

JAGUAR LAND ROVER SLOVAKIA s.r.o

Annual Financial Statements

For the year ended March 31, 2017

Úč POD

FINANCIAL STATEMENTS

of entrepreneurs maintaining accounts under the system of double entry bookkeeping

at 31.03.2017 (in whole euros)

Tax identification number (DIČ)	Financial statements	Accounting entity	Month	Year
2120125381	<input checked="" type="checkbox"/> ordinary	<input checked="" type="checkbox"/> small	For the period from	04 2016
Identification number (IČO)	<input type="checkbox"/> extraordinary	<input type="checkbox"/> large	to	03 2017
48302392	<input type="checkbox"/> interim	(vyznačí sa x)	Preceding period from	01 2016
SK NACE			to	03 2016
73.11.0				

Attached parts of the financial statements

☒ Balance Sheet (Úč POD 1-01) ☒ Income Statement (Úč POD 2-01) ☒ Notes to the Financial Statements (Úč POD 3-01)

(in whole euros) (in whole euros) (in whole euros or eurocents)

Legal name (designation) of the accounting entity

JAGUAR LAND ROVER SLOVAKIA S.R.O.

Registered office of the accounting entity

Street

VYSOKÁ

Number

2 / B

Zip code

81106

Municipality

BRATISLAVA

Designation of the Commercial Register and company registration number


OKRESNÝ SÚD BRATISLAVA 1, SRO

106220 / B

Telephone:

Fax

Email

Prepared on:	Approved on:	Signature of the accounting entity's statutory body or a member of the accounting entity's statutory body or the signature of a sole trader who is the accounting entity:
19.06.2017	19.06.2017	 2017-06-19

This form in any foreign language cannot be submitted to the Tax office and it is only for the purpose of helping.

Designation a	ASSETS b	Line No. c	Current accounting period		Preceding accounting period	
			1	Gross - part 1	Net 2	Net 3
				Correction - part 2		
	TOTAL ASSETS line 02 + line 33 + line 74	01		1 8 0 1 7 5 0 7 9	1 8 0 1 7 5 0 7 9	
						3 8 6 2 0 1 8 6
A.	Non-current assets line 03 + line 11 + line 21	02		1 4 9 8 9 7 3 2 1	1 4 9 8 9 7 3 2 1	
						8 6 1 5 3 2 6
A.I.	Non-current intangible assets total (lines 04 to 10)	03		1 6 7 5 5 0 9	1 6 7 5 5 0 9	
A.I.1.	Capitalized development costs (012) - /072, 091A/	04				
2.	Software (013) - /073, 091A/	05				
3.	Valuable rights (014) - /074, 091A/	06				
4.	Goodwill (015) - /075, 091A/	07				
5.	Other non-current intangible assets (019, 01X) - /079, 07X, 091A/	08				
6.	Acquisition of non-current intangible assets (041) - /093/	09		1 6 7 5 5 0 9	1 6 7 5 5 0 9	
7.	Advance payments made for non-current intangible assets (051) - /095A/	10				
A.II.	Property, plant and equipment total (lines 12 to 20)	11		1 4 8 2 2 1 8 1 2	1 4 8 2 2 1 8 1 2	
						8 6 1 5 3 2 6
A.II.1.	Land (031) - /092A/	12				
2.	Structures (021) - /081, 092A/	13				
3.	Individual movable assets and sets of movable assets (022) - /082, 092A/	14				

Designation a	ASSETS b	Line No. c	Current accounting period		Preceding accounting period Net 3
			1	Gross - part 1	
				Correction - part 2	
4.	Perennial crops (025) - /085, 092A/	15			
5.	Livestock (026) - /086, 092A/	16			
6.	Other property, plant and equipment (029, 02X, 032) - /089, 08X, 092A/	17			
7.	Acquisition of property, plant and equipment (042) - /094/	18	1 4 8 2 2 1 8 1 2	1 4 8 2 2 1 8 1 2	8 6 1 5 3 2 6
8.	Advance payments made for property, plant and equipment (052) - /095A/	19			
9.	Value adjustment to acquired assets (+/- 097) +/- 098	20			
A.III.	Non-current financial assets total (lines 22 to 32)	21			
A.III.1.	Shares and ownership interests in affiliated accounting entities (061A, 062A, 063A) - /096A/	22			
2.	Shares and ownership interests with participating interest, except for affiliated accounting entities (062A) - /096A/	23			
3.	Other available-for-sale securities and ownership interests (063A) - /096A/	24			
4.	Loans to affiliated accounting entities (066A) - /096A/	25			
5.	Loans within participating interest, except for affiliated accounting entities (066A) - /096A/	26			
6.	Other loans (067A) - /096A/	27			
7.	Debt securities and other non-current financial assets (065A, 069A, 06XA) - /096A/	28			

