

Annual report



2007/2008

Link Teacher: Ing. Ladislav Čajko

Business advisor: Ing. Jana Bencová

Slovakia





Executive summary for 2007/2008

Business name: EGTop s. c.

Mission Statement:

Our student company aimed its efforts to the satisfaction of customers, who were our enterprise's priority. The company concentrated on the distribution of products and merchandise and on offering various services. From the beginning, the students were motivated to exert maximum performance which we had set for ourselves by trying to be TOP. Our customers were the reflection of our effort and their satisfaction symbolized the high level we achieved.

Production:

Our company produced numerous products and services, which were very popular with our clients. EGTop was oriented mainly on the organization of various cultural and athletic events, which had the biggest impact on the company's management. Our production consisted of mugs with the school logo, glass nailfiles and T-shirts with the company and school logo. In the environmental field, our eco product „Collection of Collections“, printed on hand-made recyclable paper, achieved great success.

Index:

Executive Summary	Page 2
Organisation scheme of EGTop s.c.	Page 3
President's Report	Page 4
VCP of Marketing's Report	Page 5
VCP of Production's Report	Page 6
VCP of Finances' Report	Page 7
Profits and Losses, Balance Sheet	Page 8
VCP of Human Resource's Report	Page 9
Ecological and Social Activities	Page 10
„Collection of Collections“	Page 11

Summary of Financial results:

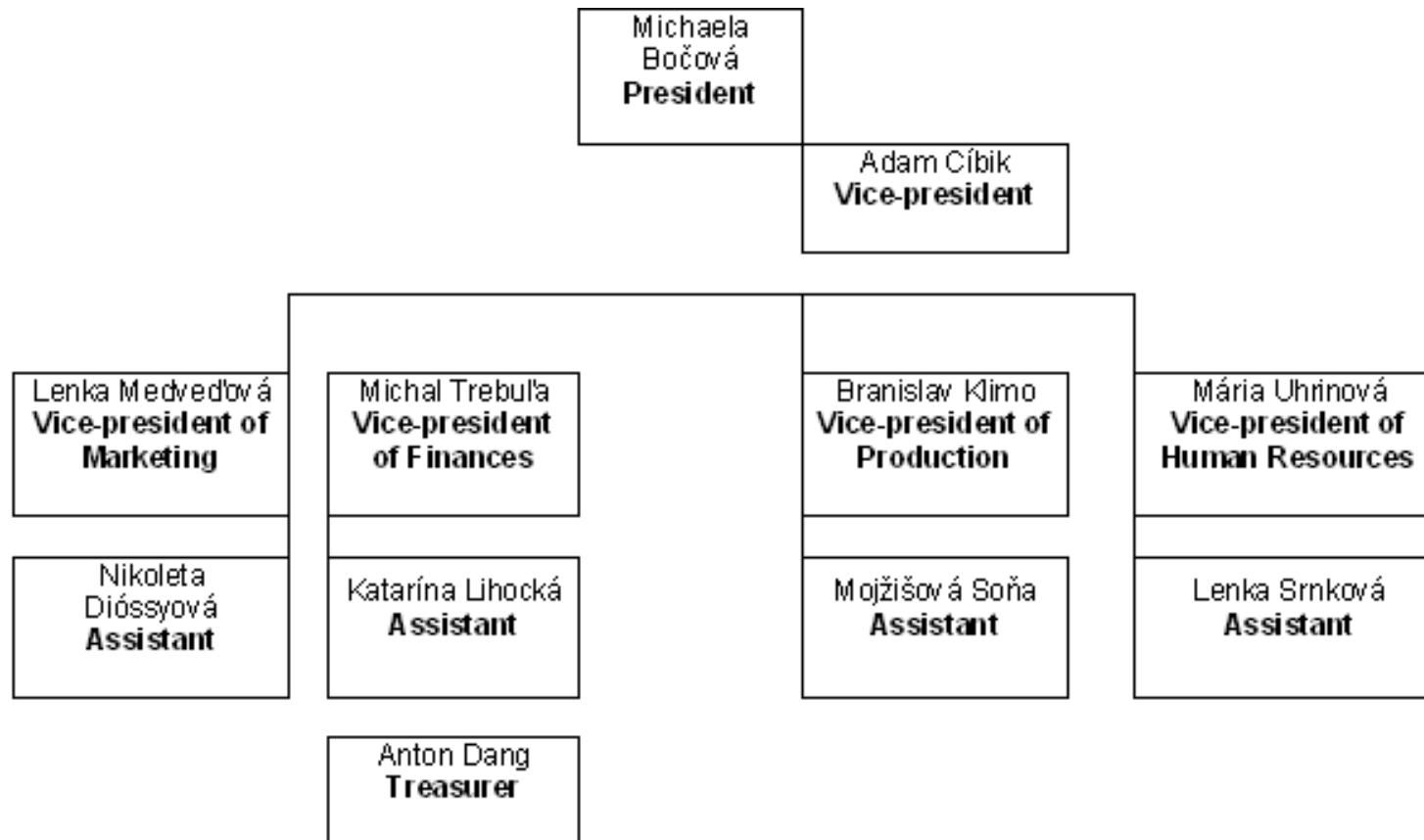
Issue of company shares	100 pc
Total income	€ 3953,12
Total expenditure	€ 2977,01
Total profit	€ 976,11
Profitability of one share	65 %

