit in Polish currency. This Agreement was

concluded for the period from 30th December 2010 to 29th December 2011. The collateral for this Agreement is a blank promissory note. As of the end of the period, the Company did not use the credit line.

The Company took the credit towards Volkswagen Leasing Polska S.A., which was intended for purchase of non-current assets. As of the end of period the amount of credit within the term of payment to twelve months is 158 k PLN.

Note 28 Trade and other payables

	31.12.2010 000' PLN	31.12.2009 000' PLN
Trade liabilities towards other entities	1210	333
Liabilities due to tax, customs, insurance and other liabilities	1595	911
Liabilities due to the remuneration	177	123
Special funds	110	78
Accrued and deferred liabilities	2035	2112
Total trade liabilities	5126	3557

Note 29 Remuneration paid to the Management Board and Supervisory Board of SIMPLE S.A.

The Management Board	1349	669
	31.12.2010 000' PLN	31.12.2009 000' PLN
Bogusław Mitura		
- Employee benefits due to agreement for employment	184	0
Paweł Zdunek		
- Employee benefits due to agreement for employment	484	385
Przemysław Gnitecki		
- Employee benefits due to agreement for employment	420	151
Michał Siedlecki		
- Employee benefits due to agreement for employment	261	117
Dariusz Kacperczyk		
- Employee benefits due to agreement for employment	0	16
Supervisory Board	251	240
	31.12.2010 000' PLN	31.12.2009 000' PLN
Chairman of the Supervisory Board Elżbieta Zybert	63	60
Deputy Chairman of the Supervisory Board Józef Taran	54	52
Secretary of the Supervisory Board Andrzej Bogucki	50	48

Marta Joanna Adamczyk- Member of the Supervisory Board	42	40
Member of the Supervisory Board Jacek Kuroś	42	40
Total	251	240
	39	37
Management Board of SIMPLE LOCUM SP. z o.o.		
	31.12.2010	31.12.2009
	000' PLN	000' PLN
Regina Kuliś		
- Benefits due to appointment agreement	39	9
Michał Siedlecki		
- Benefits due to appointment agreement	0	9
Dariusz Kacperczyk		
- Benefits due to appointment agreement	0	9
	39	37
Management Board of SIMPLE CPS SP. z o.o.		
	31.12.2010	31.12.2009
	000' PLN	000' PLN
Regina Kuliś		
- Benefits due to appointment agreement	0	0
Dariusz Kacperczyk		
- Benefits due to appointment agreement	0	0

Note 30 Contingent liabilities

As of 31st December 2010 the Group does not present any contingent liabilities for the court proceeding against the Group SIMPLE.

Note 31 Operating lease and rent agreements

Under the rent agreement, the Company SIMPLE S.A. uses the copy machine. The Company bears the monthly charges for the operation and service. In case of making copies in the amount exceeding the fixed charge the Company shall bear the additional costs pursuant to the price list from agreement.

Simple S.A. under the Rent Agreement from the subsidiary SIMPLE LOCUM Sp. z o.o. uses the building for business activity purposes. The agreement is concluded for non-specified period of time. Monthly rent rate is 20 k PLN.

Note 32 Events after the end of period

In the Management Board's opinion, there are no events after the end of period, which may affect the future results of the Group.

Note 33 Transactions with related entities

The list of subsidiaries and affiliates of SIMPLE S.A. is presented in the Note 14. In 2010 SIMPLE S.A. and the entities listed below entered into the presented transactions. The sale of goods, services to the related entities was carried out under the basic price list. Transactions were made basing on the market prices less the standard trade discounts.

	31.12.2010 000' PLN	31.12.2009 000' PLN
Revenues from sale of goods and services to related entities		
-from affiliates not covered by consolidation	2955	2313
Total revenues from related entities	2955	2313
	31.12.2010 000' PLN	31.12.2009 000' PLN
Purchase of goods and services from related entities and subsidiaries		
- from subsidiaries covered by consolidation	250	252
- from affiliates not covered by consolidation	160	88
Purchase of goods and services from related entities and affiliates and subsidiaries	410	340

Any allowances for the doubt receivables from related entities were not made.

As of the end of period, the balances of settlements arisen as a result of sale and purchase of goods and services are as follows:

	31.12.2010 000' PLN	31.12.2009 000' PLN
Receivables from related entities due to:		
Deliveries and services	609	556
Receivables from subsidiaries and affiliates	609	556
	31.12.2010 000' PLN	31.12.2009 000' PLN
Liabilities to subsidiaries due to:		
Loans	1950	2044
Liabilities to related entities	1950	2044

Note 34 Issuance of securities made in the reporting period

In the reporting period, any issuance of the securities was not carried out.

Note 35 Differences between financial results shown in the report and these previously expected.

In 2010, the company SIMPLE S.A. did not publish any financial forecasts.

Note 36 Agreement binding the members of the Management Board and Supervisory Board and related persons

Pursuant to the information hold by SIMPLE S.A. as of 31.12.2010 the members of the Management Board and Supervisory Board or their spouses, relatives and kinsmen to the second generation, their adopted or adopting and other persons to who they are related personally did not have any unpaid advance payments, loans or other agreements obligation to any benefits in favor of the Company or its related entities and subsidiaries granted by the Company or its subsidiaries or related entities.

Note 37 Other transactions with members of the Management Board and Supervisory Board

On 20th July 2010 the lease agreement for the car was made by the President of the Management Board Bogusław Mitura and SIMPLE S.A., from 20th July for non-specified period of time.

On 1st October 2010, the agreement for using the number of the mobile phone of PLUS GSM for non-specified period of time is made between the President of the Management Board

Note 38 Information on agreements concluded between the shareholders and insurance agreements

As of the date of this report, the Management Board of the Group has no information on agreements between the shareholders.

Simple S.A. concluded for 2010 the Insurance Agreement for 8 M against the Third Party Liability and Insurance Agreement for the entire property of the Company.

Simple Locum entered into the Insurance Agreement for the real property and Insurance Agreement for the entire property of the Company

Note 39 Agreements which may change the shareholding of the owners

According to the information and knowledge of the Management Board of the Group SIMPLE there are no agreements which may cause the changes in the proportions of possessed shares by the current shareholders.

Note 40 Information on granted and received warranties and guarantees.

In the reporting period, the Group did not receive any warranties and guarantees. On 30th December 2010 the parent company SIMPLE S.A. granted the aval to the subsidiary SIMPLE CPS Sp. z o.o. for the amount 77,500 PLN.

Note 41 Composition of the Capital Group

SIMPLE S.A. is the parent company of the Group. The consolidation, except of SIMPLE S.A. Includes also subsidiaries. The data of the subsidiaries as of 31st December 2010 are as follows:

Entity's name	Seat office	Method of consolidation	Taking up control date	Value of shares acc. to purchase price	% of held capital and votes at GMS
SIMPLE LOCUM	Warszawa	Full	2006	2669	100%
SIMPLE CPS	Warszawa	Full	2006	30	100%

SIMPLE S.A. holds shares in the Company SOFTEAM SP. Z O.O. The value of the shares at the purchase price is 53 k PLN that constitutes 50.24% of the share capital of the Company and 25.18% of votes at the General Meeting of Owners. This company is not a subject of consolidation because SIMPLE S.A. does not have any control over this Company and any influence on the financial policy of this Company. It is not entitled to appoint and recall the members of the management board or managing authority.

SIMPLE S.A. holds also shares in the Company SIMPLE SP. Z O.O. in Dąbrowa Górnicza. The value of the shares at the purchase price is 9.7 k PLN that constitutes 19.51% of the share capital of the Company and the same number of votes at the General Meeting of Owners. This company is not a subject of consolidation because SIMPLE S.A. does not have any control over this Company and any influence on the financial policy of this Company. It is not entitled to appoint and recall the members of the management board or managing authority.

Note 42 Goodwill from consolidation

As of 31st December 2010 the goodwill from consolidation was presented in the statement on financial position. It is the assessment of the Company SIMPLE LOCUM SP. Z O.O. for the amount 19 k PLN. The goodwill is not amortized; it will be subject of the impairment test at the end of the fiscal year.

Note 43 Information on paid dividend, in total and per share.

Pursuant to Art. 395 and 2 par. 2 of the Commercial Companies Code and § 6 sec. 5 par. c) of the Articles of Association the General Meeting of SIMPLE S.A. by the Resolution No. 7 of the Ordinary General Meeting of SIMPLE S.A. of 22nd June 2010 stated to forward the Company's profit for the current year from 1st January 2009 to the 31st December 2009 in the amount 899,703.73 PLN to:

- Supplementary capital of the Company in the amount 198,337.33
- be divided into owners in the amount 701,366.40

The dividend includes all shares of the Company in the amount 2,003,904 pieces per 0.35 PLN (0 zlotys thirty five pens) per share. As the dividend date is the date 16th July 2010 and the dividend payment date is the date 30th July 2010.

Pursuant to Art. 393 par 1, Art. 395 and 2 par. 1 of the Commercial Companies Code, the General Meeting of Shareholders of SIMPLE S.A. by the Resolution No. 6 of the Ordinary General Meeting of SIMPLE S.A. of 22nd June 2010 approved the financial statement for 2009.

Pursuant to Art. 395 and 2 par. 1 of the Commercial Companies Code the Meeting of Shareholders of SIMPLE LOCUM SP. Z O.O. by the Resolution No. 4 of the General Meeting of Shareholders of SIMPLE LOCUM SP. Z O.O. of 30th June 2010 approved the financial statement for 2009.

Pursuant to Art. 395 and 2 par. 2 of the Commercial Companies Code the General Meeting of SIMPLE LOCUM SP. Z O.O. by the Resolution No. 5 of the General Meeting of Shareholders of SIMPLE LOCUM SP. Z O.O. of 30th June 2010 stated to forward the Company's profit for the current year from 1st January 2009 to the 31st December 2009 in the amount 11,442.76 PLN to the supplementary capital of the Company.

Pursuant to Art. 395 and 2 par. 1 of the Commercial Companies Code the Meeting of Shareholders of SIMPLE CPS SP. Z O.O. by the Resolution No. 4 of the General Meeting of Shareholders of SIMPLE CPS SP. Z O.O. of 30th June 2010 approved the financial statement for 2009.

Pursuant to Art. 395 and 2 par. 2 of the Commercial Companies Code the Meeting of Shareholders of SIMPLE CPS SP. Z O.O. by the Resolution No. 5 of the General Meeting of Shareholders of SIMPLE CPS SP. Z O.O. of 30th June 2010 stated to cover the Company's loss for the current year from 1st January 2009 to the 31st December 2009 in the amount 1,010.55 PLN from the share capital of the Company.

3. Report of the Supervisory Board on the business activity of SIMPLE Group for 2010

3.1. INFORMATION ON THE CAPITAL GROUP

The seat office of the parent company SIMPLE S.A. is located at ul. Bronisława Czecha 49/51 in Warsaw. The legal form of the parent company is Spółka Akcyjna, established as a result of transformation of the Company SIMPLE z ograniczoną odpowiedzialnością under the notary deed prepared by the Public Notary Anna Chłestowska on 6th June 1997 (Rep. A-3549/97). The Company was registered in the National Court Register by the District Court for the capital city Warsaw, XX Business Department, under KRS number 0000065743. The basic scope of the parent company's activity pursuant to the Classification of Polish Business Activity (PKD) is the activity in the field of software. The Company's activity belongs to IT.

SIMPLE S.A. has conducted its activity in the field of the IT and distribution of computer software since November 1988. It started its business activity as Spółka z ograniczoną odpowiedzialnością. In 1997 it changed its legal form into Spółka Akcyjna. It is a manufacturer of computer software for the entities of all sectors. The additional business activity is distribution of the computer hardware.

As of this report date the Group consists of:

- SIMPLE LOCUM SP. Z O.O. 100%
- SIMPLE CPS SP. Z O.O. – 100%

1. SIMPLE LOCUM SP. Z O.O. seated in Warsaw, at ul. Bronisława Czecha 49/51. SIMPLE S.A. Company on 24th March 2006 under the notary deed (Rep A No. 1726/06) in the presence of the Public Notary Urszula Statkiewicz-Wysocka established the new company under the name SIMPLE LOCUM. SIMPLE S.A. has a full control over this Company by acquisition of the shares in exchange for transfer of real estate as the contribution in a form of notary deed (Rep. A No. 1829/06) on 29.03.2006. The value of acquired shares is 2,669 k PLN. It has 100% of votes at the General Meeting. The basic scope of activity of SIMPLE LOCUM SP. Z O.O. pursuant to the Classification of Polish Activity (PKD) is rental of real estate at its own account. SIMPLE LOCUM SP. Z O.O. is the owner of the office building in Warsaw, ul. Bronisława Czecha 49/51. The total building is rented for the needs of SIMPLE Group.

2. SIMPLE CPS SP. Z O.O. seated in Warsaw at ul. Bronisława Czecha 49/51. The Company's activity started under the name SIMPLE INVEST SP. Z O.O. established on 25th October 1999 under the notary deed (Rep A No. 5653/99) in the Public Notary's Office in Warsaw in the presence of the Public Notary Anna Chełstowska. On 1st August 2002 the name of the company was changed into INVEST SL SP. Z O.O. under the notary deed (Rep A No. 6624/20025) in the Public Notary's Office in Warsaw in the presence of the trainee notary Wojciech Szczypkowski, the deputy of the Public Notary Dorota Kałowska. On 15th June 2004 the name of the company was changed into SIMPLE CPS SP. Z O.O. under the notary deed (Rep A No. 7373/2004) in the Public Notary's Office in Warsaw in the presence of the trainee notary Wojciech Szczypkowski, the deputy of the Public Notary Dorota Kałowska. The value of acquired shares pursuant to the purchase price is 30 k PLN. As of 31st December 2007 the recoverable amount was set for the amount 14 k PLN and the carrying amount of the shares is 16 k PLN. SIMPLE S.A. has 100% of votes at the General Meeting. The basic scope of activity of SIMPLE CPS SP. Z O.O. pursuant to the Classification of Polish Business Activity (PKD) is the editing activity in the field of software. The Company did not conduct any trade activity and did not issue any invoices in 2010.