Designation a	ASSETS b	Line No. c	Current accounting period		Preceding accounting period	
			1	Gross - part 1	Net 2	Net 3
				Correction - part 2		
8.	Loans and other non-current financial assets with remaining maturity of up to one year (066A, 067A, 069A, 06XA) - /096A/	29				
9.	Bank accounts with notice period exceeding one year (22XA)	30				
10.	Acquisition of non-current financial assets (043) - /096A/	31				
11.	Advance payments made for non-current financial assets (053) - /095A/	32				
B.	Current assets line 34 + line 41 + line 53 + line 66 + line 71	33		2 9 3 6 0 8 5 5	2 9 3 6 0 8 5 5	
B.I.	Inventory total (lines 35 to 40)	34				3 0 0 0 4 8 6 0
B.I.1.	Raw material (112, 119, 11X) - /191, 19X/	35				
2.	Work in progress and semi-finished products (121, 122, 12X) - /192, 193, 19X/	36				
3.	Finished goods (123) - /194/	37				
4.	Animals (124) - /195/	38				
5.	Merchandise (132, 133, 13X, 139) - /196, 19X/	39				
6.	Advance payments made for inventory (314A) - /391A/	40				
B.II.	Non-current receivables total (line 42 + lines 46 to 52)	41				
B.II.1.	Trade receivables total (lines 43 to 45)	42				

Designation a	ASSETS b	Line No. c	Current accounting period		Preceding accounting period
			1	Gross - part 1	
				Correction - part 2	Net 2
					Net 3
1.a.	Trade receivables from affiliated accounting entities (311A, 312A, 313A, 314A, 315A, 31XA) - /391A/	43			
1.b.	Trade receivables within participating interest, except for receivables from affiliated accounting entities (311A, 312A, 313A, 314A, 315A, 31XA) - /391A/	44			
1.c.	Other trade receivables (311A, 312A, 313A, 314A, 315A, 31XA) - /391A/	45			
2.	Net value of contract (316A)	46			
3.	Other receivables from affiliated accounting entities (351A) - /391A/	47			
4.	Other receivables within participating interest, except for receivables from affiliated accounting entities (351A) - /391A/	48			
5.	Receivables from participants, members and association (354A, 355A, 358A, 35XA) - /391A/	49			
6.	Receivables related to derivative transactions (373A, 376A)	50			
7.	Other receivables (335A, 336A, 33XA, 371A, 374A, 375A, 378A) - /391A/	51			
8.	Deferred tax asset (481A)	52			
B.III.	Current receivables total (line 54 + lines 58 to 65)	53	2 9 1 8 2 2 9 4	2 9 1 8 2 2 9 4	3 0 0 0 1 2 0 0
B.III.1.	Trade receivables total (lines 55 to 57)	54	2 8 1 3 2 2 0 1	2 8 1 3 2 2 0 1	
1.a.	Trade receivables from affiliated accounting entities (311A, 312A, 313A, 314A, 315A, 31XA) - /391A/	55			
1.b.	Trade receivables within participating interest, except for receivables from affiliated accounting entities (311A, 312A, 313A, 314A, 315A, 31XA) - /391A/	56			

