**Instructions:**

1. **This document and disclosures provided in it contain general information only and the application of this template in specific cases will depend on specific circumstances. Deloitte does not provide accounting, investment, legal, tax or other professional advice or services through this document. Deloitte accepts no responsibility for any losses sustained by any person as a result of placing reliance on the information presented in this document;**
2. **This notes template includes information explicitly required from medium-sized and large reporting entities governed by Act No. 563/1991 Coll., on Accounting, as amended, and Regulation No. 500/2002 Coll. which provides implementation guidance on certain provisions of Act No. 563/1991 Coll., on Accounting, as amended, for reporting entities that are businesses maintaining double-entry accounting records.**
3. **If the relevant disclosure section is not relevant for the Company, no comments need to be provided on this matter (e.g., the Company has no pledged assets) and the relevant section can be deleted;**
4. **Text in bold + italics represents instructions;**
5. **Slashes represent multiple options;**
6. **Dots in the text or XXX represent space for filling in information;**
7. **Most of the tables are linked to financial statements, i.e., it is necessary to check whether data from the table agrees with the financial statements;**
8. **It is necessary to modify the standard wording for a limited liability company, because the notes have been prepared primarily in respect of joint stock companies;**
9. **If a table can be replaced with a note disclosure of the same informative value and the note disclosure is shorter, please delete the table and use the note disclosure;**
10. **Comment on all material and non-recurring financial statement items;**
11. **Remember to indicate the Company’s name and the reporting period in the footer and eventually to update the table of contents;**
12. **If the Company used the profit and loss account structured by the function of expense/income method (‘ucelove cleneni’), then the notes always need to include the profit and loss account structured by the nature of expense/income method (‘druhove cleneni’);**
13. **If changes have been made to the prior period’s information or if incomparable information has been retained in respect of the balance sheet, profit and loss account and statement of changes in equity, these facts must be clarified in the notes in each individual case.**

**notes to the financial statements   
for the year ended 31 december 2018**

**Name of the Company: ……………………………….**

**Registered Office: ……………………………….**

**Place of Business: ……………………………….**

**(*Indicate the place of business if it differs from the Company’s registered office*)**

**Legal Status: ……………………………….**

**Corporate ID: ……………………………….**

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# general information

## Incorporation and Description of the Business

**(*Name of the company as indicated in the details held at the Register of Companies*)** (hereinafter the “Company”) was formed by ***a Deed of Association/Memorandum of Association/Founder’s Deed*** *as a* ***joint stock company/limited liability company*** on ................ and was incorporated following its registration in the Register of Companies held by the Court in ................. on ............... The principal activities of the Company are (***Provide a list of principal activities*.)**.

The following table shows individuals and legal entities with an equity interest greater than 20 percent and the amount of their equity interest:

***(Detail the individuals and legal entities with ownership interest in the Company of 20 percent or greater and their ownership percentage, describe any changes or amendments made in the previous reporting period in the details held at the Register of Companies.)***

|  |  |
| --- | --- |
| **Shareholder/Owner** | **Ownership percentage** |
|  |  |
|  |  |
|  |  |
| **Total** | **100%** |

(Also give details about agreements, if any, put in place between the shareholders/owners, which establish voting rights regardless of the share of the Company’s share capital - this relates to a shareholding in companies equal to or in excess of 20 percent.)

(The entity should also present the business name, registered office and legal form of each company in which the entity is an unlimited liability partner.)

## Year-on-Year Changes and Amendments to the Register of Companies

(Describe changes and amendments to the Register of Companies, such as a change of the registered office, a change of name, a change of the subject of operations, etc. In addition, disclose matters approved by the general meeting of shareholders, which have not as yet been recorded in the Register of Companies, indicate if the petition to have the details in the Register of Companies updated has been submitted.)

## Board of Directors and Supervisory Board at the Balance Sheet Date

***(Name the members of the Board of Directors and Supervisory Board, indicating their positions at the balance sheet date.)***

|  |  |  |
| --- | --- | --- |
|  | **Position** | **Name** |
| **Board of Directors** | Chairman |  |
|  | Vice Chairman |  |
|  | Member |  |
|  |  |  |
| **Supervisory Board** | Chairman |  |
|  | Vice Chairman |  |
|  | Member |  |

## Group Identification

***(If the Company is included in a group, please provide detailed information including the name and the registered office of the reporting entity preparing the consolidated financial statements of the widest as well as the narrowest group of reporting entities and also provide information as to the place where the consolidated financial statements can be obtained).***

***(If the Company applies the exemption from the obligation to present consolidated financial statements, it shall disclose the business name and registered office of the consolidating entity or consolidating foreign entity that has presented the consolidated financial statements and information about the application of the exemption as well as the place where the consolidated financial statements of the above state consolidating reporting entities can be obtained if it is possible to obtain them).***

# ACCOUNTING PRINCIPLES and policies

The Company’s accounting books and records are maintained and the financial statements were prepared in accordance with the Accounting Act 563/1991 Coll., as amended; the Regulation 500/2002 Coll. which provides implementation guidance on certain provisions of the Accounting Act for reporting entities that are businesses maintaining double-entry accounting records, as amended; and Czech Accounting Standards for Businesses, as amended.

***(If the Company departs from Czech Accounting Standards, it is obliged to disclose the fact in this note including the reasons for the departures.)***

The accounting records are maintained in compliance with general accounting principles, specifically the historical cost valuation basis (unless stated otherwise), the accruals principle, the prudence concept and the going concern assumption.

***(If events occurred in respect of the reporting entity that would limit it or prevent it from continuing as a going concern in the near future, the reporting entity is obliged to apply the accounting policies in a relevant manner and disclose information as to the manner in the notes to the financial statements.)***

The Company’s financial statements have been prepared as of the balance sheet date, ie ***31 December 2018, for the year ended 31 December 2018 / for the fiscal year from DD Month 2017 to DD Month 2018***.

The financial statements were prepared on ***DD Month 2019***. ***(To be disclosed only if the company does not submit a signed opening page where the financial statements preparation date is indicated.)***

These financial statements are presented in thousands of Czech crowns (CZK ‘000), unless stated otherwise.

## Tangible Fixed Assets

Tangible fixed assets include land, structures and tangible assets with an estimated useful life greater than one year and an acquisition cost greater than CZK XXX thousand ***(State the amount.)*** on an individual basis.

Purchased tangible fixed assets are stated at cost less accumulated depreciation and any recognised impairment losses.

Tangible fixed assets developed internally are valued at direct costs and incidental costs directly attributable to the internal production of assets (production overheads) and to the production period. Costs of sale are not included.

The following tangible fixed assets are stated at replacement cost: tangible fixed assets acquired through donation, tangible fixed assets acquired without consideration on the basis of a contract to purchase a leased asset (accounted for by a corresponding entry in the relevant accumulated depreciation account), fixed assets recently entered in the accounting records (accounted for by a corresponding entry in the relevant accumulated depreciation account), and an investment of tangible fixed assets. ***(Indicate how the replacement cost is determined.)***

The cost of fixed asset improvements exceeding CZK XXX thousand ***(State the amount)*** for the taxation period increases the acquisition cost of the related tangible fixed asset.

Depreciation is charged so as to write off the cost of tangible fixed assets, other than land and assets under construction, over their estimated useful lives, using ***the straight line/accelerated/machine-hour-rate*** method, on the following basis:

|  |  |  |
| --- | --- | --- |
|  | **Depreciation method**  **(straight line, accelerated, machine-hour-rate)** | **Number of years/ %** |
| Buildings |  |  |
| Manufacturing machinery |  |  |
| Computers |  |  |
| Vehicles |  |  |
| Furniture and fixtures |  |  |
| Other |  |  |

***(If the machine-hour-rate method is used to depreciate certain components of assets, provide a description of this method.)***

***(In the case of material components/groups of assets with depreciation rates/ depreciation periods which are significantly different, indicate these components/groups of assets in the above table in separate rows.)***

Assets held under finance leases are depreciated by the lessor.