The consolidation excludes the related entities:

- SOFTEAM SP. Z O.O. – 25,18%
- SIMPLE SP. Z O.O. – 19,51%

1. SOFTEAM SP. Z O.O. seated in Warsaw, at ul. Łopuszańska 53, registered on 5th June 2001 in the District Court for the capital city Warsaw in Warsaw, 20th Business Department of the National Court Register, under KRS number 0000013271. On 29.06.2005 the name of the company was changed from SIMPLE EXPERNET SP. Z O.O. into present SOFTEAM SP. Z O.O. The value of taken up shares as of 30th June 2006, pursuant to the purchase price is 53 k PLN that constitutes 50.24% of the share capital and 25.18% of votes at the General Meeting of Shareholders.

2. SIMPLE SP. Z O.O. seated in Dąbrowa Górnicza at ul. Cieplaka 19, registered on 24th December 2002 in the National Court Register under KRS number 0000108452 in the District Court in Katowice, Business Department of the National Court Register. The date of first registration was 31st May 1991 under the number RHB 6610. The value of

taken up shares is 9.7 k PLN, that constitutes 19.51% of the share capital and the same amount of votes at the General Meeting of Shareholders.

In these companies SIMPLE S.A. holds less than half of votes together with other investors, is not able to manage the financial and operating policy of these entities under the Articles of Association or agreement, is not entitled to appoint and recall the members of the management board and does not hold the majority of votes and the Meetings of the Management Board or Supervisory Board.

Information on relationships between the legal predecessor and the issuer

SIMPLE SPÓŁKA AKCYJNA was established from transformation of Spółka z ograniczoną odpowiedzialnością basing on the statement on financial position prepared as of 11th June 1997 with the amount of 3.286 k PLN in assets and liabilities under the decision of the shareholders (basing on Art. 497 of the Commercial Code). Spółka Akcyjna, which arose after transformation, acquired all Assets and Liabilities of the previous company.

DESCRIPTION OF THE CHANGES IN THE ARTICLES OF ASSOCIATION OF THE PARENT COMPANY

The change of the Articles of Association, including adopting the resolutions on increasing or decreasing the share capital is the competence of the General Meeting under the principles specified in the Art. 430 and subsequent of the Commercial Companies Code including the provisions of the Acts on: public offering and the conditions for introducing the financial instruments to organized trading system and on public companies, on trading the financial instruments and on supervision on the capital market.

Pursuant to § 9 sec. 1 of the Articles of Association the resolution of the General Meeting on the changes in the Articles of Association are adopted by the majority of 3/4 votes.

DESCRIPTION OF GENERAL MEETING OPERATION AND ITS BASIC RIGHTS AND RIGHTS OF THE SHAREHOLDERS AS WELL AS THEIR EXECUTION.

The General Meeting is the highest entity in the Company. It operates pursuant to the law and principles specified by the Articles of Association as well as pursuant to the SIMPLE S.A. General Meeting Regulations accepted by the General Meeting, specifying the organization and course of such Meetings. The General Meeting of Shareholders is convened in an ordinary and extraordinary manner. The Ordinary General Meeting should take place within six months after every fiscal year ended. The Management Board convenes the Ordinary General Meeting. The Extraordinary General Meeting is convened by the Management Board if needed, or under the request of the Supervisory Board or Shareholder representing at least one tenth of the share capital. Convening the Ordinary General Meeting should be performed within 14 days after the request. The application for convening the Extraordinary General Meeting of Shareholders should contain the issues, which should be introduced to the agenda. The General Meeting may be held and may adopt the resolutions without the formal convening, if the total capital is represented and nobody raises a veto regarding the convening or agenda. In case of veto regarding the convening the General Meeting the resolution may be adopted by the usual majority of votes regarding the convening the Extraordinary General Meeting. The resolutions of the General Meeting, except of other issues, specified by the Commercial Companies Code or Articles of Association, require:

- Considering and approving the report of the Management Board on the Company's business activity and the financial statement for the previous fiscal year and granting the vote of acceptance to the Company's bodies for the discharge of their duties,

- Considering and approving the financial statement of the Capital Group of the Company,
- Decision on the profit distribution or loss coverage, to dispose or lease the company or its organized part and to establish the limited property right,
- To purchase or dispose the real estate or share in real estate of the value exceeding the amount of the Company's assets presented in the last audited statement of financial position, appointment and recalling the members of the Supervisory Board,
- Provisions considering claims of damage caused during the Company establishment, management or supervision,
- Changes in the Articles of Association,
- To increase or decrease the share capital,
- To establish and dismantle the special funds,
- To issue the shares convertible bonds or senior bonds,
- To set the remuneration for the members of the Management or Supervisory Board,
- To dissolve the Company,
- To elect the liquidators,
- Amortization/depreciation of shares and its conditions,
- To acquire the treasury shares in the case specified in the Art. 362 § 1 par. 2 of the Commercial Companies Code.

The Management Board should previously present the all issues brought to the General Meeting to the Supervisory Board. Shareholder or shareholders, who want to submit the request on the Company's matters to the General Meeting, should submit it in written to the Management Board, which will present it with its opinion to the Supervisory Board. The Supervisory Board is entitled to assess, at its own discretion, whether or not the relevant request of the Shareholder or Shareholders will be submitted to the agenda of the General Meeting, but the request submitted in the proper term by the shareholders holding jointly not less than one tenth of the share capital has to be included to the agenda of the nearest General Meeting. The Shareholders can participate in the General Meeting individually or by proxies. The power of attorney to participate in the General Meeting and to vote should be made in written or otherwise being invalid and should be attached to the minutes. The General Meeting is able to adopt the binding resolutions notwithstanding the number of presented shares and the amount of the capital, unless the provisions of the Commercial Companies Code or this Articles of Association state otherwise. The resolutions concerning the issue of shares, issue of convertible bonds and senior bonds, depreciation of shares, decrease of the share capital, disposal of the company or its organized part, changes of the Articles of Association and dissolving the Company are adopted under the majority of 3/4 votes. Other resolutions of the General Meeting of Shareholders are passed with an absolute majority of votes, and in cases where the Commercial Companies Code requires the qualified majority of votes, with the majority required by the Commercial Code. The resolution on the change of the subject of the business activity adopted by the majority of 2/3 votes at the presence of the Shareholders presenting half of the share capital is effective and does not cause the obligation to buyout the shares of these Shareholders, which do not agree on that change.

The detailed course of the General Meeting is specified by the Regulations of the General Meeting, which is available on the website: www.simple.com.pl, in the folder Investor's relations.

MANAGEMENT BOARD OF THE PARENT COMPANY

The Management Board acts under the provisions of the Commercial Companies Code and the Articles of Association and the Regulations adopted by the Management Board. The Management Board manages the total business activity of the Company and represents the Company. The first Management Board is appointed for two years, and then for three years. Jointly two Members of the Management Board or the Member of the Management Board and proxy are entitled to submit the statements in the field of property rights and duties of the Company as well as to sign documents. The principles of the Management Board operation specifying the type of matters requiring the resolution are described in the Regulations adopted by the Management Board. Adopting the regulations and their change requires the presence of all Members of the Management Board and the majority of 3/4 votes. The resolutions of the Board are adopted by the absolute majority of votes. In case of equity of votes, the President's vote is decisive. The Management Board is entitled to take all decisions not reserved by the competences of other Company's bodies. The Management Board is obliged to manage the property and issues of the Company with due diligence required in the trading, comply with the law, regulations of this Articles and Resolutions adopted by the General Meeting and Supervisory Board within their competences.

The Management Board's meetings are convened by the President or substituting for the President the 1st Vice-President or Vice-President of the Management Board. The persons convening the meeting should inform the members of the Management Board on the meeting at least 3 days in advance in written or by e-mail. In case of emergency, the President or substituting for the President 1st Vice-President or Vice-President of the Management Board may order other way and term of notifying the Members on the date of the meeting.

Resolutions of the Management Board are passed by majority of votes. The Management Board is deemed as to be able to adopt the resolutions in case when although each member was efficiently notified on the meeting within the period of time enabling to be present, but the half of the total number of members is present on the meeting. The Management Board's meetings are held in the Company's registered office or in other place appointed by the President or Vice-President.

The Regulations of the Management Board determines in details the procedure for convening the Management Board's meetings, way of passing the resolutions including voting and making the minutes and the scope of matters for which the Management Board is entitled to pass the resolutions. Pursuant to the Regulations, the Management Board is obliged, within the period of time enabling to express the opinion on these documents, to prepare and submit to the Supervisory Board the financial statement and report on business activity for the previous fiscal year. The Regulations of the Management Board is available on the website of SIMPLE S.A.: www.simple.com.pl

As of 31st December 2009 the composition of the Management Board of SIMPLE S.A. was as follows:

Paweł Zdunek	– President of the Management Board
Przemysław Gnitecki	– Vice President of the Management Board

On 27th January 2010 the Supervisory Board appointed Mr. Michał Siedlecki to hold a position of Vice President of the Management Board.

On 14th June 2010 Mr. Paweł Zdunek resigned from the position of the President of the Management Board with an effect on 20th July 2010.

On 20th July 2010 the Supervisory Board appointed Mr. Bogusław Mitura to hold a position of President of the Management Board.

As of 31st December 2010 the composition of the Management Board of SIMPLE S.A. was as follows:

Bogusław Mitura- President of the Management Board

PhD, Engineer.

A graduate of the Warsaw University of Technology- Institute of Organization and Management and the Doctor Studies at the Warsaw University of Technology in the field of the Organization and Management. Specialist in the field of designing the IT systems. Within 1979-1984 he worked in the industry, among others in the Scientific and Production Center for Small Aviation [Centrum Naukowo-Produkcyjne Samolotów Lekkich] and Machinery Industry Organization Institute [Instytut Organizacji Przemysłu Maszynowego], where he managed the IT projects. Within 1984-1996- scientific worker in the Institute of Organization and Management of Warsaw University of Technology and in the Faculty Organization and Economics of Enterprises of Warsaw University of Life Sciences. Within 1992-1994- Director and the Chief Executive in InterArms Sp. z o.o. Within 1994-2007 co-founder and Vice President of ABG S.A. Since 2007 the financial investor trading in IT market.

Przemysław Gnitecki- Vice President of the Management Board

He graduated the Mathematic and Information Faculty of Breslau University.

The course of the professional work:

1995-1997 MIS Sp. z o.o. - Employed as an analyst-programmer

1998-2000 Sycomex Polska- employed as an analyst- C/C++ programmer

2000-2001 Finexa Inc- employed as Java/Oracle Developer/Release Manager

2001-2005 ABG Sp. z o.o. - Employed as a main “architect”. He was the main “architect” and one of the main creators of IACS system- including the union funds directly to the farmers.

2005 – 2006 ABG S.A. - Employed as a Director of Professional Services

2006 – 2009 ABG S.A. - Employed as a CTO (Chief Technology Officer)

2007-2008- Innovation and Information Society (Research and Development Center of ABG)- he held a position of the President of the Management Board.

Since 2008 he holds a position of the Member of the Management Board Vedia S.A. (listed at NewConnect). He does not appear in the Polish Registry of Insolvent Debtors conducted under the Act on National Court Register.

Michał Siedlecki-Vice-President of the Management Board,

He graduated the Faculty of Mechanics at Warsaw University of Technology in the Institute of Organization and Management.

Within 1983-1988 he was employed in the following companies:

1982-1987- Machinery Industry Organization Institute- as the senior assistant

1987-1988- "InterArms II" Sp. z o.o. as the system designer

Co-founder and shareholder, in the Company was employed as the Chief Designer of Systems.

Within 1992-1997 a member of the Management Board responsible for development.

After 1997 he came back to the position of the Chief Designer of Systems and handled with creation of the basic product of the company- SIMPLE SYSTEM V.

Since June 2006 he held a position of the Vice President of the Management Board of SIMPLE S.A. responsible for the development of SIMPLE products.

In December 2007 he was appointed for a position of the President of the Management Board.

From January to July 2009 he held a position of the Vice President of the Management Board of SIMPLE S.A. and from July 2007 to January 2010 he was an adviser of the Management Board.

APPOINTMENT AND RECALL OF THE PROXY OF THE PARENT COMPANY

In the period 01.01.2010 to 31.12.2010 the position of a proxy was held by Regina Kuliś.

THE DESCRIPTION OF THE PRINCIPLES CONCERNING APPOINTING AND RECALLING THE MEMBERS OF THE BOARD AND THEIR RIGHTS.

Pursuant to the Articles of Association and par. II of the Management Board's Regulations, the Management Board consists of 1 to 5 members, including the President, Vice-President and members. They are appointed for joint term of office, which lasts 3 years. Pursuant to § 15 sec. 1 par. 2 of the Articles of Association of SIMPLE S.A. the Members of the Board are appointed and recalled by the Supervisory Board. Pursuant to the Articles of Association and the Management Board's Operation Regulations, the Management Board is entitled to take all decisions nor reserved by the competences of other Company's bodies. The Management Board is obliged to manage the property and issues of the Company with due diligence required in the trading, comply with the law, regulations of this Articles and Resolutions adopted by the General Meeting and Supervisory Board within their competences. The Regulations of the Management Board is available on the website of SIMPLE S.A.: www.simple.com.pl, folder Investor's relations.

The members of the Management Board are not entitled to take the decision on issuance or buyout of the shares.