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Designation a	ASSETS b	Line No. c	Current accounting period		Preceding accounting period		
			1	Gross - part 1		Net 2	Net 3
				Correction - part 2			
1.c.	Other trade receivables (311A, 312A, 313A, 314A, 315A, 31XA) - /391A/	57	2 8 1 3 2 2 0 1	2 8 1 3 2 2 0 1			
2.	Net value of contract (316A)	58					
3.	Other receivables from affiliated accounting entities (351A) - /391A/	59					
4.	Other receivables within participating interest, except for receivables from affiliated accounting entities (351A) - /391A/	60			3 0 0 0 0 2 0 0		
5.	Receivables from participants, members and association (354A, 355A, 358A, 35XA, 398A) - /391A/	61					
6.	Social security (336A) - /391A/	62					
7.	Tax assets and subsidies (341, 342, 343, 345, 346, 347) - /391A/	63	1 0 4 4 8 3 9	1 0 4 4 8 3 9			
8.	Receivables related to derivative transactions (373A, 376A)	64					
9.	Other receivables (335A, 33XA, 371A, 374A, 375A, 378A) - /391A/	65	5 2 5 4	5 2 5 4	1 0 0 0		
B.IV.	Current financial assets total (lines 67 to 70)	66					
B.IV.1.	Current financial assets in affiliated accounting entities (251A, 253A, 256A, 257A, 25XA) - /291A, 29XA/	67					
2.	Current financial assets, not including current financial assets in affiliated accounting entities (251A, 253A, 256A, 257A, 25XA) - /291A, 29XA/	68					
3.	Own shares and own ownership interests (252)	69					
4.	Acquisition of current financial assets (259, 314A) - /291A/	70					

Designation a	ASSETS b	Line No. c	Current accounting period		Preceding accounting period Net 3
			1	Net 2	
			Correction - part 2		
B.V.	Financial accounts line 72 + line 73	71	1 7 8 5 6 1	1 7 8 5 6 1	3 6 6 0
B.V.1.	Cash (211, 213, 21X)	72			
2.	Bank accounts (221A, 22X, +/- 261)	73	1 7 8 5 6 1	1 7 8 5 6 1	3 6 6 0
C.	Accruals/deferrals total (lines 75 to 78)	74	9 1 6 9 0 3	9 1 6 9 0 3	
C.1.	Prepaid expenses - long-term (381A, 382A)	75	3 0 4 8 0 4	3 0 4 8 0 4	
2.	Prepaid expenses - short-term (381A, 382A)	76	6 1 2 0 9 9	6 1 2 0 9 9	
3.	Accrued income - long-term (385A)	77			
4.	Accrued income - short-term (385A)	78			

Designation a	EQUITY AND LIABILITIES b	Line No. c	Current accounting period 4	Preceding accounting period 5
	TOTAL EQUITY AND LIABILITIES line 80 + line 101 + line 141	79	1 8 0 1 7 5 0 7 9	3 8 6 2 0 1 8 6
A.	Equity line 81 + line 85 + line 86 + line 87 + line 90 + line 93 + line 97 + line 100	80	2 4 7 9 8 0 2 4	2 5 5 8 1 5 0 5
A.I.	Share capital total (lines 82 to 84)	81	3 0 0 0 5 0 0 0	3 0 0 0 5 0 0 0
A.I.1.	Share capital (411 alebo +/- 491)	82	3 0 0 0 5 0 0 0	3 0 0 0 5 0 0 0
2.	Change in share capital +/- 419	83		
3.	Unpaid share capital (/-353)	84		
A.II.	Share premium (412)	85		
A.III.	Other capital funds (413)	86		
A.IV.	Legal reserve funds line 88 + line 89	87		
A.IV.1.	Legal reserve fund and non-distributable fund (417A, 418, 421A, 422)	88		
2.	Reserve fund for own shares and own ownership interests (417A, 421A)	89		