Summary statement of Company performance:

EGTop s.c. was very successful in every aspect of our operating strategy. The motive of profit and help pushed the members forward to our high-set goals, which weren't easy to achieve. Teamwork and solidarity of our team gave the company good preconditions for success from the very beginning. Later on, our activities reflected in various prizes and acknowledgements, which our company received throughout its operation. Last but not least, we need to emphasize our social and environmental work.



Organization scheme of EGTop s.c.





President's Report



Honored shareholders,
Ladies and Gentlemen,

In the name of the Board of Directors of EGTop I introduce to you the annual report evaluating the activity of our company for the period of October 2007 – May 2008.

Our activity was influenced by the surroundings, in which we were situated. The city of Tisovec can be characterized as a region with insufficient possibilities for personal growth and self-realization of our students. Another factor is a shortcoming of cultural and athletic events being provided. The flexibility of our company enabled us to take into account these saddening factors and during our past activity we brought the students and teachers at Evanjelické gymnázium in Tisovec a packet full of products and services reflecting their needs and demands.

An important indicator of the fruitfulness of our enterprise is the costumers' contentment, which was our priority number one. The fulfillment of the expectations of the students can be assessed as positive, based on the attendance at the organized events and the considerable demand for products being offered. A big interest form our target group of customers is a reflection of quality we offered and achieved.

Based on the facts given, I can but state that with our past activities we fulfilled the vision we set for ourselves the day our company was established. Furthermore, I believe that with these activities we contributed to an increase in cultural and athletic awareness of our students and thus established a more effective and purposeful utilization of their free time.

I'd like to thank the members of the Board of Directors and the Supervisory Board of EGTop, s. c, and also all its members, who actively took part in organizing the company's events, in good management and helped us to reach significant successes, among which are the prize for the best management team for the year 2007/2008, best marketing presentation for the same year at the Student Company Expo in Košice, Top student company in the Slovak republic and a ranking among the Top 10 web pages of student companies in Slovakia. I'm very glad that the Junior Achievement exists also in Slovakia and that it gives the students an opportunity to look into the secrets of economy and entrepreneurship. I hope that every member took a liking for this subject and that they will be able to apply the acquired experience in thier future professional life.

Michaela Bočová
President of EGTop s. c.



Marketing

As the main tasks of our department we considered market and demand research, advertisement, communication with potential customers and setting the right prices and forms of sale.