Technical improvements on tangible fixed assets held ***under a lease/usufructuary lease*** are depreciated on a straight line basis over the shorter of the ***lease/usufructuary*** lease term or the estimated useful life.

Assets held under an agreement on the ***lease/usufructuary lease*** of an enterprise or part thereof are depreciated by the Company as the ***lessor/usufructuary lessee*** on a contractual basis.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the net book value of the asset at the sale date and is recognised through the profit and loss account.

The valuation difference on acquired assets is composed of a positive or negative difference between the valuation of ***the enterprise acquired through a transfer or purchase, investment or valuation of assets and liabilities as part corporate transformations*** and the sum of the carrying values of individual components of assets of ***the selling, investing, dissolving or demerging entity***, net of assumed debts. A positive difference on acquired assets is amortised to expenses on a straight line basis over 180 months from the acquisition of the enterprise or from the effective date of the corporate transformation. A negative difference on acquired assets is released into income over 180 months from the acquisition of the enterprise or from the effective date of the corporate transformation.

***(If the amortisation period of the valuation difference is shorter than 180 months, the reason for this must be indicated.)***

Provisioning

Provisions were made against ***impaired/obsolete*** tangible fixed assets based on the results of the inventory taking, to the extent that the carrying value temporarily does not match the actual balance. ***(Indicate how this was determined.)***

## Intangible Fixed Assets

Intangible fixed assets primarily include intangible assets arising from development, valuable rights and software with an estimated useful life greater than one year and an acquisition cost greater than CZK XXX thousand ***(State the amount)*** on an individual basis.

Intangible assets arising from development, valuable rights and software are capitalised only if utilised for trading. Intangible assets arising from development, valuable rights and software generated internally for the Company’s internal needs are not capitalised. Internally generated intangible assets are stated at the lower of internal production costs and replacement cost.

Purchased intangible fixed assets are stated at cost less accumulated amortisation and any recognised impairment losses.

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

The cost of fixed asset improvements exceeding CZK XXX thousand ***(State the amount)*** for the taxation period increases the acquisition cost of the related intangible fixed asset.

Amortisation of intangible fixed assets is recorded on a straight line basis over their estimated useful lives as follows:

|  |  |  |
| --- | --- | --- |
|  | **Amortisation method**  **(straight line, accelerated, machine-hour-rate)** | **Number  of years/%** |
| Development |  |  |
| Software |  |  |
| Valuable rights |  |  |
| Other intangible fixed assets |  |  |

***(In the case of material components/groups of assets with amortisation rates/ amortisation periods which are significantly different, indicate these components/groups of assets in the above table in separate rows.)***

Provisioning

Provisions were made against ***impaired/obsolete*** intangible fixed assets based on the results of the inventory taking, to the extent that the valuation temporarily does not correspond with the actual balance. ***(Indicate how this is determined.)***

## Patents and Trademarks

Patents and trademarks are measured initially at purchase cost and are amortised on a straight line basis over their estimated useful lives.

## Goodwill

Goodwill represents a positive or negative difference between the valuation of the enterprise acquired through a transfer or purchase, investment or valuation of assets and liabilities as part corporate transformations and the sum of individual revalued components of the assets, net of assumed liabilities. Goodwill is amortised through expenses on a straight line basis over no more than 60 months from the acquisition of the enterprise or from the effective date of the corporate transformation as appropriate. Negative goodwill is released into income over no more than 60 months from the acquisition of the enterprise or from the effective date of the corporate transformation as appropriate. Any subsequent revaluation of the purchase price of the enterprise gives rise to an adjustment of the goodwill or negative goodwill amount, with the amortisation period remaining unchanged.

***(If the amortisation period of goodwill exceeds 60 months (120 months at maximum), the selected amortisation period and the reason for this must be indicated.)***

## Emission Allowances and Preference Quotas

Emission allowances/preference quotas are recognised as non-depreciable intangible fixed assets and are stated at cost, or replacement cost when acquired free of charge. The use of emission allowances/preference quotas is accounted for at the balance sheet date as a minimum, depending upon the level of emissions produced by the Company in the calendar year. An initial free-of-charge acquisition of the allowances is recognised as a grant not reducing the carrying amount of the intangible fixed assets. This ‘grant’ is released into income on a systematic basis as the allowances are used and charged to expenses.

## Non-Current Financial Assets

Non-current financial assets consist of loans with maturity exceeding one year, equity investments in subsidiaries and associates, securities available for sale and debt securities with maturity over one year held to maturity.

Upon acquisition securities and equity investments are carried at cost. The cost of securities includes the direct costs of acquisition, such as fees and commissions paid to brokers, advisors and stock exchanges. ***(Add as appropriate.)***

At the date of acquisition of the securities and equity investments, the Company categorises these non-current financial assets based on their underlying characteristics as equity investments - subsidiary (controlled entity) and equity investments in associates or debt securities held to maturity, or securities and equity investments available for sale.

***(If securities and equity investments were acquired in exchange for a non-cash contribution made to a company, they are recorded at the carrying value of the non-cash contribution. The carrying value is increased to reflect VAT in the event that the contribution constitutes taxable supply. If the carrying value of the contribution is negative, the accounts of securities and equity investments are attributed a zero value and the security or investment is retained off balance sheet.)***

Investments in enterprises in which the Company has the power to govern the financial and operating policies so as to obtain benefits from their operations are treated as ‘Equity investment - subsidiary (controlled entity).

Investments in enterprises in which the Company is in a position to exercise significant influence over their financial and operating policies so as to obtain benefits from their operations are treated as ‘Equity investments in associates.’

At the balance sheet date, the Company records:

* Equity investments (either) at cost less any impairment provisions.
* Equity investments in subsidiaries and associates at the value established using the equity method of accounting. The equity investment recognised at cost on acquisition is revalued at the balance sheet date to reflect the value equivalent to the Company’s proportion of a subsidiary/associate’s equity.
* Equity securities held for trading at fair value. Changes in fair values of equity securities held for trading are included in the profit or loss for the period.
* Debt securities held to maturity at cost increased to reflect interest income (including amortisation of the premium or discount, if any).
* Securities and equity investments available for sale at fair value if determinable. Changes in fair values of securities available for sale are charged against ‘Gains or losses from the revaluation of assets and liabilities’ within equity if the fair value change is not likely to be permanent. Any decrease in the fair value that is likely to be permanent is recognised as the current year’s financial expenses. If, subsequent to the recognition of the fair value decrease through financial expenses, the fair value of securities available for sale demonstrably increases, the increase is recognised as the current year’s financial income only to the extent of the previously recognised decrease as a maximum.

In determining fair value, the Company refers to the market value of securities at the balance sheet date. The fair value of securities and equity investments that are not publicly traded is determined *by reference to an independent expert valuation* **or**   
*a reasonable estimate made by the management of the Company.* ***(Select as appropriate.)***

Securities and equity investments that were not fair valued have been provisioned. ***(Describe the provisioning treatment.)***

***(If the reporting entity has entered into long-term financial derivative transactions, describe the treatment used in accounting for these transactions.)***

## Current Financial Assets

Current financial assets principally consist of securities held for trading, debt securities with a maturity of less than one year, treasury shares, own bonds and other securities available for sale ***(Select as appropriate)***.