SUPERVISORY BOARD OF PARENT COMPANY

The Supervisory Board acts under the provisions of the Commercial Companies Code, Articles of Associations and Regulations of the Supervisory Board. The Supervisory Board is composed of five to eight Members elected by the General Meeting. The members of the first Supervisory Board are appointed for 1 year. The next members are elected for the three years term of office. The seats of the Members of the Supervisory Board expire with the lapse of the term of office of the Supervisory Board, which composition was elected, as of the date of the General Meeting, approving the financial statement for the previous fiscal year of holding the position of the Member of the Supervisory Board. The Members of the Supervisory Board may be re-elected.

The Supervisory Board elects the Chairman, Deputy Chairman and Secretary from among its members. The Members of the Supervisory Board may be only the natural persons.

The independent member of the Supervisory Board is the person meeting the following conditions:

- This person cannot be Simple related Entity, Entity related to the Parent company of Simple or subsidiary of Simple and the subsidiary of Simple in the meaning of the Act on trading the securities,
- This person cannot be relative or relative to the second degree of the Simple's employee or the Entity belonged to Simple.

The Chairman convenes the meetings of the Supervisory Board and he chairs the meeting, in case of his absence- Deputy Chairman. The meetings of the Supervisory Board are held at least one per quarter. The convening of the Supervisory Board's meeting from the Management Board's initiative may occur upon its request submitted to the Chairman or Deputy Chairman. In such case, the meeting of the Supervisory Board should be held at least within 14 days from the date of request. In the periods between the meetings of the Supervisory Board. The Chairman represents the Board towards the Management Board, and in case of his longer absence, the Deputy Chairman or other Member authorized by the Board perform this duty.

The resolutions of the Supervisory Board are valid when all members of the Board were notified on the date of the meeting in a manner specified by the Regulations. The Supervisory Board is entitled to adopt the important resolution in the presence at least 3/4 of elected composition of the Board. The resolutions of the Supervisory Board are passed by the absolute majority of votes present at the meeting and in case of equity of votes the vote of the Chairman is decisive.

The members of the Supervisory Board can participate in adopting the resolutions by voting in written or by the virtue of other member or using the communication at the distance.

The competences of the Supervisory Board include:

- Passing the regulation of work of the Supervisory Board,
- Appointing and recalling the President and other members of the Management Board,
- Constant supervision on the Company's business activity in all fields,
- Assessment of the report of the Management Board on business activity and financial statement for the previous year regarding the compliance with the records and documents as well as the actual state and the applications of the Board concerning the profit division or loss coverage and also submitting to the General Meeting of Shareholders the annual written statement on the results of such assessment,
- Determining the principles and amount of remuneration for the members of the Management Board,
- Expressing the opinion on requests and matters to be passed at the General Meeting,
- Suspending, because of important reasons, in the activity the particular or all members of the Board and also appointing the members of the Supervisory Board for the period not longer than 3 months, to temporary duties of the members of the Board, who are not able to perform their duties.
- Electing the statutory auditor to audit the annual statement on financial position,
- approving the annual financial plans.

In order to perform its duties the Supervisory Board is entitled to review all Company's documents and to require from the Management Board and employees the statements and explanations as well as to perform the revisions of the Company's property. The meetings of the Supervisory Board are held under the terms and manner specified in the Regulations of the Supervisory Board.

The Regulations of the Supervisory Board is available on the website of SIMPLE S.A.: www.simple.com.pl
Within the period from 01.01.2010 to 31.01.2010 the Supervisory Board was composed of five persons:

- Elżbieta Zybert- Chairman of the Supervisory Board
- Józef Taran- Deputy Chairman of the Supervisory Board
- Andrzej Bogucki- Secretary of the Supervisory Board
- Marta Joanna Adamczyk- Member of the Supervisory Board
- Jacek Kuroś- Member of the Supervisory Board

COMPOSITION OF THE AUDITING COMMITTEE OF THE PARENT COMPANY

The Supervisor Board of SIMPLE S.A. appointed under the resolution of 31st March 2009 the Audit Committee with the following composition:

- Elżbieta Zybert
- Józef Taran
- Jacek Kuroś

SHARES AND SHAREHOLDING STRUCTURE OF THE PARENT COMPANY

SIMPLE S.A. issued 2,003,904 shares of the nominal value 1.00 PLN, including 189 000 preference voting shares in proportion 1 to 5.

CHANGES IN THE BASIC MANAGEMENT PRINCIPLES OF THE PARENT COMPANY

The year 2010 was the next year of changes for SIMPLE Group aimed at increasing the efficiency of the Company's actions. The basic changes in the management principles were as follows:

- Implementation of the budgeting and settlements of the results achieved by the departments
- The change of the sale organization consisting in forwarding the responsibility for the sale results of manufactured products and provided services to the particular departments.

3.2. CHARACTERISTIC OF BUSINESS ACTIVITY

Products and services of the Group

The Group decided to expand the scope of the offered products and services. The adopted strategy anticipates the development of the activity in the following fields:

1. The present product Simple.ERP in the field related to the following verticals:
 - a. Medicine
 - b. Construction
 - c. Education

- d. Production
 - e. Wide-understood public sector
 - f. Trade
2. New product related to the soft HR- eSimple.KARO HRMS.
 3. Simple CRM in the field of the Microsoft CRM products and present product Simple.CRM.
 4. Products such as Business Intelligence in the field of won product Simple.BI as well as of foreign products Prophix, Targit and Hyperion.
 5. Consulting services in the field of analysis and design of systems.
 6. Services related to the complex performance of the systems for the order (pursuant to the Client's order)
 7. Continuance of the development of the systems prepared in the special technology SIMPLE SYSTEM and SIMPLE BUSINESS.

SIMPLE.ERP package

SIMPLE.ERP system is one of the main products in the offer. IN the second half of 2010 the next version 6.0.c. was implemented to the market and the works related to transferring the system in 3D architecture and cooperation with many databases are started. Version 6.0.c, except for adjustment to the changed regulations (including VAT tax changes) includes several new functions increasing the attractiveness of the product. The material improvements refer in particular to SIMPLE.BUD designated for construction companies.

SIMPLE.ERP includes the complex solutions dedicated for the medial and educational branch- SIMPLE.MED and SIMPLE.EDU.

The basic segments of the market to which the actual offers are addressed are the big and medium enterprises of various branches from production to commercial, public and non-public health care institutions, private and state high schools and research and scientific entities. We owing such wide range to universality and flexibility of system as well as expanded references.

eSimple.KARO HRMS package

eSIMPLE.KARO HRMS is a modern system supporting the HR management, equipped with many functions meeting the needs of HR departments, personal directors, executing staff and employees. The system automatizes the HR processes and implements the tool to the HR Management. In 2010, the Group intensified the sale of this products, that generated many trade processes and it should brought the higher sale in 2011.

Microsoft Dynamics CRM and Simple.CRM packages

In 2010, the Group strengthened its competences in the field of MS CRM product. Our employees obtained eleven certificates in this field and we made the first sale and implementation of this product. The increase of the MS CRM sale in 2011 is one of the key issues of the Company. The Company will also continue and develop the sale of the present, recognized by the Clients, solution Simple.CRM.

Business Intelligence Packages

In 2010 the Group continued the sale of the product Simple.BI, which is strictly integrated with Simple.ERP and is based on Microsoft Analysis Services. It is the products used and appreciated by many Simple's Clients. Contrary to the previous years, Simple started the sale and successfully implemented the solutions for budgeting of Prohix in some clients. In 2011, we expect the increase of sale in this field. In connection with making the competences in the

field of BI the Company has developed also the competences in the field of the Tagit and Hyperion tools. It is planned to sale these products in 2011.

Consulting services in the field of analysis and design of systems.

In 2010, the Group performed first small consulting projects referred to the analysis and design. It was possible due to obtaining the competences in this field. In the next years, the company intends to use the above competences to develop the activity in this field.

Services related to the complex performance of the systems for the order

Pursuant to the information above, the Group obtained the competences needed to perform such projects. Now we enter into some trade processes in public and commercial sector, which are to be completed in 2011. And then we intend to start the performance of the first such projects.

SIMPLE BUSINESS package

The package of software for small and medium enterprises which has been developed by the Group SIMPLE in 1990-2003. Now this system is adjusted to the changes in the regulations. Similar as in case of SIMPLE SYSTEM the version basing on MS SQL was created and is offered as the system modernization. SIMPLE plans the migration of packages SIMPLE BUSINESS operating in medium enterprises to SIMPLE.ERP.

Maintenance services for implemented systems

Service care

The service care is a type of service offered to the current client consisting of guaranteeing them the access to the wider functionalities occurring in the new versions of software packages in case of change in law, which affect the system operation.

Consultation and implementation services

The consultation and implementation services are aimed at adjusting the system to the business processes of the client. They are rendered also during the implementation as well as after implementation enabling the client to use all functionalities of the system.

Service

The services rendered in case of troubles with software operation.

Supplementing software

SIMPLE Group offers its software for wide range of branches and therefore it expands its offer with the products of third parties, which supplement the SIMPLE.ERP system.

The sale of equipment and system software and services

In order to ensure the complex service of the potential and current clients, the Group SIMPLE offers the sale of computer hardware (in particular servers) working stations, system software and renders the services on parameterization. In this field, the Company conducts also outsourcing of services for the current clients.

3.3. ECONOMIC AND FINANCIAL STANDING OF THE GROUP

DESCRIPTION OF THE BASIC ECONOMIC AND FINANCIAL FIGURES

The balance sum of the Group SIMPLE as of 31st December 2010 is 18.7 M PLN. The share of non-current assets in the balance sum is 45 % and current assets 55 %. The item of intangible assets in the non-current assets increased by 3909 k in comparison to December 2009 as a result of completion of the investment SIMPLE.SCM module and starting its amortization. PP&E increased by 317 k PLN.

In the current assets, there is a significant increase of receivables by 3.440 k PLN in comparison to December 2009 as a result of the increase of revenues from sale.

The non-current assets amount to 8.3 m PLN including:

- 47.37 % intangible assets
- 48.64 % property, plant and equipment
- 0.23% Goodwill
- 0.64 long-term receivables
- 0.76 % investments in related entities and subsidiaries
- 2.36% Long-term prepayments and accrued income

The current assets are 10.3 million PLN including:

- 0.50 % stocks of goods
- 74.06 % trade liabilities
- 20.40 % cash and cash equivalents
- 5.04 % prepayments and accrued income

The equity of the Group constitutes 49.51% of the balance sum, long-term liabilities 20.68% and short-term liabilities 29.81% of the balance sum.

The long-term liabilities increased by 195 k PLN in comparison to December 2009. The decrease in provisions for employee leave benefits by 59 k PLN occurred. The liabilities due to the long-term credits and loans in comparison to the same period of last year decreased by 234 k PLN that was caused by the credits and loan repayment. The item of liabilities due to lease increased by 488 k PLN, which was caused by the purchase of leased cars.

In the item of short-term liabilities the item of credits taken for purchase of vehicle fleet and the liabilities due to the lease, which was caused by the purchase of leased cars, was increased.

The long-term liabilities amount to 3.9 M PLN including:

- 23.16% provisions
- 59.20% credits and loans
- 17.64 % due to lease

The short-term liabilities amount to 5563 k PLN including:

- 2.84% Credits and loans
- 5.02 % due to lease
- 55.57 % other liabilities
- 36.57 % accrued and deferred assets and liabilities

Finally, the balance sum in comparison to the comparable period of the previous year increased by 3.089 M PLN.

STATEMENT ON COMPREHENSIVE INCOME

In 2010, the Group presented the increase of the revenues from sale by 5.5 million PLN in comparison to the comparable period of the previous year. The costs of sale were higher by 1,2 MPLN that connects with the increase of revenues from sale. The general administrative costs slightly increased by 248 k PLN. The result of operating activity of SIMPLE S.A. presents the profit in the amount 2,7 M PLN in comparison to the profit 1,1 M PLN from the comparable period of the previous year. The result of the Company for 2010 is by 1 M PLN higher in comparison to 2009.

FINANCIAL RESOURCES MANAGEMENT OF SIMPLE S.A. GROUP

The Group SIMPLE manages the financial liquidity and supervises the situation of receivables and liabilities on a current basis. It makes all endeavors to meet the taken financial obligations timely and at the same aims at reducing the costs. It does not have any overdue amounts in liabilities due to deliveries, taxes and other liabilities. It is of a good financial standing and there are not any threats in fulfillment of liabilities.

SECURING THE RISK OF LIQUIDITY

The current liquidity of the Capital Group is monitored on a current basis. The liquidity analysis bases on specification of the planned revenues and expenses related to the current business activity, investments expenses and other inflows and payments occurring occasionally. The company's liquidity forecast bases on the data from the financial and accounting system and budget plans. The amounts of available assets under the facilities are a subject of analysis and control. Within forecasting and management of liquidity the control includes all changes in the Group's property.

RATIOS

The table below presents some of rates characterizing the financial consition of the Group SIMPLE as of 31st December 2010 and comparable period of 2009.

Item	Ratios	Method of calculation	year 2010	year 2009
1	Return on net assets	$\frac{\text{Net result} \times 100}{\text{Revenues from sale}}$	8,25 %	5,19 %
2	Return on sales	$\frac{\text{Sales result} \times 100}{\text{Revenues from sale}}$	11,43 %	6.13 %
3	Return on net property	$\frac{\text{Net result} \times 100}{\text{Total assets}}$	10,18 %	5.82 %
4	Return on equity	$\frac{\text{Net result} \times 100}{\text{Equity}}$	20,56	11,29 %
5	Current liquidity	$\frac{\text{Current assets}}{\text{Short-term liabilities}}$	2,93	6,40 %
6	Cash liquidity	$\frac{\text{Cash}}{\text{Short-term liabilities}}$	0,53	1.50 %

Net profitability and return on sales rates shows how more profit is carried by the one zlotys in sales.