Designation a	EQUITY AND LIABILITIES b	Line No. c	Current accounting period 4	Preceding accounting period 5
A.V.	Other funds created from profit line 91 + line 92	90		
A.V.1.	Statutory funds (423, 42X)	91		
2.	Other funds (427, 42X)	92		
A.VI.	Differences from revaluation total (lines 94 to 96)	93		
A.VI.1.	Differences from revaluation of assets and liabilities (+/- 414)	94		
2.	Investment revaluation reserves (+/- 415)	95		
3.	Differences from revaluation in the event of a merger, amalgamation into a separate accounting entity or demerger (+/- 416)	96		
A.VII.	Net profit/loss of previous years line 98 + line 99	97	- 4 4 2 3 4 9 5	- 6 1
A.VII.1.	Retained earnings from previous years (428)	98		
2.	Accumulated losses from previous years (/-429)	99	- 4 4 2 3 4 9 5	- 6 1
A.VIII.	Net profit/loss for the accounting period after tax (+/- line 01 - (I. 81 + I. 85 + I. 86 + I. 87 + I. 90 + I. 93 + I. 97 + I. 101 + I. 141)	100	- 7 8 3 4 8 1	- 4 4 2 3 4 3 4
B.	Liabilities line 102 + line 118 + line 121 + line 122 + line 136 + line 139 + line 140	101	1 5 5 3 7 7 0 5 5	1 3 0 3 8 6 8 1
B.I.	Non-current liabilities total (line 103 + lines 107 to 117)	102	3 1 7 4 3 5 4	
B.I.1.	Non-current trade liabilities total (lines 104 to 106)	103	3 1 6 2 6 8 5	
1.a.	Trade liabilities to affiliated accounting entities (321A, 475A, 476A)	104		
1.b.	Trade liabilities within participating interest, except for liabilities to affiliated accounting entities (321A, 475A, 476A)	105		
1.c.	Other trade liabilities (321A, 475A, 476A)	106	3 1 6 2 6 8 5	
2.	Net value of contract (316A)	107		
3.	Other liabilities to affiliated accounting entities (471A, 47XA)	108		
4.	Other liabilities within participating interest, except for liabilities to affiliated accounting entities (471A, 47XA)	109		
5.	Other non-current liabilities (479A, 47XA)	110		
6.	Long-term advance payments received (475A)	111		
7.	Long-term bills of exchange to be paid (478A)	112		
8.	Bonds issued (473A/-255A)	113		
9.	Liabilities related to social fund (472)	114	1 1 6 6 9	
10.	Other non-current liabilities (336A, 372A, 474A, 47XA)	115		
11.	Non-current liabilities related to derivative transactions (373A, 377A)	116		
12.	Deferred tax liability (481A)	117		

Designation a	EQUITY AND LIABILITIES b	Line No. c	Current accounting period 4	Preceding accounting period 5
B.II.	Long-term provisions line 119 + line 120	118		
B.II.1.	Legal provisions (451A)	119		
2.	Other provisions (459A, 45XA)	120		
B.III.	Long-term bank loans (461A, 46XA)	121		
B.IV.	Current liabilities total (line 123 + lines 127 to 135)	122	1 3 6 6 6 7 0 1 5	1 2 7 8 5 9 7 1
B.IV.1.	Trade liabilities total (lines 124 to 126)	123	5 6 2 3 7 0 5 8	1 2 7 8 5 7 3 1
1.a.	Trade liabilities to affiliated accounting entities (321A, 322A, 324A, 325A, 326A, 32XA, 475A, 476A, 478A, 47XA)	124		
1.b.	Trade liabilities within participating interest, except for liabilities to affiliated accounting entities (321A, 322A, 324A, 325A, 326A, 32XA, 475A, 476A, 478A, 47XA)	125		
1.c.	Other trade liabilities (321A, 322A, 324A, 325A, 326A, 32XA, 475A, 476A, 478A, 47XA)	126	5 6 2 3 7 0 5 8	1 2 7 8 5 7 3 1
2.	Net value of contract (316A)	127		
3.	Other liabilities to affiliated accounting entities (361A, 36XA, 471A, 47XA)	128		
4.	Other liabilities within participating interest, except for liabilities to affiliated accounting entities (361A, 36XA, 471A, 47XA)	129	7 8 8 6 4 1 1 4	
5.	Liabilities to partners and association (364, 365, 366, 367, 368, 398A, 478A, 479A)	130		
6.	Liabilities to employees (331, 333, 33X, 479A)	131	3 5 3 4 8 1	
7.	Liabilities related to social security (336A)	132	1 8 9 1 8 9	
8.	Tax liabilities and subsidies (341, 342, 343, 345, 346, 347, 34X)	133	1 0 2 3 1 7 3	2 4 0
9.	Liabilities related to derivative transactions (373A, 377A)	134		
10.	Other liabilities (372A, 379A, 474A, 475A, 479A, 47XA)	135		
B.V.	Short-term provisions line 137 + line 138	136	1 5 5 3 5 6 8 6	2 5 2 7 1 0
B.V.1.	Legal provisions (323A, 451A)	137	1 1 9 3 8 2	
2.	Other provisions (323A, 32X, 459A, 45XA)	138	1 5 4 1 6 3 0 4	2 5 2 7 1 0
B.VI.	Current bank loans (221A, 231, 232, 23X, 461A, 46XA)	139		
B.VII.	Short-term financial assistance (241, 249, 24X, 473A, /-/255A)	140		
C.	Accruals/deferrals total (lines 142 to 145)	141		
C.1.	Accrued expenses - long-term (383A)	142		
2.	Accrued expenses - short-term (383A)	143		
3.	Deferred income - long-term (384A)	144		
4.	Deferred income - short-term (384A)	145		