Current financial assets are carried at cost upon acquisition. The cost includes the direct costs of acquisition, such as fees and commissions paid to brokers, advisors and stock exchanges. ***(Add as appropriate.)***

At the date of acquisition of the current financial assets, the Company categorises these assets based on their underlying characteristics as current financial assets held for trading or available for sale. Current financial assets held for trading are defined as securities held by the Company with the intention of reselling them on public markets, thereby generating profits on price fluctuations in the short term, which does not exceed one year.

At the balance sheet date, the Company measures its current financial assets, with the exception of securities held to maturity, at fair value, if determinable. Changes in fair values are, in the relevant period, recognised through profit or loss for the current period with the exception of securities available for sale in respect of which revaluation is recognised through equity.

Current financial assets that were not fair valued have been provisioned when impaired. ***(Describe the provisioning treatment.)***

Debt and equity securities not classified as either held-to-maturity securities or trading securities are classified as available-for-sale securities and reported at fair value, with unrealised gains and losses excluded from profit or loss for the period and reported in a separate component of equity, in case this is not a reduction which is probably of a permanent nature.

The fair value of current financial assets is determined ***(Indicate the manner in which fair value is determined or information on the valuation model employed, if applicable – eg by reference to an independent expert valuation OR a reasonable estimate made by the management of the Company.)***

## Derivative Financial Transactions

(This note needs to be adjusted to reflect the specific circumstances of the Company.)

The Company designates derivative financial instruments as either trading or hedging. The Company’s criteria for a derivative instrument to be accounted for as a hedge are as follows:

* At the inception of the hedge, a decision was made regarding hedged items and hedging instruments, the approach to establishing and documenting whether the hedge is effective, and the hedging relationship is formally documented;
* The hedge is highly effective (that is, within a range of 80 percent to 125 percent); and
* The hedge effectiveness can be measured reliably and is assessed on an ongoing basis **(please indicate the frequency of effectiveness testing: e.g., the Company assesses effectiveness at the derivative trade date and subsequently at the balance sheet date).**

If derivative instruments do not meet the criteria for hedge accounting referred to above, they are treated as trading derivatives.

Derivative financial instruments are carried at fair value at the balance sheet date. In determining fair value, the Company has referred to ***(Please select the relevant method of arriving at the fair value:*** *market values or values established by a reasonable estimate or an independent expert valuation or a valuation established pursuant to specific legislation).*

The fair value of financial derivatives is determined as a present value of expected cash flows arising from these transactions. The present value is established on the basis of common market-recognised models. Parameters identified on an active market such as foreign exchange rates, yield curves, volatility of relevant financial instruments etc are subsequently included in these pricing models. All financial derivatives having positive fair values are reported as assets, derivatives with negative values are reported as liabilities.

Fair value changes in respect of trading derivatives are recognised as part of profit or loss for the current period.

***(If the Company does not have or utilise hedging derivatives, then this fact should be disclosed in this section.)***

The accounting treatment for hedging derivatives varies depending upon the hedging relationship which can be:

* 1. A fair value hedge; or
  2. A cash flow hedge; or
  3. The hedge of a net investment in a foreign subsidiary or associate undertaking.

A fair value hedge is a hedge of the exposure to changes in the fair value of an asset or liability (or an identified portion of such an asset or liability), or a group of assets or liabilities, that is attributable to a particular risk and that will affect profit or loss.

A hedged item:

* Can be recognised at fair value with gains or losses arising from the measurement being included in income or expenses as appropriate;
* May not be measured at fair value; then in using the fair value hedge the value of this asset or liability is adjusted over the term of the hedge to reflect changes in its fair value attributable to the hedged risks and these changes are recognised through expenses or income at the measurement date according to the nature of the hedged risk (such as interest income or expense, or gains or losses from foreign exchange rate differences);
* Is recognised at fair value with the valuation changes being retained on the balance sheet; then in using the fair value hedge, changes in fair values of the hedged item attributable to the hedged risks over the term of the hedge are re-allocated from this account to expenses or income, according to the nature of the hedged risk.

The same accounts of expenses or income to which changes of fair values of hedged items are recorded are used in accounting for:

* Changes of fair values of hedging instruments if the hedge effectiveness was fulfilled while taking into account aggregate changes of fair values of hedging instruments;
* Changes of fair values of hedging instruments attributable to the hedged risk if the hedge effectiveness was fulfilled while taking into account changes of fair values of hedging instruments attributable to the hedged risk. Changes in fair values of hedging instruments that are not attributable to the hedged risk are recorded as expenses or income from derivative transactions as appropriate.

A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a legally enforceable contract, a forecasted future transaction, groups of assets, groups of liabilities, legally enforceable contracts or forecasted future transactions with similar characteristics where the same type and category of risk is the subject of the hedge. Gains or losses arising over the term of the hedge from changes in fair values of hedging derivatives contracted under cash flow hedging that are attributable to the hedged risks are retained on the balance sheet. The gains or losses are taken to income or expenses in the same period in which the income or expenses associated with the hedged item are recognised. Gains or losses arising from changes in fair values of hedging derivatives contracted under cash flow hedging that are attributable to unhedged risks are recorded as expenses or income from derivative transactions at the measurement date.

The hedge of a net investment in a foreign subsidiary or associate undertaking is a hedge of the exposure to foreign currency risk arising from these undertakings. Gains or losses arising over the term of the hedge from the changes of fair values of these hedging derivatives attributable to the foreign currency risk are retained in the balance sheet. The gains or losses are recorded as income or expenses in the same period in which the income or expenses associated with the derecognition of the hedged investments in foreign subsidiaries or associates are recognised. Gains or losses arising from changes in fair values of those hedging derivatives that are attributable to other than foreign currency risk are recorded as income or expenses, as appropriate, at the measurement date.

**OR**

The Company uses derivative financial instruments as effective hedging instruments in accordance with the Group’s risk management strategy. The Company does not evidence the fulfilment of hedge accounting criteria under Czech Accounting Standards and hence the derivatives are not accounted for as hedges. These derivatives are recognised as derivatives held for trading.

**Embedded Derivatives**

Sometimes, a derivative may be a component of a hybrid (combined) financial instrument that includes both a host contract and the derivative (embedded derivative) which affects cash flows or otherwise modifies the features of the host contract. An embedded derivative is separated from the host contract and is accounted for as a separate derivative if all of the following conditions are met:

* The economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host contract;
* A separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and
* The hybrid (combined) instrument is not measured at fair value or is measured at fair value but changes in fair value are retained on the balance sheet.

**OR**

The Company has decided not to account for embedded derivatives.

## Inventory

Purchased inventory is valued at acquisition costs. Acquisition cost includes the purchase cost and indirect acquisition costs such as custom fees, freight costs and storage fees during transportation, commissions, insurance charges and discounts. (***select as appropriate)*** From intra-company services relating to the acquisition of inventory through purchase and the processing of inventory, only transportation charges and material processing costs are capitalised.

Internally developed inventory is valued at the cost of producing the inventory, which primarily consists of the direct costs of production or any other activity, and/or the portion of indirect costs relating to production or any other activity.

(For internally developed inventory, detail the method of valuation, e.g., the indirect cost allocation rate, if the valuation is established as equal to direct costs (direct material, direct labour costs, other direct expenses) OR as equal to the internal production costs (direct costs and overhead production) OR as equal to the internal costs of output (internal production costs and administrative overheads, e.g., supply overheads. In addition, disclose whether and how the method of valuation changed in respect of internally developed inventory considering the amendment to Section 25 (5) (d) of the Act and Section 49 (5) of the Regulation.