Logo and name

Our logo and name were created with the help of our vice-president of human resources and her artistic experience. Our name relates to the tradition in which the name of the company has been connected with EGT, our school's initials. Our predecessors, EGTrade and EGprofit, set a high standard for the company's entrepreneurship. Being about to get started, we wanted to reach this standard and become even better, more successful and more profitable than they, which we partly achieved. Thus the name - **EGTop**. Top stands for the peak a student company can achieve.

Competition:

In our sphere of effect we didn't register any activity of other firms (or other student companies), which would represent a direct competition.

Marketing strategy:

Communication

The key factor of our company's success is providing communication with our potential customers and subsequently ensuring distribution flexibility in accordance with their demands. *Indirect communication* takes place by means of questionnaires. Chosen representatives of EGTop also ensure *direct communication* in the form of personal contact.

Consumer awareness

Product and event propagation is administered through the school broadcast and posters, which are located in advance in frequent places, and also at our company's bulletin board.



Lenka Medved'ová
Vice-president of Marketing



Production

Since the demands of our customers exceeded in some cases the possibilities of manual production the company's members decided to cooperate with other firms which aided us in manufacturing the necessary products. All of these were distributed in our school and bore the logo of EGTop. This co-work helped us fulfil the needs of our customers and reach the expected economic result.

T-shirts

T-shirts are a very popular merchandise among students. For this reason we decided to bring a new collection of „Tees“ with the logo of EGT and EGTop. While choosing the appropriate design and color combination we co-operated closely with the students as our target group. These T-shirts can also serve as a part of the mandatory school uniform.

Souvenirs – mugs, pens, glass nailfiles

One of our other priorities was to make our company visible and leave a trace in the consciousness of the students and alumni for years to come even after the end of our activity. Therefore we decide to distribute articles of everyday use and also souvenirs, with which we mainly wanted to appeal to the older students. Among the proposed objects were pens, mugs and glass nailfiles with the company or school logo.

Services

Services made up the foundation of our business activity and brought the biggest expected profit. They were divided up into athletic, cultural and social events, e.g. school ball; school bufet; volleyball, basketball and table soccer tournaments; and also various dance parties and talentshows. The interest in these events was even greater than what we had expected, which gave us the right motivation to organize others. All events reached a high professional level.



Branislav Klimo
Vice-president of Production



Finances

Market potential

The strongest group of our customers was made up of the students of Lutheran High School in Tisovec. While selling and setting prices of our products and services we took into consideration the financial situation of the average student. This strategy required a great amount of creativity from our side and a reduction of expenses of producing and organizing events to a minimum. The result of our effort and the successfulness in keeping the above mentioned conditions were reflected in the profit we reached.

Competition analysis

In the sphere of effect of our student company we didn't suspect any activity of other firms (or other student companies), which would represent a direct competition with their products and services.

Price regulation

While setting the prices we took the financial situation of the students into account.

Summary of business term

All financial operations took place under my supervision and were properly documented and entered as debit into the cash book under the respective number. Almost all events were organized with the motive of a measured profit. We also took into account environmental and social work, where a happy child's face or less paper in the school's storeroom were more valuable. The motive of profit was in these cases minor. All department cooperated well and created a unified business strategy. I assess our activity as profitable and very effective, taking into account we fulfilled our primary goals and the conditions in which we carried out our business. Also, at the end of our period of activity we were able to amortize dividends of 65% per share, which persuaded the shareholders of our reliability.





Profits & Loss account as at				10.5.2008	Balance sheet as at			10.5.2008
				date				date
EGTop s.c. , Jesenského 836 , 98061 Tisovec, Slovakia					EGTop s.c. , Jesenského 836 , 98061 Tisovec, Slovakia			
					Current assets			976,10
Text	Income	Expenses	Difference		Long term assets		0,00	
Income from products sales	891,63				Short term assets		976,10	
Expences for purchasing the products		598,50			Financial property	976,10		
Bussiness margin			293,13		Current liabilities			976,10
Income from services	2 375,68				Capital		0,00	
Cost of production		2 146,29			Starting capital	330,00		
Gross margin			522,52		Net income	523,33		
Personal expenses		188,88			Other income		122,74	
Other incomes from business activities	0,00				Tax	122,74		
Other expenses for business activities		0,00			Assets for distribution			853,33
Gross income			333,64		Return payment to shareholders		330,00	38,7%
Financial income	355,78				Dividends		214,52	25,1%
Financial expenses		43,35			Liquidation expenses		1,65	0,2%
Financial revenue			312,43		Share for the employees		33,00	3,9%
Tax to JASR		122,74			Donations, sponsorships		165,02	19,3%
Net income			523,33		Undistributed profit		109,14	12,8%
					Number of issued shares			100
					Value of one dividend		2,15	65%