The financial results show that there are not any assumptions showing the threat for the continuance of the business activity and for performance of the liabilities.

SALE IN 2010

The year 2010 was a good year for the Group. The Group achieved the revenues in the amount of 23,075 k PLN that in comparison to 2009 reflects the dynamic of growth by more than 31%. The financial results of the Group were also a record. The net profit in 2010 amounted to 1,900 k PLN that constitutes the increase by 109% in comparison to last year.

ASSESSMENT OF INVESTMENTS PERFORMANCE

The basic investment goal for 2011 is the planned acquisitions of the IT companies.

These investments will be financed mainly from the funds obtained from the planned issue of shares and partially from the own funds.

SIMPLE S.A. plans to issue the shares to the amount 10 m PLN in 2010. These funds will be designated to the acquisition.

Very good financial results 2010 allowed the Group to cumulate the financial funds. These funds will be partially used for the planned investments.

SIGNIFICANT AGREEMENTS FOR THE GROUP

On 20.12.2010 SIMPLE S.A. concluded with the natural persons Hubert Abramouk and Michał Abramiuk, the partners of the private partnership Highcom s.c., the preliminary agreement for sale of the shares in the limited liability company, which will arise as a result of transformation of the private partnership, and which important provisions were specified below.

- I. Subject matter of agreement: The subject of the agreement is that Huber Abramiuk and Michał Abramiuk, the partners in the private partnership Highcom s.c., shall undertake to sale and SIMPLE S.A. shall undertake to purchase 200 shares of the limited liability company, in stages, that will constitute 100% of the limited liability shares, which will arise as a result of transformation of Highcom s.c. This shares purchase transaction will be carried out under 5 agreements for sale/disposal within the period from March 2011 to December 2012.
- II. In the first stage, i.e. to 31.04.2011 SIMPLE S.A. will purchase under the agreement for sale 102 shares of limited liability company, constituting 51% of shares of the limited liability company at the total price PLN 500,004.
- III. In the next stages SIMPLE S.A. will purchase under four agreements for sale the remained 98 shares of the limited liability company, that will constitute the remained 49% shares of the limited liability company. The purchase price for the remained 98 shares of the limited liability company will amount to PLN 1,800,000.30 (one million eight hundred thousand 30/100).
- IV. The Issuer states that the value of the subject of the mentioned 5 agreements (value of sale of the shares in the limited liability company) will exceed 10% of the equity of the Issuer.

On 19.11.2010 SIMPLE S.A. reached the agreement with the Company CRON Sp. z o.o., seated in Warsaw, under which the Company CRON undertakes to sale the rights to its products (including the computer software) and to make the assignment to SIMPLE of receivables attributable to CRON from the present agreements with clients and undertakes not to enter into agreements with the present clients so that the SIMPLE is the entity authorized to exclusive service of all present clients of CRON, including:

- a. Acquisition of the rights to CRON products and exclusive service of ERP Clients of CRON. The subject of agreement refers to the following services and products: licenses, service care, post-implementation care, single consultancy and other services for ERP Clients of CRON. Under the following settlement, the revenues due to sale of Simple products and related services to CRON Clients will not be considered.
- b. Financial condition: Simple shall pay CRON 160 k as the pre-payment for acquisition of products and exclusive service of Clients. The payment shall be made within 7 days after the final agreement.
- c. Additional payments due to acquisition of the rights to CRON products will be dependent on the level of sale to CRON Clients in the field specified in the subpar. a within 02.11.2010 to 31.10.2011. The additional payment will be calculated in the following manner:
 - Revenues over 500 k PLN - Additional payment 200 k + 20% from the sale (revenue) of this products over 500 k
 - Revenues between 500 k PLN and 400 k PLN - Additional payment 200 k PLN
 - Revenues below 400 k PLN - - no additional payment

On 29th September 2010 the company SIMPLE S.A. has entered, as the Consortium Partner, into the significant agreement with the Oncology Center in Warsaw- as the Employer. The consortium in the composition of UHC Sp. z o.o. seated in Lublin and SIMPLE S.A. undertake to installation, implementation and integrated IT System for the Oncology Center- Curie-Skłodowska Institute in Warsaw for two localizations: at ul. W.K. Roentgena 5, 02-781 Warsaw (Ursynów District) and at ul. Wawelska 15 (Ochota District) including:

- Hospital IT System;
- RIS/PACS solutions;
- Hospital administration system.
- with the consideration in the amount net 4,496,000 PLN, i.e. gross 5,409,820n PLN.

On 30th September 2011 SIMPLE S.A., as the Consortium Leader, has entered into the agreement on delivery and implementation of the Integrated IT System and delivery of the hardware for the Jan Kochanowski University of Humanities and Science in Kielce amounting to 4,774,900.00 PLN.

The consortium including SIMPLE S.A. seated in Warsaw and Partners in Progress Sp. Z o.o. seated in Rzeszów undertook to perform the Project consisting of delivery, implementation and maintenance of the integrated IT system supporting the management of the University and delivery of the equipment for the Jan Kochanowski University of Humanities and Sciences ul. Żeromskiego 5, 26-369 Kielce, by performance of the following tasks:

- Design, performance and implementation of the System, including:
- Pre-implementation analysis completed with the System Implementation Concept,

- Implementation of the System in accordance with the System Implementation Concept,
- Delivery of equipment,
- Configuration of the System software,
- Preparing the assumptions and tests as well as carrying out the technical tests in the presence of the Employer,
- Delivery of the complete documentation of the System in electronic form as well as in paper form, including the technical, operation and user's documentation.
- Migration the data to the System basing on prepared data migration project,
- Carrying out the training for the System's users and administrators,
- Technical support and System maintenance services,
- Being ready to develop the ZSI System.

TAKEN OR TERMINATED AGREEMENTS ON CREDITS AND LOANS

Described in the Note 25.

GRANTED LOANS

Described in the Note 27.

PROCEEDS FROM ISSUE

In the reporting period, any issuance of the securities was not carried out.

THE FACTORS AFFECTING THE ACHIEVED RESULTS

The sale increase of the Group was achieved basing in the organic development of the Company, including: complete changes in organization and personnel of the Group's companies, change of the style and method of the management, initiation of three effective sale channels for the products and services (headquarter, departments and network of partners). The results of these changes may be observed in Q4 2010, which was the record quarter in the Group's history. In 2010 the dynamic growth of the new licenses of SIMPLE.ERP system by more than 77% occurred. It results in the increase of the revenues from the services and service cares. This growth was achieved in all key sectors, to which the offer of SIMPLE S.A. is addressed.

3.4. DESCRIPTION OF THE SIGNIFICANT RISKS AND THREATS WITH SPECIFICATION TO WHAT EXTENT THE ISSUER IS EXPOSED TO THEM

The key threat and risk factors related to the SIMPLE S.A. developments in the context of prospects are as follows:

RISK OF CRISIS

Although that Poland keeps the economic growth tendency it may occur that the economic depression in the world markets affect negatively the domestic economy. Such situation may result in limitation of investments decisions and waiting for economic situation improvement. Therefore, it may mean the decrease of new sales as well as achieving lower margins in sales of the current products: services, subscriptions and service care.

The Company counteracts this by market diversification, adjusting the product to the individual customer's needs as well as assistance in obtaining the investment funds.

RISK OF STAFF

During the crisis of the demand and economic uncertainty, the competitive companies are interested in the efficient and well-qualified employees. The companies manufacturing products with high knowledge involvements are exposed to loss of key specialists. The companies constantly penetrate the labor market and the employees want to have alternative place of work. It is related to the increase of payrolls and decrease of business activity profitability. The Company creates the attractive work conditions for employees as well as profitable motivation systems, implements the shares buy-out program.

RISK OF COMPETITION

The risk of competition has some aspects. The most important are branches' consolidation by main players and investments of foreign companies. The big IT companies and integrators disposes the tools allowing to achieve the competitive advantage by acquiring the market, reducing prices which is apparent (for investors), short-term but consumptive for other manufacturers. It may cause shrinking the portfolio of the orders and the possible new clients and this is one of the key development factors for the companies of modern technology. The Polish market is also attractive for other foreign companies. In particular, for SME sector, which market has growing tendency and is always insatiable. The acquiring the market by the foreign suppliers is characterized by the low margins, which result in competitive battle.

RISK OF SYSTEM IMPLEMENTATION

The IT system receivers limit the funds for investments. However, this kind of business activity does not allow to reduce the requirements for the systems. The risks mentioned above in the unfavorable situation stake on supplier. It often has to meet the increasing client's needs during the implementation, change the assumptions and reduce the remuneration. Moreover, present economic processes are more and more complicated issues, where without good knowledge it is easy to implements the system, which is not favorable for the client's needs. In addition, the recipients want to treat their IT systems suppliers and business advisors and require the increase of economic efficiency after installing the IT solutions. There is a risk that without the proper analyses such needs can be unsatisfied.

The implementation efficiency is one of the Company's goals, implementation of budgeting system reduces such risk. The implementation divisions have many levels of implementation methodology where analytic errors are reduced. The processes of business analyses were introduced at the initial presentation level.

Risk of possible delays in new products and services

Solutions of ERP class have to be complex in full meeting the client and his surrounding's needs. The solutions supplier cares of extending the offer, introducing new functionalities and ensuring the data integrity. However, the competition and client's need are still more and more. There is a risk to be passed by and that other suppliers will acquire the market. It is related to the production capacity and availability of union funds to expand or improve products.

SIMPLE S.A. relied on the products quality increasing the quality services as well as automation of test processes. The specialist for analyses and solution design were employed as well as selection of product manager started.

PROCEEDINGS AT COURT

As of 31st December 2010 there are not any court proceedings, where the Group SIMPLE is a party.

EMPLOYEES' PROGRAMS CONTROL SYSTEM

On 30th June 2009 at the Ordinary General Meeting of Shareholders the Resolution No. 20 was adopted on purchasing the treasury bonds by SIMPLE S.A. in connection to the Art. 362 § 1 par. 2 of the Commercial Companies Code, which will be offered to be purchase by the employees or persons, who was employed in the Company or entity related for the period at least 3 years.

30 par. 2009 of the Ordinance of the Minister of Finances of art.362 February 2010 on current and periodic information the Management Board of SIMPLE S.A. informs that executing the resolution of the Ordinary General Meeting of 30th June 1 on expressing consent on buyout of shares by the Company to offer to be bought by the Company's employees adopted under art. 362 § par. Commercial Companies Code in connection with art. 393 par. 6 of the Commercial Companies Code and basing on "Regulations of Shares Repurchase to offer them to the Company's employees" adopted by the Management Board under the Resolution No. VI/02/05/2010 of 27th May 2010, bought back the shares in the amount 2755 pieces at the nominal value 1.00 PLN, average purchase price 7.69 PLN and purchase price of the purchased shares 21,1897.22 The buy-out was made within 10th June 2010 to 30th June 2010.

In the reporting period for 2010 the Capital Group SIMPLE did not realize any employees' programs.

Description of the basic features of the internal control and risk management in relation to the process of preparing the financial statements and consolidated financial statements applied in the issuer's company.

The Group has an internal control system, which enables the efficient and reasonable flow of financial and non-financial information between the particular organizational units of the Company. The Financial Director, responsible for finance, performs the substantial supervision on the process of preparing the financial statement and periodic reports. The efficiency of the internal control system and risk management in the financial reporting process is ensured by:

- 1) Internal regulations system including, but not limited to:
 - 1) Organizational structure adjusted to the needs of the Company's business activity, setting:
 - 2) Rules of mutual communication between the organizational units,
 - 3) scope of activities, rights and responsibilities of the relevant units, positions and persons,
- 2) Documents for the accounting policy prepared pursuant to:
 - 1) Accounting Act in the field of measurements of assets and liabilities and presentation of the financial statements
 - 2) Pursuant to the requirements of the International Accounting Standards,
 - 3) other regulations and internal orders
- 3) The books are kept using the IT system, which has the recommendation of the Accountant Association in Poland. The IT system provides the clear division of competences and automatic control of the access to resources as well as full documentation of transactions performed by particular persons.

- 4) The all accounting evidences control and their handling procedure ensuring their correctness in terms of its factual content and integrity and accounting.
- 5) Audit and verification of the financial statement by the independent statutory auditor. The election of the statutory auditor is made by the Supervisory Board under the selection of offers among the recognized auditing companies.

CHARACTERISTIC OF POLICY REGARD THE CAPITAL GROUP'S DEVELOPMENT DIRECTIONS

In 2011, we plan the further dynamic development of the Capital Group. The source of our development are as follows:

- 1 Organic development related to ERP class systems,
- 2 Achieving and developing new competences (dedicated systems, consulting),
- 3 Acquisition of the companies from IT market.

The purpose of the acquisition is to acquire not big IT companies having the complementary products and technologies in comparison to SIMPLE. It allows achieve new products and technologies and winning new markets and clients. As a result it expands the offer of the Company. In 2011 we plan to acquire 2-3 companies.

In 2011, we expect the further development and sale increase in all channels: headquarter and branch offices and in the partners network.

The important elements of this growth are the development of the products and technologies, improvement of the software production process and services for the clients.

The important tool to assess the operation of the organizational unit will be the budgeting system to be implemented from 2011. It improves the process of planning and allows to improve the efficiency of the company's operation.

CHARACTERISTIC OF ASSETS AND LIABILITIES STRUCTURE OF THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION IN THE ASPECTS OF LIQUIDITY OF THE CAPITAL GROUP.

The assets and liabilities are the component with similar economic content, measured at the same currency. They reflect the conditions and structure of the property and indicated the funding sources. They are the base to calculate the rates, they characterize the liquidity and profitability.