Inventory is issued out of stock using the ***FIFO (first in, first out) method/costs determined by the weighted arithmetic average method/standard costs.***

***(If fixed stock prices are used (pre-determined cost, standard cost), present the method used in determining these prices (e.g., the weighted arithmetic average of actual purchase prices for the previous period) and the absorption method of variances between the actual cost and the pre-determined cost. Describe the policy of updating fixed stock prices.)***

Provisioning

The Company recognised provisions against inventory whose impairment is not deemed permanent by reference to, for instance, an aging analysis of inventory, (if applicable) an analysis of selling prices, (if applicable) etc. ***(Disclose the specific policy of provisioning inventory, if material.)***

## Receivables

Upon origination, receivables are stated at their nominal value as subsequently reduced by appropriate provisions for doubtful and bad amounts. Receivables acquired for consideration or through an investment are stated at cost less provisions for doubtful and bad amounts.

Provisioning

(Disclose how the provisions are established, e.g., on the basis of an aging analysis, receivables past due from 180 to 365 days are provisioned at 50 percent, receivables past due by greater than 365 days are provisioned in full on the basis of an assessment of recoverability of individual debts in terms of the status of legal proceedings, financial health of the debtor, information provided by legal counsel, etc.)

## Payables

Payables are stated at their nominal value.

## Loans

Loans are stated at their nominal value. The portion of long-term loans maturing within one year from the balance sheet date is included in short-term loans.

## Reserves

Reserves are intended to cover liabilities and expenditure the nature of which is clearly defined and which are either likely to be incurred or certain to be incurred as of the balance sheet date but uncertain as to their amount or as to the date on which they will arise.

***(Indicate particular types of reserves and methods used in determining the level of reserves, eg a reserve for outstanding vacation days, anniversaries, warranty repairs, legal disputes, restructuring costs etc. Disclose the amounts of the reserves in the relevant section in Note 3. E.g. a reserve for outstanding vacation days is recognised on the basis of an analysis of outstanding vacation days at the balance sheet date and average payroll costs including costs of social security and health insurance by the employee.)***

## Foreign Currency Translation

Transactions denominated in foreign currencies during the year are translated using the exchange rate ***of the Czech National Bank/a fixed exchange rate/ prevailing on the date of the transaction.***

***(If the Company uses a fixed exchange rate, indicate how and when it is determined and adjusted.)***

At the balance sheet date, the relevant assets and liabilities are translated at the Czech National Bank’s exchange rate prevailing as of that date.

## Finance Leases

A finance lease is the acquisition of a tangible fixed asset such that, over or after the contractual lease term, ownership title to the asset transfers from the lessor to the lessee; pending the transfer of title the lessee makes lease payments to the lessor for the asset that are charged to expenses.

Finance lease repayments are expensed as incurred. The initial lump-sum payment related to assets acquired under finance leases is amortised and expensed over the lease period.

***OR***

Aggregate amounts related to fixed assets acquired under finance leases are amortised and expensed over the lease period. Aggregate future lease payments are recorded as accounts payable and are reduced as the liability is relieved.

***OR***

***(Describe the Company’s accounting treatment for finance leases.)***

Leasehold improvements are depreciated over the lease term. Following the transfer of ownership title to the leased asset to the lessee, the cost of improvements is added to the value of acquired assets and the depreciation of this increased amount continues.

***OR***

Advances made for future lease instalments are recorded as ‘Operating prepayments made’.

## Taxation

## Depreciation of Fixed Assets for Tax Purposes

Depreciation of fixed assets is calculated using the ***straight line/ accelerated method*** for tax purposes.

## Current Tax Payable

Management of the Company has recognised a tax payable and a tax charge based on its tax calculation which follows from its understanding of the interpretation of Czech tax legislation valid at the financial statements date and believes that the amount of tax is correct in compliance with the effective Czech tax regulations. Since various interpretations of tax laws and regulations by third parties, including state administrative bodies, exist, the income tax payable reported in the Company’s financial statements may change based on the ultimate opinion of the tax authorities.

## Deferred Tax

Deferred tax is accounted for using the balance sheet liability method.

The carrying amount of deferred tax assets is reviewed at the balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax is charged or credited to the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the related deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset and reported on an aggregate net basis in the balance sheet, except when partial tax assets cannot be offset against partial tax liabilities.

## Impairment

At each balance sheet date, the Company reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount is the greater of the net selling price and the value in use. In assessing the value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount.

## Borrowing Costs

Borrowing costs arising from loans attributable to the acquisition, construction or production of fixed assets are added to the cost of those assets.

**OR**

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

## Government Grants

Grants received to offset costs are recognised as other operating and financial income over the period necessary to match them with the related costs. Grants received to acquire tangible and intangible fixed assets and technical improvements and grants towards interest expenses added to the cost are deducted in reporting their cost or internal cost.

## Revenue Recognition

Revenue is measured at the value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, value added tax and other sales related taxes.

Sales of goods are recognised when ***(state valid information, e.g. “when goods are delivered and title has passed”).***

Revenue from ***(state the key types of revenue)*** is recognised when ***(describe).***

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset’s net carrying amount.

Dividend income from investments is recognised when the shareholders’ rights to receive payment have been established.

***(Describe the policy of recognising all other material revenues, e.g. proceeds from long-term contracts, construction contracts, lease proceeds, other revenues etc).***

## Use of Estimates

The presentation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the reporting period. Management of the Company has made these estimates and assumptions on the basis of all the relevant information available to it. Nevertheless, pursuant to the nature of estimates, the actual results and outcomes in the future may differ from these estimates.

## Year-on-Year Changes in Accounting Policies

As of ***1 January 2018*,** the Company changed its accounting policy in respect of ***(Describe the year-on-year change, if any, in the valuation, depreciation and accounting policies. Indicate the reasons underlying the change).***

This change had the following impact on the assets, liabilities, and profit or loss:

(CZK ‘000)

|  |  |  |
| --- | --- | --- |
| ***Asset A*** |  |  |
| ***Asset B*** |  |  |
| ***Liability C*** |  |  |
| ***Liability D*** |  |  |
| **Other profit or loss from prior years** |  |  |

Comparative information has been adjusted to reflect the change.

## Cash Flow Statement

The cash flow statement is prepared using the indirect method. Cash equivalents include current liquid assets which are easily convertible into cash in an amount agreed in advance and not expected to be subject to material fluctuations in value over time.

Cash and cash equivalents can be analysed as follows:

(CZK ‘000)

|  |  |  |
| --- | --- | --- |
|  | **31 December 2018** | **31 December 2017** |
| Cash on hand and cash in transit |  |  |
| Cash at bank |  |  |
| Overdraft balances of current accounts included in current bank loans |  |  |
| Cash equivalents included in current financial assets |  |  |
| **Total cash and cash equivalents** |  |  |

Cash flows from operating, investment and financial activities presented in the cash flow statement are not offset. ***(If this is not the case, please present the exceptions to this rule.)***

***(The sum needs to tie to the amounts in the balance sheet, and the reconciliation must be proven.)***

***(Any changes to the adopted model of presenting cash flows, its structure or contents of individual lines must be clarified, and estimated impacts should be presented.)***

***(If paid capitalised interest is not presented separately as a component of cash flows from investment activities, this information needs to be reported separately in the notes.)***

## Other Matters

***(For example, disclose the methods used by the Company in hedging against existing risks, such as interest rate risk, foreign exchange risk, etc.)***

***(If some of the items were offset, disclose information on the amounts recognised (in the valuation amount not adjusted for items pursuant to Section 26 (3) – Reserves, Provisions and Asset Amortisation/Depreciation) prior to offsetting them in situations governed by accounting policies.)***

# additional information

(If the Company used the profit and loss account structured by the function of expense/income method (‘ucelove cleneni’), then the additional information needs to include the profit and loss account structured by the nature of expense/income method (‘druhove cleneni’.)