Michal Trebuša
Vice-president of Finances

- Sums are given in €



Human Resources

The quality of our firm was directly proportional to the success of the company at the market of products and services. It was a reflection of the quality of the company's goals, the quality of work organization and last but not least the quality of the people, who performed the work given. The number one priority of our department was therefore to ensure such working conditions for the members of the student company that would contribute to their general satisfaction and thus to an improvement of their job performance. A clearly set goal and the vision of the company's progressing served as a motivation. Another positive factor, which influenced the students, was the salary, which was decided to be € 0,33/h at the General Assembly. The first wages, fixed upon the number of hours worked off, were paid in January 2008. The next salaries were be distributed in the first half of May 2008. Also, I'd like to praise the cooperation between the departments, which assisted to the successfulness of our events, to general well-being in the company and to the creation of a favorable business spirit.



<i>Activity</i>	<i>Labor cost</i>
<i>Cultural events</i>	€ 47,53
<i>Sale of hand-made products</i>	€ 6,6
<i>Sale of other products</i>	€ 3,96
<i>Services</i>	€ 108,35
<i>Social and environmental activities</i>	€ 0,66
<i>Athletic events</i>	€ 1,98
<i>Management rewards</i>	€ 19,8
<i>Total labor cost</i>	€ 188,87

Mária Uhrínová

Vice-president of Human Resources

Environmental and social work

We became aware of the present environmental situation, the need for recycling and the use of the restorable natural resources. For these reasons the student company EGTop set one of its goals to increase the awareness of the students of this issue. During the entire period of our company's activity we motivated the students to recycle their trash and to protect the environment. The environmental work was connected with the organizing of events which related to the above-mentioned issue.

An orphanage and a retirement home are located in the city of Tisovec. During the Christmas season, which is characterised by the need to help others, we visited these institutions with the purpose of charity work accompanied by donating our products.

- placement of containers for separate waste in the school

- creation of collection of poems „Collection of Collections“ wrapped in recycled paper

- 5.12.2007 – visit to the Dalmatian orphanage by the members of our company



„Collection of Collections“

Our primary goal in the field of environment was to release a collection of poems titled „Collection of Collections“. It was a collection of poems written by the creative ability of the students of our school who personally contributed to the creation of this masterpiece. The poems were collected and released by the company members. The collection was covered with recycled paper also manufactured by the students with the help of their teacher, Ing. Ladislav Čajko, who oversaw the whole process. This idea sprang out of our minds while seeing the increasing amount of paper in the school storeroom. Therefore we decided to use this paper more effectively. We set the price at € 3 for a large and € 2 for a small collection. Altogether, 30 collections were sold to the students and teachers, while the rest we donated to EGT for promotion purposes.

Process of paper production:

First, we collect the paper and soak it in water. The paper mash is then placed into the machine for paper production. The box contains a plastic net for water outflow. We even out the surface of the mash and cover it with a metal net. Later on we open the box and let the paper dry out. It is possible to produce colored paper by adding powdered chalk or graphite. Such paper can have a wide utilization.



Magdaléna Lauríková
Project manager

EGTop student company



Jesenského 836, Tisovec 980 61, Slovakia



**EGTop
Student company**

**at Evanjelické gymnázium
in Tisovec**

**Jesenského 836,
980 61 Tisovec,
Slovakia**

**egt.top@gmail.com
www.egtop.tym.sk**