Assets	At the end of		Structure in %		Dynamics in %
	2010	2009	2010	2009	2010/2009
Non-current assets	8331	4113	44.63	26.30	202.55
Intangible assets	3946	37	21.14	0.24	10 664.86
Property, plant and equipment	4052	3735	21.71	23.89	108.49
Goodwill	19	19	0.10	0.12	100.00
Long- term receivables	54	53	0.29	0.34	101.89
Investments in related entities	63	63	0.34	0.40	100.00
Long-term accrued and deferred assets	197	206	1.06	1.32	95.63
Current assets	10334	11528	55.37	73.70	89.64
Inventories	52	17	0.27	0.11	305.88
Trade receivables and other receivables	7653	4213	41.00	26.94	181.65
Cash and cash equivalents	2108	2909	11.29	18.60	72.46
Short-term accrued and deferred assets	521	4389	2.79	28.06	11.87
Sum of assets	18665	15641	100.00	100.00	119.33
Liabilities	At the end of		Structure in %		Dynamics in %
	2009	2008	2009	2008	2009/2008
Equity	9241	8063	49.51	51.55	114.61
Share capital	2004	2004	10.74	12.81	100.00
Share premium	-	-			
Retained earnings	7258	6059	38.89	38.74	119.79
Long-term liabilities and provisions	3860	3665	20.68	23.43	105.32
Provision due to the deferred income tax	4	1	0.02	0.01	400.00
Provision for retirement and similar benefits	241	663	1.29	4.24	36.35
Other provisions	649	289	3.48	1.85	224.57
Long-term loans and credits	2285	2519	12.24	16.11	90.71
Financial lease liabilities	681	193	3.65	1.23	352.85
Short-term liabilities	5564	3913	29.81	25.02	142.19
Short-term loans and credits	158	201	0.86	1.30	78.61
Financial lease liabilities	279	154	1.49	0.98	181.17
Trade and other payables	3092	1446	16.57	9.24	213.83
Revenues of future periods	2035	2112	10.90	13.50	96.35

SUM OF LIABILITIES	18665	15641	100.00	100.00	119.33
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Description	At the end of		Dynamics in % 2009/2008
	2010	2009	
Revenues of future periods	2035	2112	96.4
Revenues from sale	23027	17549	131.2
Cost of sales	-12699	-9766	130.0
Gross profit (loss)	10328	7783	132.7
Distribution costs	-4326	-3089	-140.0
General administrative expenses	-3371	-3619	93.1
Gross profit (loss) from sales	2631	1075	244.7
Other operating revenues	256	164	156.1
Other operating costs	-152	-113	134.5
(Profit (loss) on operating activities	2735	1126	242.9
Other financial income	76	323	23.5
Financial costs	-368	-299	123.1
Profit (loss) before tax	2443	1150	212.4
Income tax	-553	-283	195.4
Deferred income tax	10	43	23.3
Net profit (loss)	1900	910	208.8
Other comprehensive income	0	0	0.0
Sum of other comprehensive income	0	0	0.0
Total other comprehensive income	1900	910	208.8

IMPORTANT EVENTS AFFECTING THE BUSINESS ACTIVITY AND FINANCIAL RESULTS OF THE CAPITAL GROUP IN THE FISCAL YEAR OF TO AFFECT IN THE NEXT YEAR

In the reporting period, there were not any factors on events, which affected the result of the Group.

DESCRIPTION OF THE STRUCTURE OF THE MAIN CAPITAL DEPOSITS OR MAIN CAPITAL INVESTMENTS MADE WITHIN THE CAPITAL GROUP IN THE RELEVANT FISCAL YEAR

In 2010, the Group deposited the free cash on the bank deposits in the week or month period of time. It gained interests in the amount of 51 k PLN.

Name of bank	Deposit opening	Deposit closing	Amount of deposit	Interests
Bank PKO S.A.	18.01.2010	17.02.2010	1 600 000.00	5 917.81
	19.02.2010	21.03.2010	2 500 000.00	9 246.58
	26.03.2010	25.04.2010	2 700 000.00	9 986.30
	30.04.2010	30.05.2010	2 000 000.00	7 397.26
	02.06.2010	01.07.2010	2 000 000.00	6 739.73
	09.07.2010	05.08.2010	1 000 000.00	3 287.67
Bank PKO BP S.A.	15.12.2009	18.01.2010	1 200 000.00	4 694.79
	02.09.2010	07.10.2010	1 000 000.00	3 643.84

DESCRIPTION OF IMPORTANT NON-BALANCE SHEET ITEMS

In the reporting period, there were not any non-balance sheet items in the Group.

Agreement with the entity authorized to audit the financial statements

SIMPLE S.A.

On 31st July 2009 the agreement with the entity authorized to audit financial statements DORADCA Auditors Sp. z o.o. seated in Gdańsk, ul. Grunwaldzka 212, KRS No. 0000087341, Distric Court in Gdańsk-Północ, 7th Business Department of the National Court Register, share capital in the amount 50,000.00 PLN, NIP No. 586-001-74-39 was concluded in order to audit and review financial statements. The agreement include the audit of financial statements (individual and consolidated) prepared pursuant to the state as of 31.12.2009 pursuant to the International Accounting Standards and the accounting books as well as review of financial statements (individual and consolidated) prepared pursuant to the state as of 30.06.2009 pursuant to the International Financial Reporting Standards.

The remuneration for the Agreementor for performance of the mentioned works as the total amount 27,000.00 PLN (say: twenty seven thousands 00/100), including:

- Review of the individual financial statement- 5,800.00 PLN,
- Review of the consolidated financial statement- 5,000.00 PLN,
- audit of the individual financial statement- 9,200.00 PLN,
- audit of the consolidated financial statement- 7,000.00 PLN.

In January 2009, the Company SIMPLE S.A. paid the remuneration for DORADCA Auditors Sp. z o.o., ul. Grunwaldzka 212, 80-226 Gdańsk in the amount of 2,440.00 PLN for:

-issuing an opinion on compliance of SIMPLE.ERP system in the field Finance and Accountancy, ver. 5.0 with the Accounting Act, Vallue Added Tax Act and Excise Tax Act.

On 29th July 2010 the agreement with the entity authorized to audit financial statements DORADCA Auditors Sp. z o.o. seated in Gdańsk, ul. Grunwaldzka 212, KRS No. 0000087341, District Court in Gdańsk-Północ, 7th Business Department of the National Court Register, share capital in the amount 50,000.00 PLN, NIP No. 586-001-74-39 was concluded in order to audit and review financial statements. The agreement include the audit of financial statements (individual and consolidated) prepared pursuant to the state as of 31.12.2010 pursuant to the International Accounting Standards and the accounting books as well as review of financial statements (individual and consolidated) prepared pursuant to the state as of 30.06.2010 pursuant to the International Financial Reporting Standards.

The remuneration for the Contractor for performance of the mentioned works as the total amount 25,000.00 PLN (say: twenty five thousands 00/100), including:

- Review of the individual financial statement- 5,400.00 PLN,
- Review of the consolidated financial statement- 4,600.00 PLN,
- audit of the individual financial statement- 8,500.00 PLN,
- audit of the consolidated financial statement- 6,500.00 PLN.

In August 2010, the Company SIMPLE S.A. paid the remuneration for DORADCA Auditors Sp. z o.o., ul. Grunwaldzka 212, 80-226 Gdańsk in the amount of 3,660.00 PLN for:

-Certification of SIMPLE.ERP system in the field Finances and Accounting and SIMPLE.ERP PERSONEL system (HR and payrolls)

SIMPLE CPS SP. ZO.O.

On 23rd February 2011, SIMPLE CPS Sp. z o.o., seated in Warsaw (04-555) ul. Bronisława Czecha 49/51, enetered to the National Court Register under the number 0000135425, NIP 9521824056 entered into the agreement with the entity authorized to audit financial statements DORADCA Auditors Sp. z o.o. seated in Gdańsk, ul. Grunwaldzka 212, KRS No. 0000087341, District Court in Gdańsk-Północ, 7th Business Department of the National Court Register, share capital in the amount 50,000.00 PLN, NIP 586-001-74-39 in order to audit and review financial statements. The scope of the agreement includes the audit of the financial statement prepared as of 31.12.2010 pursuant to the International Accounting Standards and the accounting books of the entity.

- The remuneration for the Contractor for performance of the tasks mentioned in § 1 is set as the amount 2,500.00 PLN (say: two thousands five hundred zlotys) plus VAT.

SIMPLE LOCUM SP. ZO.O.

On 23rd February 2011, SIMPLE Locum Sp. z o.o., seated in Warsaw (04-555) ul. Bronisława Czecha 49/51, enetered to the National Court Register under the number 0000254352, NIP 9521991452 entered into the agreement with the entity authorized to audit financial statements DORADCA Auditors Sp. z o.o. seated in

Gdańsk, ul. Grunwaldzka 212, KRS No. 0000087341, District Court in Gdańsk-Północ, 7th Business Department of the National Court Register, share capital in the amount 50,000.00 PLN, NIP 586-001-74-39 in order to audit and review financial statements. The scope of the agreement includes the audit of the financial statement prepared as of 31.12.2010 pursuant to the International Accounting Standards and the accounting books of the entity.

- The remuneration for the Contractor for performance of the tasks mentioned in § 1 is set as the amount 4,500.00 PLN (say: four thousands five hundred zlotys) plus VAT.

For the Management Board of the Parent Company of SIMPLE GROUP:

President of the Management Board Vice President of the Management Board Vice President of the Management Board

Bogusław Mitura

Przemysław Gnitecki

Michał Siedlecki

4. Statements of the Management Board on the financial statement and the auditor

The Management Board of SIMPLE states that pursuant to its best knowledge, the annual financial statement for 2010 and the comparable data were prepared pursuant to the accounting principles and reflect in the true and reliable and clear manner the property and financial situation of the Company and its financial result. The annual report on business activity contains the true description of the development, achievements and the Company's condition, including the description of the basic risks and threats. The Management Board of SIMPLE SA states that the entity authorized to audit financial statements, DORADCA Auditors Sp. z o.o., performing the audit of the annual financial statement for 2010, was elected pursuant to the law and that this entity and statutory auditors performing the audit met the requirements regarding issuance of the neutral and independent report from the audit, compliant with the applicable state regulations.

21-03-2011 Bogusław Mitura- President of the Management Board

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21-03-2011 Przemysław Gnitecki- Vice President of the Management Board

.....

21-03-2011 Michał Siedlecki-Vice-President of the Management Board,

.....

5. STATEMENT OF THE MANAGEMENT BOARD ON APPLYING THE CORPORATE GOVERNANCE PRINCIPLES IN THE COMPANY SIMPLE S.A. IN 2010

5.1. INDICATION OF THE CORPORATE GOVERNANCE PRINCIPLES, WHICH ISSUER APPLIES, AND PLACE WHERE THEY ARE AVAILABLE FOR PUBLIC.

In the fiscal year 2010, the Company applied the corporate governance principles covered by the document titled "CODE OF BEST PRACTICES OF WSE LISTED COMPANIES" adopted under the Resolution No. 12/1170/2007 of the WSE Council on 4th July 2007, which full text is placed on the website: www.corp-gov.gpw.pl and on the website of

the Company www.simple.com.pl in the folder Investor's relations, excluding the principles presented in the par. hereof. The full text of the corporate governance principles is available for public on the Company's website.

5.2. INFORMATION, TO WHAT EXTENT THE ISSUER WITHDREW FROM THESE PRINCIPLES AND EXPLANATION OF THE REASONS.

The Management Board of SIMPLE SA, in connection with coming into force as of 1st January 1170 the the Code of Best Practices of WSE Listed Companies implemented basing on the Resolution of the WSE Supervisory Board dated 4th July 2007 published the information on corporate governance principles to be applied by the Issuer:

1. par. I.1 states that "the Company should enable on-line broadcasts of General Meetings over the Internet, record General Meetings, and publish the recordings on the company website."

The Company does not apply this principle. Justification is presented in par. 5.

2. par. I.9 states that "WSE recommends to public companies and their shareholders that they ensure a balanced proportion of women and men in management and supervisory functions in companies, thus reinforcing the creativity and innovation of the companies' economic business."

The Company does not apply this recommendation referring to the composition of the Management Board.

3. Par. II.2 states that "A company should publish its website in English, at least to the extent described in section II par. 1 This rule should be applied not later than 1 January 2009."

The Company publishes on its website the current, quarter and annual report translated into English. Due to the present shareholding structure and taking into consideration the current scope of its activity, the Company did not see justification to incur the additional costs related to this rule with the reference to the other information specified in section II. par. 1 The Company will take some actions to implement this rule in future.

4. par II.6. states that „At least two members of the Supervisory Board should meet the criteria of being independent from the company and entities with significant connections with the company."

This rule is not observed by the Company. The General Meeting in the ballot appointed the Supervisory Board of SIMPLE S.A., where only one member meets the criteria of being independent from the company.

5. par. IV.10 states that „A company should enable its shareholders to participate in a General Meeting using electronic communication means through:

1) real-life broadcast of General Meetings,

2) real-time bilateral communication where shareholders may take the floor during a General Meeting from a location other than the General Meeting,

3) exercise their right to vote during a General Meeting either in person or through a plenipotentiary."

This principle is not observed by the Company. The costs related to providing the technical infrastructure enabling the on-line broadcast of the General Meeting are too high. All information related to convening and process of the General Meeting are published by the Company in a form of Current Reports using ESPI system and the information are placed on the website in the folder "Investor's Relations".

5.3. DESCRIPTION OF THE BASIC FEATURES OF THE INTERNAL CONTROL AND RISK MANAGEMENT IN RELATION TO THE PROCESS OF PREPARING THE FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENTS APPLIED IN THE ISSUER'S COMPANY.