***(If the Company merged individual lines in the financial statements, it needs to present the merged lines in the notes separately.)***

***(The Company is to disclose the amounts and nature of individual income and expense items the volume or origin of which is extraordinary.)***

## Intangible Fixed Assets (Intangible FA)

Cost

(CZK ‘000)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Opening balance** | **Additions** | **Disposals** | **Transfers** | **Closing balance** |
| Development |  |  |  |  |  |
| Valuable rights |  |  |  |  |  |
| Goodwill |  |  |  |  |  |
| Other intangible FA |  |  |  |  |  |
| Prepayments for intangible FA |  |  |  |  |  |
| Intangible FA under construction |  |  |  |  |  |
| **Total in 2018** |  |  |  |  |  |
| **Total in 2017** |  |  |  |  |  |

Provisions and Accumulated Amortisation

(CZK ‘000)

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Opening balance** | **Additions** | **Disposals** | **Transfers** | **Closing balance** | **Provisions** | **Net book value** |
| Research and development |  |  |  |  |  |  |  |
| Valuable rights |  |  |  |  |  |  |  |
| Goodwill |  |  |  |  |  |  |  |
| Other intangible FA |  |  |  |  |  |  |  |
| Prepayments for intangible FA |  |  |  |  |  |  |  |
| Intangible FA under construction |  |  |  |  |  |  |  |
| **Total in 2018** |  |  |  |  |  |  |  |
| **Total in 2017** |  |  |  |  |  |  |  |

(If the Company recognises a provision for intangible fixed assets, present its opening and closing balances and its increase or decrease during the reporting period.)

***(Please give details about the substance of goodwill, what its components are, how it is amortised.)***

The net carrying amount of goodwill as of 31 December 2018 also includes negative goodwill of CZK XXX thousand. The balance of negative goodwill released to income for the year ended 31 December 2018 is CZK XXX thousand. (State the amount).

(If material, disclose assets with a market value materially different from the book value, the method and date of the determination of market value and the entity appraising the assets.)

(If deemed material, present assets that are not reflected on the face of the balance sheet and also indicate whether the Company reports a third party’s assets on its balance sheet.)

***(If material, disclose assets leased out by the reporting entity.)***

***(If material, disclose information about the individual reference quantity of milk, individual production quotas, individual limits on premium rights, and other similar quotas and limits which the Company did not recognise through the balance sheet or profit and loss accounts because the cost of obtaining the information about their replacement cost valuation would exceed their materiality).***

## Internally Generated Intangible Fixed Assets

***(Provide a description of principal additions, valuation method split by software and valuable rights.)***

## Tangible Fixed Assets (Tangible FA)

Cost

(CZK ‘000)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Opening balance** | **Additions** | **Disposals** | **Transfers** | **Closing balance** |
| Land |  |  |  |  |  |
| Buildings |  |  |  |  |  |
| Individual tangible movable assets and their sets |  |  |  |  |  |
| Valuation difference on  acquired assets |  |  |  |  |  |
| Other tangible FA |  |  |  |  |  |
| Prepayments for tangible FA |  |  |  |  |  |
| Tangible FA under construction |  |  |  |  |  |
| **Total in 2018** |  |  |  |  |  |
| **Total in 2017** |  |  |  |  |  |

Provisions and Accumulated Depreciation

(CZK ‘000)

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Opening balance** | **Additions** | **Disposals** | **Transfers** | **Closing balance** | **Provisions** | **Net book value** |
| Land |  |  |  |  |  |  |  |
| Buildings |  |  |  |  |  |  |  |
| Individual tangible movable assets and their sets |  |  |  |  |  |  |  |
| Valuation difference on  acquired assets |  |  |  |  |  |  |  |
| Other tangible FA |  |  |  |  |  |  |  |
| Prepayments for tangible FA |  |  |  |  |  |  |  |
| Tangible FA under construction |  |  |  |  |  |  |  |
| **Total in 2018** |  |  |  |  |  |  |  |
| **Total in 2017** |  |  |  |  |  |  |  |

(Comment on extraordinary write-offs, modification of depreciation plans, etc.)

(If the Company accounts for a provision against tangible fixed assets, present its opening and closing balances and its increase or decrease during the reporting period.)

(If deemed material, present own assets that are not reflected on the face of the balance sheet, such as low value tangible and intangible assets.)

(If deemed material, present third party assets that are reflected on the face of the balance sheet, such as assets held under a contract to lease a business or a part thereof.)

(If material, disclose assets with a market value materially different from the book value, the method and date of the determination of market value and the entity appraising the assets.)

***(If material, disclose assets leased out by the reporting entity.)***

(If the entity entered into transactions which gave rise to a transfer of ownership title to real estate that is subject to registration in the Real Estate Register, and was recognised as of the date that a petition for registration with the Cadastral Office had been delivered, but no change in the Register had been made at the period-end, please describe the conditions underlying legal effectiveness of the registration with the Real Estate Register.)

The aggregate amount of interest capitalised as part of tangible fixed assets is CZK XXX thousand and CZK XXX thousand ***(State the amount)*** as of 31 December 2018 and 31 December 2017, respectively.

## Fixed Assets Pledged as Security

2018

(CZK ‘000)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Description of assets** | **Net book value** | **Market value** | **Description, extent and purpose of pledge/charge** | **Balance of secured liability** |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
| **Total** |  |  |  |  |

(Provide a breakdown of assets pledged as security or collateralised real estate, indicate the nature and form of this charge, and the net book and market values.)

## Assets Held under Finance Leases

(Disclose only if the amounts under finance leases are material. Disclose information in the table by contract or group of leased assets.)

Finance Leases

(CZK ‘000)

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Description** | **Date of inception** | **Term in months** | **Total lease value** | **Payments made at  31 Dec 2017** | **Payments made at  31 Dec 2018** | **Due in 2019** | **Due in following years** |
|  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
| **Total** |  |  |  |  |  |  |  |

The above figures are net of VAT if input VAT recovery is possible.

***(If the Company acts as a lessor, please include this table in the note ‘Receivables’ as appropriate.)***

## Operating Leases

(If material, describe the leased assets and comment on the aggregate value, payments made to date and to be made in the following years. The category of ‘operating leases’ also includes the lease of office premises, warehouses, etc).

(CZK ‘000)

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Description** | **Date of inception** | **Date of expiration** | **Total lease value** | **Payments made in 2017** | **Payments made in 2018** | **Estimated payments to be made in 2019** |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
| **Total** |  |  |  |  |  |  |

The above figures are net of VAT if input VAT recovery is possible.

***(Amounts may be disclosed separately by group (class) of fixed assets.)***

***(The column entitled ‘Total lease value’ should include the sum of payments made over the lease term.)***

***(The operating lease category should include material leases of fixed assets, real estate, etc.)***

The balance of technical improvements made on assets held under operating leases with the consent of the lessor is CZK XXX thousand and CZK XXX thousand as of   
31 December 2018 and 2017, respectively.