Designation a	Text b	Line No. c	Actual data	
			Current accounting period	Preceding accounting period
			1	2
*	Net turnover (part of account class 6 according to the Act)	01	2 8 1 1 8 0 1 2	
**	Operating income total (lines 03 to 09)	02	2 8 1 1 8 0 1 2	
I.	Revenue from the sale of merchandise (604, 607)	03		
II.	Revenue from the sale of own products (601)	04		
III.	Revenue from the sale of services (602, 606)	05	2 8 1 1 8 0 1 2	
IV.	Changes in internal inventory (+/-) (account group 61)	06		
V.	Own work capitalized (account group 62)	07		
VI.	Revenue from the sale of non-current intangible assets, property, plant and equipment, and raw materials (641, 642)	08		
VII.	Other operating income (644, 645, 646, 648, 655, 657)	09		
**	Operating expenses total line 11 + line 12 + line 13 + line 14 + line 15 + line 20 + line 21 + line 24 + line 25 + line 26	10	2 7 9 7 9 7 1 7	4 4 2 3 1 1 4
A.	Cost of merchandise sold (504, 507)	11		
B.	Consumed raw materials, energy consumption, and consumption of other non-inventory supplies (501, 502, 503)	12	8 6 9 0 1 0	
C.	Value adjustments to inventory (+/-) (505)	13		
D.	Services (account group 51)	14	2 3 3 0 0 8 9 4	4 4 2 3 1 1 4
E.	Personnel expenses total (lines 16 to 19)	15	3 3 8 9 3 8 2	
E.1.	Wages and salaries (521, 522)	16	2 4 7 3 8 8 9	
2.	Remuneration of board members of company or cooperative (523)	17		
3.	Social security expenses (524, 525, 526)	18	8 5 7 2 4 5	
4.	Social expenses (527, 528)	19	5 8 2 4 8	
F.	Taxes and fees (account group 53)	20	1 4 3 6	
G.	Amortization and value adjustments to non-current intangible assets and depreciation and value adjustments to property, plant and equipment (line 22 + line 23)	21		
G.1.	Amortization of non-current intangible assets and depreciation of property, plant and equipment (551)	22		
2.	Value adjustments to non-current intangible assets and property, plant and equipment (+/-) (553)	23		
H.	Carrying value of non-current assets sold and raw materials sold (541, 542)	24		
J.	Value adjustments to receivables (+/-) (547)	25		
J.	Other operating expenses (543, 544, 545, 546, 548, 549, 555, 557)	26	4 1 8 9 9 5	
***	Profit/loss from operations (+/-) (line 02 - line 10)	27	1 3 8 2 9 5	- 4 4 2 3 1 1 4