The Company has an internal control system, which enables the efficient and reasonable flow of financial and non-financial information between the particular organizational units of the Company. The Financial Director, responsible for finance, performs the substantial supervision on the process of preparing the financial statement and periodic reports. The efficiency of the internal control system and risk management in the financial reporting process is ensured by:

1. Internal regulations system including, but not limited to:

Organizational structure adjusted to the needs of the Company's business activity, setting:

Rules of mutual communication between the organizational units,

b) scope of activities, rights and responsibilities of the relevant units, positions and persons,

c) Documents for the accounting policy prepared pursuant to:

Accounting Act in the field of measurements of assets and liabilities and presentation of the financial statements

Pursuant to the requirements of the International Accounting Standards,

d) other regulations and internal orders

2. The books are kept using the IT system, which has the recommendation of the Accountant Association in Poland. The IT system provides the clear division of competences and automatic control of the access to resources as well as full documentation of transactions performed by particular persons.

3. The all accounting evidences control and their handling procedure ensuring their correctness in terms of its factual content and integrity and accounting.

5. Audit and verification of the financial statement by the independent statutory auditor. The election of the statutory auditor is made by the Supervisory Board under the selection of offers among the recognized auditing companies.

5.4. LIST OF SHAREHOLDERS HOLDING, DIRECTLY OR INDIRECTLY, THE SIGNIFICANT BLOCK OF SHARES

The owners holding at least 5% of general number of votes at the General Meeting of SIMPLE S.A. As of the date of this report, pursuant to the information held by the Management Board.

Item	Name	Number of shares	Interest in the share capital (%)	Number of votes	Interests of votes at the General Meeting (%)
1	Bogusław Mitura	316 693	15.80	696 693	25.24
5	Cron Sp. z o.o.	558 088	27.85	597 288	21.64

Changes in shareholder structure and preferences (options) of the members of the Supervisory Board.

Item	Name	Number of	Number of
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		shares as of 15.11.2010	shares as of 21.03.2011
1	Elżbieta Zybert	0	0
2	Józef Taran	0	0
3	Andrzej Bogucki	0	0
4	Marta Joanna Adamczyk	0	0
5	Jacek Kuroś	0	0

Changes in shareholder structure and preferences (options) of the members of the Management Board.

Item	Name	Number of shares as of 15.11.2010	Number of shares as of 21.03.2011
1	Paweł Zdunek	0	0
2	Bogusław Mitura	316 693	316 693
2	Przemysław Gnitecki	0	0
3	Michał Siedlecki	80 000	80 000

5.5. INDICATION OF THE HOLDERS OF ANY SECURITIES WITH THE SPECIAL CONTROL RIGHTS WITH THEIR DESCRIPTION.

The securities with the special control rights towards the Company do not exist.

5.6. INDICATION OF ALL LIMITATIONS REGARDING THE VOTING RIGHT EXECUTION.

Any limitations of the voting rights are not attributed to the shares of the Company. Pursuant to the Art. 3 of the Articles of Association the registered shares of A1 series in the amount of 189.000 carry the right to five votes each. The other shares carry the one voting right at the General Meeting.

5.7. INDICATION OF ALL AND ANY LIMITATIONS CONCERNING TRANSFER OF THE OWNERSHIP FOR THE ISSUER'S SECURITIES.

The shares of the Company have any limitation regarding transferring the ownership.

5.8. DESCRIPTION OF THE PRINCIPLES OF APPOINTING AND RECALLING THE MEMBERS OF THE BOARD AND THEIR RIGHTS, IN PARTICULAR THE RIGHT TO TAKE A DECISION ON ISSUE OR BUY-OUT OF SHARES.

Pursuant to the Articles of Association and par. II of the Management Board's Regulations, the Management Board consists of 1 to 5 members, including the President, Vice-President and members. They are appointed for joint term of office, which lasts 3 years. Pursuant to § 15 sec. 1 par. 2 of the Articles of Association of SIMPLE S.A. the Members of the Board are appointed and recalled by the Supervisory Board. Pursuant to the Articles of Association and the Management Board's Operation Regulations, the Management Board is entitled to take all decisions not reserved by

the competences of other Company's bodies. The Management Board is obliged to manage the property and issues of the Company with due diligence required in the trading, comply with the law, regulations of this Articles and Resolutions adopted by the General Meeting and Supervisory Board within their competences. The Regulations of the Management Board is available on the website of SIMPLE S.A.: www.simple.com.pl, folder Investor's relations.

The members of the Management Board are not entitled to take the decision on issuance or buyout of the shares.

5.9. DESCRIPTION OF THE CHANGES IN THE ARTICLES OF ASSOCIATION

The change of the Articles of Association, including adopting the resolutions on increasing or decreasing the share capital is the competence of the General Meeting under the principles specified in the Art. 430 and subsequent of the Commercial Companies Code including the provisions of the Acts on: public offering and the conditions for introducing the financial instruments to organized trading system and on public companies, on trading the financial instruments and on supervision on the capital market.

Pursuant to § 9 sec. 1 of the Articles of Association the resolution of the General Meeting on the changes in the Articles of Association are adopted by the majority of 3/4 votes.

5.10. DESCRIPTION OF GENERAL MEETING OPERATION AND ITS BASIC RIGHTS AND RIGHTS OF THE SHAREHOLDERS AS WELL AS THEIR EXECUTION.

The General Meeting is the highest entity in the Company. It operates pursuant to the law and principles specified by the Articles of Association as well as pursuant to the SIMPLE S.A. General Meeting Regulations accepted by the General Meeting, specifying the organization and course of such Meetings. The General Meeting of Shareholders is convened in an ordinary and extraordinary manner. The Ordinary General Meeting should take place within six months after every fiscal year ended. The Management Board convenes the Ordinary General Meeting of Shareholders. The Extraordinary General Meeting is convened by the Management Board if needed, or under the request of the Supervisory Board or Shareholder representing at least one tenth of the share capital. Convening the Ordinary General Meeting should be performed within 14 days after the request. The request on convening the General Meeting should include the issue to be resolved. The General Meeting may be held and may adopt the resolutions without the formal convening, if the total capital is represented and nobody raise a veto regarding the convening or agenda. In case of veto regarding the convening the General Meeting the resolution may be adopted by the usual majority of votes regarding the convening the Ordinary General Meeting. The resolutions of the General Meeting, except of other issues, specified by the Commercial Companies Code or Articles of Association, require:

- Considering and approving the report of the Management Board on the Company's business activity and the financial statement for the previous fiscal year and granting the vote of acceptance to the Company's bodies for the discharge of their duties,
- Considering and approving the financial statement of the Capital Group of the Company in the terms of the Accounting Act,
- the decision on the profit distribution and loss coverage,
- to dispose or lease the company or its organized part and to establish the limited property right,
- To purchase or dispose the real estate or share in real estate of the value exceeding the amount of the Company's assets presented in the last audited statement of financial position,

- To appoint and recall the member of the Supervisory Board,
- Provisions considering claims of damage caused during the Company establishment, management or supervision,
- Changes in the Articles of Association,
- To increase or decrease the share capital,
- To establish and dismantle the special funds,
- To issue the shares convertible bonds or senior bonds,
- To set the remuneration for the members of the Management or Supervisory Board,
- To dissolve the Company,
- To elect the liquidators,
- Amortization/depreciation of shares and its conditions,
- To acquire the treasury shares in the case specified in the Art. 362 § 1 par. 2 of the Commercial Companies Code.

The Management Board should previously present the all issues brought to the General Meeting to the Supervisory Board. Shareholder or shareholders, who want to submit the request on the Company's matters to the General Meeting, should submit it in written to the Management Board, which will present it with its opinion to the Supervisory Board. The Supervisory Board is entitled to assess at its own discretion whether or not the relevant request of the Shareholder or Shareholders will be submitted to the agenda of the General Meeting, but the request submitted in the proper term by the shareholders holding jointly not less than one tenth of the share capital has to be included to the agenda of the nearest General Meeting. The Shareholders can participate in the General Meeting individually or by proxies. The power of attorney to participate in the General Meeting and to vote should be made in written or otherwise being invalid and should be attached to the minutes. The General Meeting is able to adopt the binding resolutions notwithstanding the number of presented shares and the amount of the capital, unless the provisions of the Commercial Companies Code or this Articles of Association state otherwise. The resolutions concerning the issue of shares, issue of convertible bonds and senior bonds, depreciation of shares, decrease of the share capital, disposal of the company or its organized part, changes of the Articles of Association and dissolving the Company are adopted under the majority of 3 votes. Other resolutions of the General Meeting of Shareholders are passed with an absolute majority of votes, and in cases where the Commercial Companies Code requires the qualified majority of votes, with the majority required by the Commercial Code. The resolution on the change of the subject of the business activity adopted by the majority of 2/3 votes at the presence of the Shareholders presenting half of the share capital is effective and does not cause the obligation to buyout the shares of these Shareholders, which do not agree on that change.

The detailed course of the General Meeting is specified by the Regulations of the General Meeting, which is available on the website: www.simple.com.pl, in the folder Investor's relations.

5.11. THE COMPOSITION AND ITS CHANGES DURING THE LAST FISCAL YEAR AND DESCRIPTION OF THE ACTIVITY OF MANAGING, SUPERVISING AND ADMINISTRATING ENTITIES AND THEIR COMMITTEES.

Management Board

The Management Board acts under the provisions of the Commercial Companies Code and the Articles of Association and the Regulations adopted by the Management Board. The Management Board governs the overall business activity of the Company and represents the Company outside. The first Management Board is appointed for the period two years, then for three years periods of time.

Jointly two Members of the Management Board or the Member of the Management Board and proxy are entitled to submit the statements in the field of property rights and duties of the Company as well as to sign documents. The Management Board's principles specifying in particular the type of matters requiring the Management Board's resolution will be determined by the Regulations adopted by the Management Board. Adopting the regulations and their change requires the presence of all Members of the Management Board and the majority of 3/4 votes. The resolutions of the Management Board are passed by the absolute majority of votes. In case of equity of votes, the President's vote is decisive. The Management Board is entitled to take all decisions nor reserved by the competences of other Company's bodies. The Management Board is obliged to manage the property and issues of the Company with due diligence required in the trading, comply with the law, regulations of this Articles and Resolutions adopted by the General Meeting and Supervisory Board within their competences.

The Management Board's meetings are convened by the President or substituting for the President the 1st Vice-President or Vice-President of the Management Board. The persons convening the meeting should inform the members of the Management Board on the meeting at least 3 days in advance in written or by e-mail. In case of emergency, the President or substituting for the President 1st Vice-President or Vice-President of the Management Board may order other way and term of notifying the Members on the date of the meeting.

Resolutions of the Management Board are passed by majority of votes. The Management Board is deemed as to be able to adopt the resolutions in case when although each member was efficiently notified on the meeting within the period of time enabling to be present, but the half of the total number of members is present on the meeting. The Management Board's meetings are held in the Company's registered office or in other place appointed by the President or Vice-President.

The Regulations of the Management Board determines in details the procedure for convening the Management Board's meetings, way of passing the resolutions including voting and making the minutes and the scope of matters for which the Management Board is entitled to pass the resolutions. Pursuant to the Regulations, the Management Board is obliged, within the period of time enabling to express the opinion on these documents, to prepare and submit to the Supervisory Board the financial statement and report on business activity for the previous fiscal year.

The Regulations of the Management Board is available on the website of SIMPLE S.A.: www.simple.com.pl

Composition of the management board in 2010

As of 1st January 2010 the composition of the Management Board of SIMPLE S.A. was as follows:

Paweł Zdunek	– President of the Management Board
Przemysław Gnitecki	– Vice President of the Management Board

On 27th January 2010 the Supervisory Board appointed Mr. Michał Siedlecki to hold a position of Vice President of the Management Board.

On 14th June 2010 Mr. Paweł Zdunek resigned from the position of the President of the Management Board with an effect on 20th July 2010.

On 20th July 2010 the Supervisory Board appointed Mr. Bogusław Mitura to hold a position of President of the Management Board.

Supervisory Board

The Supervisory Board acts under the provisions of the Commercial Companies Code, Articles of Associations and Regulations of the Supervisory Board. The Supervisory Board is composed of five to eight Members elected by the General Meeting. The members of the first Supervisory Board are appointed for 1 year. The next members are elected for the three years term of office. The seats of the Members of the Supervisory Board expire with the lapse of the term of office of the Supervisory Board, which composition was elected, as of the date of the General Meeting, approving the financial statement for the previous fiscal year of holding the position of the Member of the Supervisory Board. The Members of the Supervisory Board may be re-elected. The Supervisory Board elects the Chairman, Deputy Chairman and Secretary from among its members. The Members of the Supervisory Board may by only the natural persons.

The independent member of the Supervisory Board is the person meeting the following conditions:

- This person cannot be Simple related Entity, Entity related to the Parent company of Simple or subsidiary of Simple and the subsidiary of Simple in the meaning of the Act on trading the securities,
- This person cannot be relative or relative to the second degree of the Simple's employee or the Entity belonged to Simple.

The Chairman convenes the meetings of the Supervisory Board and he chairs the meeting, in case of his absence-Deputy Chairman. The meetings of the Supervisory Board are held at least one per quarter. The convening of the Supervisory Board's meeting from the Management Board's initiative may occur upon its request submitted to the Chairman or Deputy Chairman. In such case the meeting of the Supervisory Board should be held at least within 14 days from the date of request in the periods between the meetings of the Supervisory Board. The Chairman represents the Board towards the Management Board, and in case of his longer absence, the Deputy Chairman or other Member authorized by the Board perform this duty.