## Non-Current Financial Assets

Cost

(CZK ‘000)

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Cost** | | | | **Fair value** | | | |
|  | **Balance at 31 Dec 2016** | **Additions** | **Disposals** | **Balance at 31 Dec 2017** | **Additions** | **Disposals** | **Revaluation at 31 Dec 2018** | **Balance at 31 Dec 2018** |
| Equity investments - subsidiary (controlled entity) |  |  |  |  |  |  |  |  |
| Equity investments in associates |  |  |  |  |  |  |  |  |
| Non-current securities and equity investments available for sale |  |  |  |  |  |  |  |  |
| Loans and borrowings - controlled or controlling entity, associates |  |  |  |  |  |  |  |  |
| Other debt securities held to maturity |  |  |  |  |  |  |  |  |
| Acquisition of non-current financial assets |  |  |  |  |  |  |  |  |
| Prepayments for non-current financial assets |  |  |  |  |  |  |  |  |
| **Total** |  |  |  |  |  |  |  |  |

***(If the Company recognises a provision against non-current financial assets, disclose its opening and closing balances and its increase or decrease during the reporting period.)***

## Equity Investments - Controlled Entity

2018

(CZK ‘000)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Name of the entity** | **Registered office** | **Ownership percentage** | **Equity**\* | **Profit or loss**\* | **Net book value** |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
| **Total** |  |  |  |  |  |

\* Figures from the ***unaudited*** financial statements for the year ended ***31 December 2018***

2017

(CZK ‘000)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Name of the entity** | **Registered office** | **Ownership percentage** | **Equity**\* | **Profit or loss**\* | **Net book value** |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
| **Total** |  |  |  |  |  |

## Equity Investments in Associates

2018

(CZK ‘000)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Name of the entity** | **Registered office** | **Ownership percentage** | **Equity**\* | **Profit or loss**\* | **Net book value** |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
| **Total** |  |  |  |  |  |

\* Figures from the ***unaudited*** financial statements for the year ended ***31 December 2018***

2017

(CZK ‘000)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Name of the entity** | **Registered office** | **Ownership percentage** | **Equity**\* | **Profit or loss**\* | **Net book value** |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
| **Total** |  |  |  |  |  |

## Agreements between Owners

***(With respect to entities in which the Company holds a shareholding in excess of 20 percent, present agreements, if any, put in place between the owners, which establish voting rights regardless of the share of the share capital. In addition, disclose if controlling agreements and profit allocation agreements have been entered into and what obligations arise from these agreements.)***

## Non-Current Securities and Equity Investments Available for Sale

2018

(CZK ‘000)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Type of security and equity investment** | **Cost at**  **31 Dec 2018** | **Fair value at**  **31 Dec 20187** | **Provision** | **Valuation  at 31 Dec 2018** |
|  |  |  |  |  |
|  |  |  |  |  |
| **Total** |  |  |  |  |

2017

(CZK ‘000)

|  |  |  |  |
| --- | --- | --- | --- |
| **Type of security and equity investment** | **Cost at**  **31 Dec 2017** | **Provision** | **Carrying/revalued amount  at 31 Dec 2017** |
|  |  |  |  |
|  |  |  |  |
| **Total** |  |  |  |

## Loans and Borrowings - Controlled or Controlling Entity, Associates

(With a view to reconciling the carrying amount in the financial statements, it is necessary to explain for which loans interest is accrued and added to the principal balance and for what periods.)

2018

(CZK ‘000)

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Entity** | **Relation to the Company** | **Interest rate** | **Collateral** | **Maturity date** | **Currency** | **Nominal value** | **Interest for the period** | **Accrued balance (nominal value plus interest accrued on the principal)** | **Carrying amount** |
|  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |
| **Total** |  |  |  |  |  |  |  |  |  |

2017

(CZK ‘000)

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Entity** | **Relation to the Company** | **Interest rate** | **Collateral** | **Maturity date** | **Currency** | **Nominal value** | **Interest for the period** | **Accrued balance** | **Carrying amount** |
|  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |
| **Total** |  |  |  |  |  |  |  |  |  |

## Other Debt Securities Held to Maturity

2018

(CZK ‘000)

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Entity** | **Interest rate** | **Collateral** | **Maturity date** | **Currency** | **Nominal value** | **Interest for the period** | **Accrued balance** | **Carrying amount** |
|  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |
| **Total** |  |  |  |  |  |  |  |  |

2017

(CZK ‘000)

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Entity** | **Interest rate** | **Collateral** | **Maturity date** | **Country**  **(currency)** | **Nominal value** | **Interest for the period** | **Accrued balance** | **Carrying amount** |
|  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |
| **Total** |  |  |  |  |  |  |  |  |

## Acquisition of Non-Current Financial Assets

***(Please give details about major amounts - description, cost, description of assets/collateral, financial income for the period.)***

## Non-Current Financial Assets Pledged as Security

(Comment on pledged non-current assets and indicate the nature, form and purpose of this charge and net book value.)

2018

(CZK ‘000)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Description of assets** | **Net book value** | **Market  value** | **Description, extent and purpose of pledge/charge** | **Balance  of secured liability** |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
| **Total** |  |  |  |  |

(Present the net book value of pledged assets in 2018.)

(Include the business entity or the name, registered office and legal status of each entity in which the Company acts as an owner with unlimited liability.)

## Inventory

(Comment on material balances or changes in inventory levels and provisioning against inventory.)

The balance of inventory that has been pledged as collateral for current loans was CZK XXX thousand and CZK XXX thousand ***(State the amount)*** as of 31 December 2018 and 31 December 2017, respectively.

***(If the Company recognises a provision against inventory, disclose its opening and closing balances and its increase or decrease during the reporting period.)***

## Long-Term Receivables

Long-term receivables include receivables that have a maturity greater than one year at the balance sheet date and a deferred tax asset.

***(Comment on principal long-term receivables, reasons underlying their origination and amounts reported as of 31 December 2018 and 2017.)***

(Disclose receivables that have maturity exceeding five years at the balance sheet date.)

(Disclose long-term receivables that have been pledged as collateral for the loans provided, their balance as of 31 December 2018 and comparatives for 2017.)

Provisioning movements can be analysed as follows:

(CZK ‘000)

|  |  |  |
| --- | --- | --- |
|  | **2018** | **2017** |
| Opening balance at 1 January |  |  |
| Provisioning charge |  |  |
| Release |  |  |
| **Closing balance at 31 December** |  |  |

(Provide additional information about significant matters relating to long-term trade receivables, comment in detail on bills of exchange.)

## Long-Term Intercompany Receivables

Long-Term Trade Receivables

(CZK ‘000)

|  |  |  |
| --- | --- | --- |
| **Name of the entity** | **Balance at 31 Dec 2018** | **Balance at 31 Dec 2017** |
| Entity A |  |  |
| Entity B |  |  |
| Entity C |  |  |
| Etc |  |  |
| **Total long-term intercompany receivables** |  |  |
| *Other than intercompany receivables* |  |  |
| **Total long-term receivables** |  |  |

Long-Term Receivables – Other

(Comment on other long-term intercompany receivables, e.g. long-term loans and borrowings advanced to group companies indicating the relation to the Company, maturity, interest rate and collateral, if the interest on loans and borrowings granted to group companies is at arm’s length, if not, disclose the balance of the interest and taxation treatment.)

## Short-Term Receivables

(Comment on the nature and amounts of material receivables unless the information is apparent from the balance sheet.)

(Disclose if any of the categories of receivables are collateralised or serve as a guarantee for the Company’s liabilities (loans). If so, specify these receivables and disclose the amount and form of collateral/guarantee.)

As of 31 December 2018, receivables past their due dates amount to CZK ***XXX*** thousand (as of 31 December 2017: CZK XXX thousand).