Designation a	Text b	Line No. c	Actual data	
			Current accounting period	Preceding accounting period
			1	2
*	Added value (line 03 + line 04 + line 05 + line 06 + line 07) - (line 11 + line 12 + line 13 + line 14)	28	3 9 4 8 1 0 8	- 4 4 2 3 1 1 4
**	Income from financial activities - total line 30 + line 31 + line 35 + line 39 + line 42 + line 43 + line 44	29	1 0 2 8 5 8	2 0 0
VIII.	Revenue from the sale of securities and shares (661)	30		
IX.	Income from non-current financial assets total (lines 32 to 34)	31		
IX.1.	Income from securities and ownership interests in affiliated accounting entities (665A)	32		
2.	Income from securities and ownership interests within participating interest, except for income of affiliated accounting entities (665A)	33		
3.	Other income from securities and ownership interests (665A)	34		
X.	Income from current financial assets total (lines 36 to 38)	35		
X.1.	Income from current financial assets in affiliated accounting entities (666A)	36		
2.	Income from current financial assets within participating interest, except for income of affiliated accounting entities (666A)	37		
3.	Other income from current financial assets (666A)	38		
XI.	Interest income (line 40 + line 41)	39	9 8 6	2 0 0
XI.1.	Interest income from affiliated accounting entities (662A)	40		
2.	Other interest income (662A)	41	9 8 6	2 0 0
XII.	Exchange rate gains (663)	42	1 0 1 8 7 2	
XIII.	Gains on revaluation of securities and income from derivative transactions (664, 667)	43		
XIV.	Other income from financial activities (668)	44		
**	Expenses related to financial activities - total line 46 + line 47 + line 48 + line 49 + line 52 + line 53 + line 54	45	1 3 2 4 5 9	2 8 0
K.	Securities and shares sold (561)	46		
L.	Expenses related to current financial assets (566)	47		
M.	Value adjustments to financial assets (+/-) (565)	48		
N.	Interest expense (line 50 + line 51)	49	4 6 0 3 1	
N.1.	Interest expenses related to affiliated accounting entities (562A)	50		
2.	Other interest expenses (562A)	51	4 6 0 3 1	
O.	Exchange rate losses (563)	52	8 4 8 7 9	
P.	Loss on revaluation of securities and expenses related to derivative transactions (564, 567)	53		
Q.	Other expenses related to financial activities (568, 569)	54	1 5 4 9	2 8 0

Designation a	Text b	Line No. c	Actual data	
			Current accounting period 1	Preceding accounting period 2
***	Profit/loss from financial activities (+/-) (line 29 - line 45)	55	- 2 9 6 0 1	- 8 0
****	Profit/loss for the accounting period before tax (+/-) (line 27 + line 55)	56	1 0 8 6 9 4	- 4 4 2 3 1 9 4
R.	Income tax (line 58 + line 59)	57	8 9 2 1 7 5	2 4 0
R.1.	Income tax - current (591, 595)	58	8 9 2 1 7 5	2 4 0
2.	Income tax - deferred (+/-) (592)	59		
S.	Transfer of net profit/net loss shares to partners (+/- 596)	60		
****	Profit/loss for the accounting period after tax (+/-) (line 56 - line 57 - line 60)	61	- 7 8 3 4 8 1	- 4 4 2 3 4 3 4

A. INFORMATION ABOUT THE ACCOUNTING ENTITY

1. Establishment of the Company

Jaguar Land Rover Slovakia s.r.o. (hereinafter referred to as "the Company") was established on 27 August 2015 and was registered in the Commercial Register on 11 September 2015 (Commercial Register of the District Court Bratislava I in Bratislava, Section Sro, file 106220/B).

2. The principal activities of the Company comprise:

- manufacture and assembly of motor vehicles

3. Number of employees

Information on the number of employees for the current accounting period and preceding accounting period is shown in the following table:

	April 2016 – March 2017	January 2016 – March 2016
Average recalculated number of employees – Slovak employees	64	0
Average recalculated number of employees – ISE Outbound	11	0
Number of employees as at the balance sheet date, out of it:	130	0
Slovak employees	112	0
ISE Outbound	18	0

4. Information on unlimited liability

The Company is not a partner with unlimited liability in other companies according to Article 56 (5) of the Commercial Code.

5. Legal reason for the preparation of the Financial Statements

The Financial Statements of the Company as at 31 March 2017 have been prepared as ordinary financial statements in accordance with Article 17 (6) of Slovak Act No. 431/2002 Coll. on Accounting for the accounting period from 1 April 2016 to 31 March 2017.

6. Date of approval of the Financial Statements for the preceding accounting period

The Financial Statements of the Company as at 31 March 2016, i.e. for the preceding accounting period, were approved by the shareholders at the Company's general meeting held on 20.06.2016.