The resolutions of the Supervisory Board are valid when all members of the Board were notified on the date of the meeting in a manner specified by the Regulations. The Supervisory Board is entitled to adopt the important resolution in the presence at least 3/4 of elected composition of the Board. The resolutions of the Supervisory Board are passed by the absolute majority of votes present at the meeting and in case of equity of votes the vote of the Chairman is decisive.

The members of the Supervisory Board can participate in adopting the resolutions by voting in written or by the virtue of other member or using the communication at the distance.

The competences of the Supervisory Board include:

- Passing the regulation of work of the Supervisory Board,

- Appointing and recalling the President and other members of the Management Board,
- Constant supervision on the Company's business activity in all fields,
- Assessment of the report of the Management Board on business activity and financial statement for the previous year regarding the compliance with the records and documents as well as the actual state and the applications of the Board concerning the profit division or loss coverage and also submitting to the General Meeting of Shareholders the annual written statement on the results of such assessment,
- Determining the principles and amount of remuneration for the members of the Management Board,
- Expressing the opinion on requests and matters to be passed at the General Meeting,
- Suspending, because of important reasons, in the activity the particular or all members of the Board and also appointing the members of the Supervisory Board for the period not longer than 3 months, to temporary duties of the members of the Board, who are not able to perform their duties.
- Electing the statutory auditor to audit the annual statement on financial position,
- approving the annual financial plans.

In order to perform its duties the Supervisory Board is entitled to review all Company's documents and to require from the Management Board and employees the statements and explanations as well as to perform the revisions of the Company's property. The meetings of the Supervisory Board are held under the terms and manner specified in the Regulations of the Supervisory Board.

The Regulations of the Supervisory Board is available on the website of SIMPLE S.A.: www.simple.com.pl

Composition of supervisory board in 2010:

Within the period from 01.01.2010 to 31.01.2010 the Supervisory Board was composed of five persons:

- Elżbieta Zybert- Chairman of the Supervisory Board
- Józef Taran- Deputy Chairman of the Supervisory Board
- Andrzej Bogucki- Secretary of the Supervisory Board
- Marta Joanna Adamczyk- Member of the Supervisory Board
- Jacek Kuroś- Member of the Supervisory Board

COMPOSITION OF AUDIT COMMITTEE

The Supervisor Board of SIMPLE S.A. appointed under the resolution of 31st March 2009 the Audit Committee with the following composition:

- Elżbieta Zybert
- Józef Taran
- Jacek Kuroś

Recalling and appointment of proxies

In the period 01.01.2010 to 31.12.2010 the position of a proxy was held by Regina Kuliś.

Proceedings in progress before the court, entity competent for the arbitration proceeding or public administration entity

In 2010, there were not any proceedings in progress before court, entity competent for arbitration proceeding or public administration entity, which amount constitutes at least 10% of Issuer's equity.

STATEMENT OF THE MANAGEMENT BOARD ON APPLICATION THE CORPORATE GOVERNANCE
WAS ACCEPTED BY THE MANAGEMENT BOARD ON 21.03.2011 AND SIGNED BY ALL MEMBERS:

21-03-2011 Bogusław Mitura- President of the Management Board

.....

21-03-2011 Przemysław Gnitecki- Vice President of the Management Board

.....

21-03-2011 Michał Siedlecki-Vice-President of the Management Board,

.....

6. Opinion and report of the statutory auditor from the audit of the annual financial statement of the Group SIMPLE for 2010

AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENT FOR 2010

Capital Group SIMPLE S.A. Warsaw, ul. Bronisława Czecha 49/51

Warsaw, March 2011

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OPINION OF AN INDEPENDENT STATUTORY AUDITOR

for General Meeting of SIMPLE S.A. seated in Warsaw ul.

Bronisława Czecha 49/51

- I. We carried out the audit of the attached consolidated financial statement of the Capital Group SIMPLE S.A. seated in Warsaw, ul. Bronisława Czecha 49/51, consisting of:
- 1) The consolidated financial statement prepared as for 31st December 2010, which assets and liabilities present the same amount 18.665 k PLN,
 - 2) The consolidated statement on comprehensive income for the fiscal year ending on 31st December 2010 presenting the total comprehensive income in the amount of 1.900 k PLN,
 - 3) The consolidated changes in equity for the fiscal year ending on 31st December 2010 presenting the increase of consolidated equity by the amount of 1.178 k PLN,
 - 4) The consolidated cash flow statement for the fiscal year ending on 31st December 2010 presenting the increase of the net pecuniary assets by the amount 1.623 k PLN,
 - 5) Additional information to the consolidated financial statement on applied accounting principles and other explanatory information.

The consolidated financial statement was prepared using full consolidation method.

The Management Board of Parent Entity is responsible for preparing and reliable presentation of this consolidated financial statement pursuant to the International Financial Reporting Standards, which were accepted by the European Union and other applicable regulations. This responsibility includes: design, implementation and maintenance of internal control related to preparation and reliable presentation of the financial statements free of discrepancies arisen as a result of willful actions or omissions, selection and application of proper accounting principles as well as accounting estimations applied to the circumstances.

Our task was to audit and express an opinion on accuracy, correctness and clearness of this financial statement and the correctness of the accounting books which were the base for preparation.

- II. The audit of the financial statement has been conducted according to the provisions of:
- 1) the section 7 of the Accounting Act of 29th September 1994 (Dz.U. of 2009 No.152 of 2009, item. 1223 with further amendments),
 - 2) International Standards of Auditing

These regulations impose the obligation to observe the ethic principles and to plan and to carry out the audit so that to obtain the reasonable certain that the financial statement and accounting books being the base for it are free from any discrepancies.

The audit of the consolidated financial statement was planned and carried out so that to achieve the rational certainty allowing to express the opinion on this financial statement. In particular the audit included checking the correctness of accounting standards and important estimates applied by the related entities and reviewing – mostly in the random way- the bases from which these amounts and numbers and information included in the consolidated statement follows and also the entire assessment of this consolidated statement.

We are convinced that obtained evidences are the sufficient base to issue an opinion.

III. In our opinion, the attached consolidated financial statement of the Capital Group SIMPLE S.A.:Presents in reliable and clear manner the financial and property condition of the Capital Group as for 31.12.2010, the financial result and cash-flows for fiscal year ending on this date,

- a) Was prepared, in all important aspects, in compliance with the International Financial Reporting Standards which were recommended by the European Union,
- b) Is compliant with the regulations applicable for the Capital Group affecting the content of the consolidated financial statement.

IV. Moreover, pursuant to the requirements of the Accounting Act we state that the report on the business activity of the Capital Group includes, in all material aspects, information, specified in Art. 49 of the Accounting Act and of the Ordinance of the Minister of Finances dated on 19th February 2010 on the current and periodic information provided by the issuers of securities and conditions of considering as equal the information required by the legal provisions of the non-member country (Dz.U. No. 33 of 2010, item 259 with subsequent amendment) and they are compliant with the information included in the consolidated financial statement.

Statutory auditor:
entities authorized to

Anna Wiszejko, entered to the list of
Sp. z o.o.
Statutory auditors under the number 10030

The entity entered into the list of

audit under the number of 913:

DORADCA Auditors

80-266 Gdańsk
ul. Grunwaldzka 212

Warsaw, March 21, 2011

REPORT SUPPLEMENTING THE OPINION FROM AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENT OF THE CAPITAL GROUP SIMPLE S.A.

for fiscal year ending on 31.12.2010

I. GENERAL PART

Data identifying the Capital Group

Name of the Capital Group

Capital Group SIMPLE S.A.

Seat office of the Parent

Entity

Bronisława Czecha 49/51
04-555 Warszawa.

Legal base of activity

The company was entered to the National Court Register under KRS number 0000065743, kept by the District Court for the Capital City of Warsaw, 13th Business Department of the National Court Register on 26.11.2001

Tax identification number (NIP): 113-00-22-578

Statistical number (REGON): 012642634

Equity

The equity as for 31.12.2010 was 9.241 k PLN.

The share capital as for 31st December 2009, pursuant to KRS, amounted to 2.004 k PLN and was divided into 2.004 k shares with the nominal value 1,00 PLN each.

Information on entities belonged to the Capital Group

The entities covered by the consolidated financial statement

Pursuant to the state as for 31st December 2010 the following entities belonging to the Capital Group were covered by the consolidation:

Parent company:

- SIMPLE S.A.

Related entities included to the consolidation:

- SIMPLE LOCUM Sp. z o.o.
- SIMPLE CPS Sp. z o.o.

#	Entity's name	Seat office	Characteristic of the company	SIMPLE S.A. Interest in the share capital
1	SIMPLE S.A.	Warsaw ul. Bronisława Czecha 49/51	Parent company	-
2	SIMPLE LOCUM Sp. z	Warszawa ul. Bronisława Czecha 49/51	subsidiary	100.00%
3	SIMPLE CPS Sp. z 0.0.	Warszawa ul. Bronisława Czecha 49/51	subsidiary	100.00%

The entities not covered by the consolidated financial statement

Pursuant to the state as for 31st December 2010 the following entities belonging to the Capital Group were not covered by the consolidation:

- SOFTEM Sp. z o.o. seated in Warsaw ul. Łopuszańska 53- 25.18% of interest in the share capital
- SIMPLE Sp. z o.o. seated in Dąbrowa Górnicza, ul. Cieplaka 19- 19.51% of interest in the share capital.

These entities are not a subject of consolidation because the SIMPLE S.A. has less than half of votes together with other investors. Pursuant to the statement of the Management Board SIMPLE S.A. is not able to manage the financial and operating policy of these entities under the Articles of Association or agreement, is not entitled to appoint and recall the members of the management board and does not held the majority of votes at the Meetings of the Management Board or Supervisory Board.

Subject of activity:

Entity's name	Subject of activity
SIMPLE S.A.	<ul style="list-style-type: none"> • Activity in the fields of production and sale of IT software for companies of all sectors, • Distribution of the computer hardware.
SIMPLE LOCUM Sp. z o.o.	- Rent of the real estate on its own account
SIMPLE CPS Sp. z o.o.	- Editing activity in the field of software

The compositions of the management boards in the companies covered by the consolidation as for 31.12.2010

Name	Management Board
SIMPLE S.A.	Bogusław Mitura- President of the Management Board, Przemysław Gnitecki- Vice President of the Management Board, Michał Siedlecki- Vice President of the Management Board
SIMPLE LOCUM Sp. z o.o.	Regina Kuliś-President of the Management Board,
SIMPLE CPS Sp. z o.o.	Regina Kuliś-President of the Management Board,

Data identifying the Company

Name of entity, legal form and address of seat office: SIMPLE S.A. seated in Warsaw (04-555) ul. Bronisława Czecha 49/51.

Legal base of activity

The company was entered to the National Court Register under KRS number 0000065743, kept by the District Court for the Capital City of Warsaw, 13th Business Department of the National Court Register on 26.11.2001

Tax identification number (NIP): 113-00-22-578

Statistical number (REGON): 012642634

Equity The equity as for 31.12.2010 was 9.292 k PLN.

The share capital was 2.004 k PLN and was divided into 2.004 k shares with the nominal value 1 PLN each.

The Shareholders of the Company holding at least 5% of votes at the General Meeting of SIMPLE S.A. were as follows:

Shareholder	Number of shares	Interest in total number of shares	Number of votes	Interests of votes at the General Meeting
Bogusław Mitura	316 693	15.80%	696 693	25.24%
CRON Sp. z o.o.	558 088	27.85%	597 288	21.64%

Management Board of the Company

from 15th July 2010 to 26th January 2010: Paweł Zdunek President of the Management Board

Przemysław Gnitecki Vice President of the Management Board

from 27th January 2010 to 20th July 2010: Paweł Zdunek President of the Management Board

Przemysław Gnitecki Vice President of the Management Board

Michał Siedlecki Vice President of the Management Board

from 20th July 2010: Bogusław Mitura

President of the Management Board

Przemysław Gnitecki

Vice President of the Management Board

Michał Siedlecki

Vice President of the Management Board

Supervisory Board of the Company

From 9th September 2008: Elżbieta Zybert

Chairman of the Supervisory Board

Józef Taran

Deputy Chairman of the Supervisory Board

Andrzej Bogucki

Secretary of the Supervisory Board

Marta Joanna Adamczyk

Member of the Supervisory Board

Jacek Kuroś

Member of the Supervisory Board

Chief Accountant Regina Kuliś

Information on method of consolidation and audit of financial statements

Method of consolidation

The consolidated financial statement of the Capital Group SIMPLE S.A. was prepared as for 31.12.2010 using the full consolidation method.

Financial statements of the companies belonging to the Capital Group

Company's name	Date as of the statement was prepared	Period covered by the statement	Balance sum in k PLN	Revenues from sale in k PLN	Financial result in k PLN
SIMPLE SA	31.12.2010	1st January 31 to 31st December 2010	18 464	23 075	2 058
SIMPLE LOCUM Sp. Z o.o.	31.12.2010	1st January 31 to 31st December 2010	4 870	249	-92
SIMPLE CPS Sp. z o.o.	31.12.2010	1st January 31 to 31st December 2010	12	0	-2

The audits of the individual financial statements of the entities belonging to the capital group

The financial statement of the entities covered by the financial statement were prepared as for the same date as the financial statement of the parent entity i.e. as for 31.12.2010.

These statements were audited by the statutory auditor.

Company's name	Auditing entity	Name of the entity	Statutory auditor	Number of statutory auditor	Type of issued opinion	Date of issued opinion
SIMPLE SA	DORADCA Auditors Sp. z o.o., Gdańsk	913	Anna Wiszejko	10030	no reservations	21.03.20 10
SIMPLE LOCUM Sp. z o.o.	DORADCA Auditors Sp. z o.o., Gdańsk	913	Anna Wiszejko	10030	no reservations	21.03.20 10
SIMPLE CPS Sp. z o.o.	DORADCA Auditors Sp. z o.o., Gdańsk	913	Anna Wiszejko	10030	no reservations	21.03.20 10

Information on the financial statement for the previous fiscal year and profit division

The financial statement for 2009 was audited by the statutory auditor Anna Wiszejko, entered to the list of statutory auditors under the number 10030 acting on behalf of DORADCA Auditors Sp.z o.o. in Gdańsk- the entity entered to the list of the entities authorized to audit the financial statements under the number 913. This statement had no reservations.