Aging of Trade Receivables

(CZK ‘000)

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Year** | **Category** | **Before due date** | **Past due date** | | | | | **Total past due date** | **Total** |
| **0 - 90 days** | **91 - 180 days** | **181 – 360 days** | **1 - 2 years** | **2 and more years** |
| 2018 | Gross |  |  |  |  |  |  |  |  |
|  | Provisions |  |  |  |  |  |  |  |  |
|  | Net |  |  |  |  |  |  |  |  |
| 2017 | Gross |  |  |  |  |  |  |  |  |
|  | Provisions |  |  |  |  |  |  |  |  |
|  | Net |  |  |  |  |  |  |  |  |

Provisioning movements can be analysed as follows:

(CZK ‘000)

|  |  |  |
| --- | --- | --- |
|  | **2018** | **2017** |
| Opening balance at 1 January |  |  |
| Provisioning charge |  |  |
| Release |  |  |
| **Closing balance at 31 December** |  |  |

(If any of the short-term receivables are material (specifically the category of other receivables), please disclose them together with the charged provisions.)

(Disclose the amount of receivables held for trading and measured at fair value.)

## Short-Term Intercompany Receivables

Short-Term Intercompany Receivables

(Comment on short-term loans and borrowings advanced to group companies, maturity, interest rate and collateral, if the interest on loans and borrowings granted to group companies is at arm’s length, if not, disclose the balance of the interest and taxation treatment. Comment on bills receivable and receivables covered by bills.)

Short-Term Trade Receivables

(CZK ‘000)

|  |  |  |
| --- | --- | --- |
| **Name of the entity** | **Balance at 31 Dec 2018** | **Balance at 31 Dec 2017** |
| Entity A |  |  |
| Entity B |  |  |
| Entity C |  |  |
| Etc |  |  |
| **Total short-term intercompany receivables** |  |  |
| *Other than intercompany receivables* |  |  |
| **Total short-term receivables** |  |  |

Short-Term Receivables – Other

(Comment on other short-term intercompany receivables, e.g. cash pools, long-term loans and borrowings advanced to group companies indicating the relation to the Company, maturity, interest rate and collateral, if the interest on loans and borrowings granted to group companies is at arm’s length, if not, disclose the balance of the interest and taxation treatment.)

## Deferred Expenses and Accrued Income (Other Assets)

***(Comment on significant items or changes in the balances reported in line item C.II.3., eg the quantification of complex deferred expenses and their nature, accrued income.)***

## Current Financial Assets

(CZK ‘000)

|  |  |  |
| --- | --- | --- |
|  | **Balance at 31 Dec 2018** | **Balance at 31 Dec 2017** |
| Cash |  |  |
| Stamps and vouchers |  |  |
| **Cash on hand** |  |  |
| Current accounts |  |  |
| Term deposits |  |  |
| **Cash at bank** |  |  |
| Equity securities held for trading |  |  |
| Treasury shares and holdings |  |  |
| Debt securities held for trading |  |  |
| Own bonds |  |  |
| Debt securities held to maturity not exceeding one year |  |  |
| Other securities available for sale |  |  |
| **Short-term investments and securities** |  |  |
| Acquisition of current financial assets |  |  |
| Provision against current financial assets |  |  |
| **Total current financial assets** |  |  |

(Disclose the above table only if it provides other significant information that is not apparent from the balance sheet.)

(Comment on significant balances or changes in the amounts of individual assets, e.g., term accounts, securities. Overdraft loans with a debit balance should be reported within ‘Loans’. Provide a detailed breakdown of the main components of equity and debt securities, provide fair values in respect of securities available for sale and held for trading. If certain debt securities are exchangeable or if financial assets comprise similar securities, disclose these securities and indicate their number and the extent of rights they establish.)

(Disclose current financial assets whose title is restricted – pledge, blocking for the benefit of a bank, etc.)

## Deferred Expenses and Accrued Income (Other Assets)

(Comment on material assets or changes in balances reported in line item D., such as the quantification and nature of complex deferred expenses and accrued income.)

## Equity

(Comment on the proposed distribution of profit or settlement of loss.)

(If the Company reports a balance in item “A.IV.2. Other profit or loss from prior years”, the use of the item needs to be described in this note.)

(Comment on significant increases or decreases in individual equity components, unless such information is disclosed in the statement of changes in equity.)

## Changes in Equity

(Comment on significant increases or decreases in individual equity components, unless such information is disclosed in the statement of changes in equity.)

(If applicable, present the structure of equity following transformation, e.g., pursuant to Section 220a of Act No. 513/1991 Coll.)

## Shares Issued during the Reporting Period

|  |  |  |
| --- | --- | --- |
| **Type of share** | **Nominal or net book value** | **Valuation** |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |

***(A similar table should be presented in respect of changes, if any, in shareholdings.)***

(Disclose information about exchangeable debt securities or similar securities and indicate their number and the extent of rights they establish.)

(For joint stock companies, please provide information about the nominal value and public marketability of shares.)

## Gains and Losses from the Revaluation of Assets and Liabilities

Set out below are movements on the ‘Gains and losses from the revaluation of assets and liabilities’ account:

(CZK ‘000)

|  |  |
| --- | --- |
| **Balance at 1 Jan 2018** |  |
| Settlement of derivatives hedging future cash flows |  |
| Change in the valuation of an equity investment accounted for using the equity method of accounting |  |
| Settlement of securities available for sale |  |
| Change of method in respect of deferred taxation |  |
| **Balance at 31 Dec 2018** |  |

Gains and losses from the revaluation of assets and liabilities are composed of:

(CZK ‘000)

|  |  |  |
| --- | --- | --- |
|  | **31 Dec 2018** | **31 Dec 2017** |
| Settlement of derivatives hedging future cash flows |  |  |
| Change in the valuation of an equity investment accounted for using the equity method of accounting |  |  |
| Settlement of securities available for sale |  |  |
| Change of method in respect of deferred taxation |  |  |
| **Total** |  |  |

## Reserves

Other Reserves

(CZK ‘000)

|  |  |  |
| --- | --- | --- |
|  | **Balance at 31 December 2018** | **Balance at 31 December 2017** |
| Type 1 |  |  |
| Type 2 |  |  |
| Type 3 |  |  |
| **Total other reserves** |  |  |

***(Comment on material items or changes in the amount of individual items. Provide a specific disclosure for reserves under special legislation. Individual types of reserves and the method of recognising them should be indicated in Note 2.)***

***(If the Company recognised a reserve for income tax and decreased item “C.II.2.4.3. State – tax receivables” by the anticipated tax up to the amount of the prepayments made for income tax, the fact needs to be indicated here.)***

## Long-Term Payables

Long-term payables include payables that have a maturity greater than one year at the balance sheet date and a deferred tax liability.

(Comment on principal long-term payables indicating comparatives as of 31 December 2017 and present detailed information about the anticipated settlement of long-term payables.)

The aggregate balance of long-term payables whose maturity exceeded five years as of 31 December 2018 was CZK XXX thousand. As of 31 December 2017, the aggregate balance of these payables was CZK XXX thousand.

***(Comment on the aggregate balance of long-term payables that are not reported on the balance sheet.)***

## Long-Term Intercompany Payables

Long-Term Trade Payables

(CZK ‘000)

|  |  |  |
| --- | --- | --- |
| **Name of the entity** | **Balance at 31 Dec 2018** | **Balance at 31 Dec 2017** |
| Entity A |  |  |
| Entity B |  |  |
| Entity C |  |  |
| Etc |  |  |
| **Total long-term intercompany payables** |  |  |
| *Other than intercompany payables* |  |  |
| **Total long-term payables** |  |  |

Long-Term Payables – Other

***(Comment on other long-term intercompany payables, e.g. long-term loans and borrowings received from group companies indicating the relation to the Company, maturity, interest rate and collateral, if the interest on loans and borrowings received from group companies is at arm’s length, if not, disclose the balance of the interest and taxation treatment.)***

## Collateralised Long-Term Payables or Otherwise Secured

(Give information about the form of collateral or make reference to other notes such as ‘Fixed Assets Pledged as Security’ or ‘Non-Current Financial Assets Pledged as Security’. Comment on the reported payables.)