B. INFORMATION ABOUT THE CONTROLLING PARTIES

The financial statements of the Company are included in the consolidated financial statements of the company Jaguar Land Rover Automotive PLC. The registered office is Abbey Road, Whitley, Coventry CV3 4LF, United Kingdom of Great Britain and Northern Ireland. The consolidated financial statements are available at the registered office of the listed company.

C. INFORMATION ABOUT ACCOUNTING PRINCIPLES AND ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements were prepared using the going concern assumption that the Company will continue in operation for the foreseeable future.

The accounting policies and general accounting principles have been consistently applied.

(b) Non-current intangible assets and property, plant and equipment

Purchased non-current assets are valued at their acquisition cost, which consists of the price at which an asset has been acquired plus costs related to the acquisition (customs duty, transport, assembling costs, insurance etc.).

Acquisition cost of property, plant and equipment does not include borrowing costs or realised exchange rate differences, which arose before the item of property, plant and equipment was put into use.

Low-value non-current intangible assets with an acquisition cost (or conversion cost) of EUR 2 400 or less are written off when the asset is put into use.

Low-value non-current tangible assets with an acquisition cost (or conversion cost) of EUR 1 700 or less are written off when the asset is put into use.

Amortisation method, useful life of assets and net book value are reviewed at the Balance Sheet date and changes are undertaken if necessary.

Assessment of impairment of non-current assets

Adjustments are made on a precautionary basis if it is reasonable to assume that there has been a decrease in the value of assets compared to its value in accounting. An allowance is recognised at the amount of the reasonable assumptions that the asset is impaired in relation to its value in the accounting.

The factors that are considered important when assessing the impairment of assets are:

- technological progress,
- Significantly insufficient operating results compared to historical or planned operating results,
- Significant changes in the use of the Company's assets or the overall change in the Company's strategy,
- product obsolescence.

If the Company determines that, due to the existence of one or more impairment indicators, a write-down of an asset is anticipated in relation to its valuation in the accounting, it calculates the impairment of the asset on the basis of estimated net cash flow projections expected from the asset, including its possible sale. The estimated impairment may prove to be insufficient if the analysis exaggerates cash flows or changes in future conditions.

(c) Receivables

Receivables are valued at their nominal value except for: assigned receivables and receivables acquired via a contribution to share capital which are valued at their acquisition cost, including costs related to the acquisition. Receivables are decreased by the write-downs for any amounts expected to be irrecoverable.

(d) Cash and cash equivalents

Cash and cash equivalent are valued at their nominal value. A value adjustment is created for any impairment.

(e) Securities and ownership interests

Company did not acquire any securities or ownership interest during current or prior accounting period.

(f) Prepaid expenses

Prepaid expenses is presented in accordance with the matching principle in terms of substance and time.

(g) Impairment of assets and provisions

Adjustments are made on a precautionary basis if it is reasonable to assume that there has been a decrease in the value of assets compared to its value in accounting. Adjustments is accounted for in the amount of a reasonable impairment assumption against its value in accounting. Adjustments are derecognized or their amount is changed if a change in impairment assumption occurs.

(h) Provisions

Provisions are liabilities of uncertain timing or amount. They are formed to cover known risks or losses from business. They are valued at the expected amount of the liability. The company creates provisions for unbilled deliveries, unused holidays and bonuses.

Creation of the provision is accounted for on the related cost or property account to which the liability is attributable. The use of the provision is accounted for on the balance of the relevant provision account with the corresponding receivable in favour of the relevant liability account. Dissolution of the unnecessary reserve or part of it is accounted for by the opposite accounting entries as the credibility of the provision has been accounted for.

(i) Employees

Salaries, wages, contributions to pension and insurance funds, paid annual leave and paid medical leave, bonuses and other non-monetary benefits (e.g. health care) are accounted for in the accounting period that relates to them in a timely manner.

(j) Liabilities

Liabilities are valued at their nominal value except for assumed liabilities, which are valued at their acquisition cost at the time of their assumption. If reconciliation procedures reveal that the actual amount of liabilities differs from the amount recorded in the accounting books, the actual amount shall be used to value these liabilities in the accounting books and financial statements.

(k) Leasing

Operating leases: assets leased through operating leases are presented by the owner, not by the lessee.