The financial statement for 2009 was approved under the Resolution No. 9 of the General Meeting of SIMPLE S.A. of 22nd June 2010.

Pursuant to the law, the financial statement with required appendices was published in the Monitor Polski B No. 2493 of 20th December 2010 and submitted to the Register Court on 7th July 2010.

Data identifying the statutory auditor (entity authorized to audit financial statements)

The audit of the consolidated financial statement of the Capital Group SIMPLE S.A. was carried out by DORADCA Auditors Sp.z o.o. seated in Gdańsk, ul. Grunwaldzka 212, the entity entered to the list of entities authorized to audit under the number 913. The audit was carried out under the agreement of 29.07.2009. The audit was preceded by the review of the financial statement for first six months of 2010. The selection of the auditor was made by the Supervisory Board of SIMPLE S.A. under the Resolution No. VI/27/2010 adopted by electronic way on 27th July 2010.

DORADCA Auditors Sp. z o.o. is an entity independent from the companies belonging to the Capital Group SIMPLE S.A. and meets the conditions to express neutral and independent opinion on the financial statement pursuant to the art. 56 of the Act of 7th May 2009 on the Statutory Auditors and Their Self-Regulation, entities authorized to audit financial statements and on public supervision. (Dz. U. 2009 No. 77, item 649), in witness whereof the Management Board submitted the statement on independency.

The statutory auditor Anna Wiszejko meets all requirements specified in the art. 56 of the Act of 7th May 2009 on the Statutory Auditors and Their Self-Regulation, entities authorized to audit financial statements and on public supervision. (Dz. U. 2009 No. 77, item 649 with the subsequent amendments) to express neutral and independent opinion on the financial statement, in witness whereof she submitted the proper statement.

Scope of activities and responsibility

This report was prepared for the General Meeting of SIMPLE S.A. and refers to the consolidated financial statement of the Company, composed of

The consolidated financial statement prepared as for 31st December 2010, which assets and liabilities present the same amount 18.665 k PLN,

The consolidated statement on comprehensive income for the fiscal year ending on 31st December presenting the total comprehensive income in the amount of 1,900 k PLN,

The consolidated changes in equity for the fiscal year ending on 31st December presenting the increase of consolidated equity by the amount of 1,178 k PLN,

The consolidated cash flow statement for the fiscal year ending on 31st December presenting the increase of the net pecuniary assets by the amount 819 k PLN, and

Additional information to the consolidated financial statement on applied accounting principles and other explanatory information.

The Capital Group prepares the consolidated financial statements pursuant to the International Standards of Financial Reporting, which were recommended by the European Union.

The Management Board of Parent Entity is responsible for preparing and reliable presentation of this consolidated financial statement and accuracy of the accounting books pursuant to the International Financial Reporting Standards, which were accepted by the European Union and other applicable regulations.

The entity's Management Board and the members of the Supervisory Board are obliged to ensure that the financial statement and the report on business activity comply with the requirements stipulated in the Accounting Act.

Our task was, basing on carried audit, to express the opinion and to prepare the report on this individual financial statement and the correctness of the accounting books being a base for it.

Data availability and Management Board statement

The audited entity made required data, information and explanations available for the statutory auditor. The Management Board of the parent company submitted the statement on complete recognition of the data in the accounting books and presenting all contingent liabilities as well as informing on important events, which occurred after the balance date.

II. DETAILED PART

The assessment of the accounting system and internal control

Accounting policy

The accounting principles of the Capital Group SIMPLE S.A. are compliant with the International Accounting Standards and International Financial Reporting Standards.

The Capital Group has updated approved by the Management Board of the parent entity documents describing the accepted accounting policy, where the principles for assets and liabilities measurement and financial result were specified.

The correctness and reliability of consolidation information

The consolidation documents are the base to prepare the consolidated financial statement. It was prepared pursuant to the Ordinance of the Minister of Finances of 25th September 2009 on detailed principles of preparing the consolidated financial statements of the capital groups by the entities other than banks and insurance companies and reasecuration companies (Dz. U. No 169, item 1327).

The consolidation documents are sufficient to prepare the consolidated financial statement. The consolidation documents include in particular:

- Financial statements of the entities belonging to the capital group,
- Adjustments and consolidation exemption of the financial statements covered by the consolidation,
- Calculation of the negative goodwill of subsidiaries,
- Description of measurement principles applied in the capital group.

Exemptions and consolidation adjustments

The exemptions and consolidation adjustments were carried out pursuant to the applicable regulations. They are in particular:

- Balances of the settlements between the companies belonging to the capital group were confirmed, agreed and excluded in the consolidated balance sheet in a proper manner,
- Revenues and costs of activity were correctly reduced by the transactions between the capital group's entities,

- Profits due to sale inside the capital group were excluded in the consolidated profit and loss account,
- The elimination of the share capitals of the subsidiaries was carried out in a proper manner.

III. FINANCIAL ANALYSIS

Statement of financial condition

ASSETS	31.12.2009		31.12.2010	
	k PLN	structure	k PLN	structure
Non-current assets				
Property, plant and equipment	3 735	23.9%	4 052	21.7%
Intangible assets	37	0.2%	3 946	21.1%
Goodwill	19	0.1%	19	0.1%
Shares and stocks in related entities	63	0.4%	63	0.3%
Long- term receivables	53	0.3%	54	0.3%
Assets due to the deferred income tax	206	1.3%	197	1.1%
Total fixed assets	4 113	26.3%	8 331	44.6%
Current assets				
Inventories	17	0.1%	52	0.3%

Trade receivables and other receivables	4 213	26.9%	7 653	41.0%
Short-term financial assets	205	1.3%	223	1.2%
Cash	2 704	17.3%	1 885	10.1%
Accrued and deferred assets and liabilities	4 389	28.1%	521	2.8%
Total current assets	11 528	73.7%	10 334	55.4%
SUM OF ASSETS	15 641	100.0%	18 665	100.0%

LIABILITIES	31.12.2009		31.12.2010	
	k PLN	structure	k PLN	structure
Equity				
Share capital	2 004	12.8%	2 004	10.7%
Own shares	0	0.0%	-21	-0.1%
Retained earnings	5 149	32.9%	5 358	28.7%
Profit	910	5.8%	1 900	10.2%
Total equity	8 063	51.6%	9 241	49.5%
Long-term liabilities				
Credits and loans	2 519	16.1%	2 285	12.2%
Provisions	953	6.1%	894	4.8%
Other long-term liabilities	193	1.2%	681	3.6%
Total long-term liabilities	3 665	23.4%	3 860	20.7%
Short-term liabilities				
Credits and loans	201	1.3%	158	0.8%

Trade liabilities and other	1 600	10.2%	3 371	18.1%
Accrued and deferred assets and liabilities	2 112	13.5%	2 035	10.9%
Total short-term liabilities	3 913	25.0%	5 564	29.8%
SUM OF LIABILITIES	15 641	100.0%	18 665	100.0%

Statement on comprehensive income

	01.01.2009 in k PLN	~ 31.12.2009 share in revenues from sale	01.01.2010 in k PLN	~ 31.12.2010 share in revenues from sale
Revenues from sale	17 549	100.0%	23 027	100.0%
Cost of sales	-9 766	-55.6%	~12 699	-55.1%
Gross profit from sales	7 783	44.4%	10 328	44.9%
Distribution costs	-3 089	-17.6%	-4 326	-18.8%
General administrative expenses	-3 619	-20.6%	~3 371	-14.6%
Other operating revenues	164	0.9%	256	1.1%
Other operating costs	~113	~0.6%	-152	-0.7%
Profit from operational activity	1 126	6.4%	2 735	11.9%
Financial income	323	1.8%	76	0.3%
Financial costs	-299	-1.7%	-368	-1.6%
Profit before tax	1 150	6.6%	2 443	10.6%
Income tax	-240	-1.4%	-543	-2.4%
Net profit	910	5.2%	1 900	8.3%
Components of other comprehensive income	0	0.0%	0	0.0%
TOTAL OTHER COMPREHENSIVE INCOME	910	5.2%	1 900	8.3%

Analysis of changes in last three years of business activity of the Capital Group

The table below presents the basic amounts characterizing the business activity of the Capital Group within 2008-2010 (data in k PLN).

category	2008	2009	2010	Change 2009- 2008	Change 2010- 2009
Balance sums	14 204	15 641	18 665	1 437	3 024
Non-current assets	4 795	4 113	8 331	-682	4 218
Current assets	9 409	11 528	10 334	2 119	-1 194
Trade receivables	2 852	4 078	7 262	1 226	3 184
Equity	7 153	8 063	9 241	910	1 178
Liabilities and provisions for liabilities	7 051	7 578	9 424	527	1 846
Trade liabilities	579	333	1 210	-246	877
Revenues from sale	16 353	17 549	23 027	1 196	5 478
Operating activity costs	15 507	16 474	20 396	967	3 922
Profit/loss on sales,	846	1 075	2 631	229	1 556
Gross result	501	1 150	2 443	649	1 293
Net result	425	910	1 900	485	990

Ratio analysis

The table below presents the key ratios characterizing the financial and property condition of Capital Group SIMPLE S.A. within 2008-2010.

Ratios	Method of calculation	2008	2009	2010
Return on net assets	Net profit * 100/ Revenues from sale	2.60%	5.19%	8.25%
Return on sales	Sales result * 100/ Revenues from sale	5.17%	6.13%	11.43%
Return on net property	Net profit * 100/ Total assets	2.99%	5.82%	10.18%
Return on equity	Net profit * 100/ Equity	5.94%	11.29%	20.56%
Current liquidity	Total current assets/ short-term liabilities	5.55	6.40	2J13
High liquidity	Current assets-Inventories/ Short-term liabilities	5.54	6.39	2.91
Cash liquidity	Pecuniary assets/short-term liabilities	1.27	1.50	0.53
Turnover ratio of trade receivables in days	Average state of trade receivables * 365/ Revenues from sale	62	72	90
Turnover ratio of trade liabilities in days	Average state of liabilities *365/ Materials and energy consumption+ Outsourced services+ Value of materials and goods sold	37	29	33
Turnover ratio of inventories	Average inventories * 365/ Value of goods and materials sold	6	10	7
Book value per one share	Equity/number of shares	3.57	4.03	4.61
Profit per one share	Net profit/number of shares	0.21	0.45	0.95

Structure of assets	Non-current assets *100 / Current assets	50.96%	35.68%	80.62%
Property financing structures	Equity/total assets	50.36%	51.55%	49.51%
Liabilities covering the property	Foreign capitals/total assets	49.64%	48.45%	50.49%
Sustainability of financing (%)	Equity+ Long-term provisions and liabilities/ Non-current assets	70.95%	89.11%	46.33%

The year 2010 was the special year for the Group. The Company noted the increase of the revenues from sale by 5,478 k PLN that caused the increase of the result from sale by 1,556 k PLN.

The profitability ratios illustrated the relation of the achievements to other economic categories. They inform on return on property and equity.

The return on net assets and sale ratio illustrates how much of profit or loss brought one zloty of sale in the particular years.

The return on property ratio indicates how much of profit or loss brought one zloty of the Capital Group's property.

The return on equity ratio informs on the amount of the profit worked out by one zloty invested by the equity's owner.

The liquidity ratios are used to assess the entity's capacity to pay the current liabilities on time. Lowering the level of turnover ratios below the stipulated level says that the entity lost the capacity to pay the liabilities on time. The increase of the turnover ratios over the recommended level may prove that the current assets are frozen, that lowers the achievable return on equity.

The liquidity ratios decreased in 2010. Their amounts at the end of 2010 significantly exceed the recommended levels, which are as follows, for current liquidity ratio- 1.5 – 2.0, and high liquidity ratio 1.0-1.2. The slight difference between the current liquidity ratio and high liquidity ratio results from the relatively low amount of inventories in comparison to the level of other current assets of the Capital Group.

The cash liquidity ratio at the end of 2010 indicates that as for the balance day the Capital Group was able to repay 53% of its short-term liabilities.

The level of the turnover ratio of the trade receivables amounting to 90 days in 2010 means that the Capital Group is able to perform its receivables in three months period of time. This ratio significantly increased in 2010 that may be deemed as unfavorable.

The turnover ratio of liabilities in 2010 amounts to 33 days. Its amount shows that the Capital Group SIMPLE S.A. pays its obligation during a month.

The book value per one share specifies the property of the Capital Group, which is not burdened by the liabilities, per 1 share.

Calculates assets structure ratio indicates the high flexibility of the Capital Group's property in the analyzed period- if this ratio exceeds 100% means that the property is immobilized.

The property to liabilities ratio and corresponding financing structure ratio informs that in 2010 the business activity of the Capital Group was financed in half by the liabilities and thus 50% of the Capital Group's property was covered by equity.

The sustainability of financing structure ratio set at the end of 2010 informs that the gold balance rule was met which says that the fixed assets should be financed by equity increased by long-term liabilities.

The ratio analysis shows that the business activity carried out in 2010 by the Capital Group SIMPLE S.A. was profitable. The liquidity ratios set at the end of 2010 exceeded the stipulated levels. The turnover ratios remained at the good level. The financing structure ratios inform that the business activity of the Capital Group is financed by equity in 50%. All these assumptions allow stating that there is no risk for going concern principle.

Anna Wiszejko
Statutory Auditor
No. 10030