(l) Foreign currency

Assets and liabilities denominated in foreign currency are translated to Euro as at the date of the accounting transaction by the reference exchange rate determined and declared by the European Central Bank or National Bank of Slovakia as at the date preceding the date of the accounting transaction, except suppliers' invoices in foreign currency that are translated to Euro as at the date of the accounting transaction by the reference exchange rate determined and declared by the European Central Bank or National Bank of Slovakia as at the date preceding the date of reception of supplier's invoice.

Assets and liabilities denominated in a foreign currency (except for advance payments made and advance payments received) are translated to Euro at the Balance Sheet date according to the reference exchange rate determined and declared by the European Central Bank or the National Bank of Slovakia as at the Balance Sheet date, and are recorded with an impact on profit or loss.

(m) Cost recognition

Costs and expense are recognised when incurred and are classified according to their nature.

(n) Revenue

Revenue from own work and merchandise is net of value added tax. Revenue is related to remuneration under the Toll Agreement and is recognised when services are rendered.

(o) Current corporate income tax

Corporate income tax is calculated from accounting profit corrected by permanent and temporary non-taxable items using relevant tax rate.

(p) Comparable data

If, as a result of a change in accounting policies and accounting principles, the values for the immediately preceding financial year are not comparable in the individual parts of the financial statements, the explanation of incomprehensible amounts is stated in notes.

(q) Correction of errors from previous accounting period

If the Company identifies an error in the current accounting period in respect of past accounting periods, it will correct this error in the account 428 - Retained earnings of previous years and 429 - Unrealised losses of previous years, without affecting the profit or loss in the current accounting period. Corrections of minor errors of prior periods are accounted to the current cost or income account in the current accounting period.

In 2016/2017, the Company did not made any correction of errors from previous periods.

D. INFORMATION ABOUT DATA FROM BALANCE SHEET

1. Liabilities

The structure of liabilities (except debt-payable for social fund) according to maturity is shown in the table below:

	31.03.2017	31.03.2016
	EUR	EUR
Liabilities due within 1 year	136 667 015	12 785 971
Liabilities due within 1-5 years	3 162 685	0
Total Liabilities	139 829 700	12 785 971

Liabilities due within 1 year mainly consist of Intercompany loan provided by the Parent company in the amount of 78 864 114 EUR. Remaining part of the liabilities are liabilities to suppliers.

Long-term liabilities correspond to retention in the total amount of 3 162 685 EUR.

E. INFORMATION ABOUT DATA IN OFF-BALANCE SHEET ACCOUNTS

As at 31 March 2017 and 31 March 2016 the Company did not have any off-balance sheet accounts to disclose.

F. INFORMATION ABOUT OTHER ASSETS AND LIABILITIES

1. Other financial commitments, which are not recorded in balance sheet accounts

In the period of 2016-2018, the Company is going to build a manufacturing facility and start production of automotive vehicles. The Company has concluded agreements with suppliers and issued purchase orders, which result in financial commitments:

Other financial commitments are presented in the table below:

	31.03.2017	31.03.2016
	EUR	EUR
Purchase Commitments	607 607 282	4 397 745
Capital commitments	590 796 851	3 386 527
Purchase commitments – OPEX and Project related, out of it:		
Short-term purchase commitments	16 810 431	1 011 218
Long-term purchase commitments	11 496 682	1 011 218
	5 313 749	0

2. Contingent liabilities

The Company has signed a contingent liability agreement with third party. Under the agreement the Company is liable to pay the fee of up to 2 000 000 EUR. The payment is dependent on third party meeting pre-defined contractual obligations

G. STATEMENT OF INCOME AND BENEFITS OF MEMBERS OF STATUTORY, SUPERVISORY AND OTHER BODIES

The Company did not pay bonuses for the Company's affiliates and members of the statutory bodies for their activities for the Company nor a loan or guarantee for the period under review or in the immediately preceding period.

H. INFORMATION ON EVENTS OCCURING BETWEEN THE BALANCE SHEET DATE AND THE DATE OF PREPARATION OF FINANCIAL STATEMENTS

No events with a material impact on the true and fair presentation of facts subject to the bookkeeping occurred after 31 March 2017, except the events as a result of operating activities.