## Short-Term Payables

(Comment on the nature and amounts of material payables unless the information is apparent from the balance sheet.)

(Provide additional information about significant matters that relate to trade payables. Give details specifically in respect of material bills payable and payables covered by bills, and payables arising as a result of additional taxes payable for prior periods.)

As of 31 December 2018, payables past their due dates amounted to CZK XXX thousand (as of 31 December 2017: CZK XXX thousand). (Comment on the reasons underlying the existence of material payables past their due dates.)

## Short-Term Intercompany Payables

Short-Term Trade Payables

(CZK ‘000)

|  |  |  |
| --- | --- | --- |
| **Name of the entity** | **Balance at 31 Dec 2018** | **Balance at 31 Dec 2017** |
| Entity A |  |  |
| Entity B |  |  |
| Entity C |  |  |
| Etc |  |  |
| **Total short-term intercompany payables** |  |  |
| *Other than intercompany payables* |  |  |
| **Total short-term payables** |  |  |

Short-Term Payables – Other

(Comment on other short-term intercompany payables, e.g. loans and borrowings received from group companies, indicating the relationship to the Company, maturity, interest rate and collateral, if the interest on loans and borrowings received from group companies is at arm’s length, if not, disclose their amount or calculation method and taxation treatment.)

## Collateralised Short-Term Payables or Otherwise Secured

(Give information about the form of collateral or make reference to other notes such as ‘Fixed Assets Pledged as Security’ or ‘Non-Current Financial Assets Pledged as Security’. Comment on the reported payables.)

## Bank Loans

Long-term bank loans include:

(CZK ‘000)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Bank/creditor** | **Currency** | **Balance at**  **31 Dec 2018** | **Balance at**  **31 Dec 2017** | **Form of collateral** |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
| **Total** |  |  |  |  |

The portions of the above stated loans maturing within one year from the balance sheet date are reported as part of short-term bank loans on the face of the balance sheet.

Short-term bank loans and financial borrowings include:

(CZK ‘000)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Bank/creditor** | **Currency** | **Balance at**  **31 Dec 2018** | **Balance at**  **31 Dec 2017** | **Form of collateral** |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
| **Total** |  |  |  |  |

## Accrued Expenses and Deferred Income (Other Liabilities)

***(Comment on all material items or changes in the amount of individual items.)***

## Derivative Financial Instruments

***(Disclose if the Company designates derivative financial instruments as either trading or hedging. For each type of derivatives, please disclose the extent and substance, including the principal conditions and circumstances that may affect the amount, timing and certainty of future cash flows, and provide a table showing fair value changes during the reporting period in the appropriate account within account group 41).***

The positive and negative fair values of financial derivative instruments are reported within ‘Other receivables’ and ‘Other payables’, respectively.

(CZK ‘000)

|  |  |  |  |
| --- | --- | --- | --- |
|  | **31 December 2018** | | |
|  | **Positive fair value** | **Negative fair value** | **Nominal value** |
| Derivatives for trading |  |  |  |
| FRA transactions |  |  |  |
| Options |  |  |  |
| **Total** |  |  |  |
| Hedging derivatives |  |  |  |
| Derivatives designated as fair value hedges |  |  |  |
| Derivatives designated as cash flow hedges |  |  |  |
| **Total** |  |  |  |

The Company has derivative financial instruments which serve as an effective hedging instrument pursuant to the Company’s risk management strategy but cannot be accounted for as hedging instruments under Czech Accounting Standards as they do not meet hedge accounting criteria. These derivatives are therefore presented as trading derivatives in the above table.

## Deferred Income Taxation

The existing aggregate deferred tax asset/(liability) is analysed as follows:

(CZK ‘000)

|  |  |  |
| --- | --- | --- |
| **Deferred tax arising from** | **Balance at 31 Dec 2018** | **Balance at 31 Dec 2017** |
| Accumulated depreciation and amortisation of fixed assets |  |  |
| Provisions against fixed assets |  |  |
| Revaluation of fixed assets |  |  |
| Valuation difference on acquired assets |  |  |
| Non-current financial assets |  |  |
| Current financial assets |  |  |
| Inventory |  |  |
| Receivables |  |  |
| Reserves |  |  |
| Payables |  |  |
| Derivatives |  |  |
| Tax losses carried forward |  |  |
| **Total asset/(liability)** |  |  |

(If certain partial tax assets cannot be offset against partial tax liabilities (e.g., a group of companies in different tax jurisdictions), this table needs to be split into two (the first one will show components comprising the aggregate deferred tax asset reported on the balance sheet and the second one will show the aggregate deferred tax liability reported on the balance sheet.)

***(If applicable)*** The asset referred to above was accounted for only to the extent to which it can be anticipated to be recovered on the grounds of prudence:

(CZK ‘000)

|  |  |  |
| --- | --- | --- |
|  | **Balance at 31 Dec 2018** | **Balance at 31 Dec 2017** |
| Recognised asset |  |  |
| Unrecognised asset |  |  |
| **Total** |  |  |

***(Comments on the reasons and method, if appropriate, of analysing the tax asset.)***

(CZK ‘000)

|  |  |
| --- | --- |
| **Analysis of movements** |  |
| 1 January 2018 |  |
| Recognition of an asset not recognised previously |  |
| Current changes charged to the profit and loss account |  |
| **Total charges against the profit and loss account** |  |
| Change of method |  |
| Current changes recognised in equity |  |
| **Total recognised in equity** |  |
| **31 December 2018** |  |

## Income from Ordinary Activities

(Applicable only to LARGE REPORTING ENTITIES: Indicate the classification of the sales of goods, products and services by the type of activity and geographical market, provided the types and markets substantially differ in the organisation of the sales of products, goods and services. Such information may be omitted if it could cause substantial damage to the Company. Any such omission must be indicated in the financial statements.)

(CZK ‘000)

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **Year ended 31 Dec 2018** | | | **Year ended 31 Dec 2017** | | |
|  | **In-country** | **Cross-border** | **Total** | **In-country** | **Cross-border** | **Total** |
| Goods O |  |  |  |  |  |  |
| Goods P |  |  |  |  |  |  |
| Etc |  |  |  |  |  |  |
| **Total sales of goods** |  |  |  |  |  |  |
| Sales of product A |  |  |  |  |  |  |
| Sales of product B |  |  |  |  |  |  |
| Etc |  |  |  |  |  |  |
| Services X |  |  |  |  |  |  |
| Services Y |  |  |  |  |  |  |
| Etc |  |  |  |  |  |  |
| **Total sales of own products and services** |  |  |  |  |  |  |

***(Comment on all material items or changes in the amount of individual items.)***

## Consumed Purchases

(CZK ‘000)

|  |  |  |
| --- | --- | --- |
|  | **Year ended 31 Dec 2018** | **Year ended 31 Dec 2017** |
| Consumed material |  |  |
| Consumed energy |  |  |
| Consumption of other non-storable supplies |  |  |
| Total consumed purchases |  |  |

## Services

(CZK ‘000)

|  |  |  |
| --- | --- | --- |
|  | **Year ended 31 Dec 2018** | **Year ended 31 Dec 2017** |
| Repairs and maintenance |  |  |
| Travel expenses |  |  |
| Representation costs |  |  |
| Telephone, fax, internet |  |  |
| Low value intangible assets put to use |  |  |
| ***Rental/usufructuary lease*** |  |  |
| Leasing |  |  |
| Other services |  |  |
| **Total** |  |  |

***(If the amount of ‘Other services’ exceeds 15 percent of the total sum, please provide a separate analysis of the principal sub-groups).***

## Employees, Management and Statutory Bodies

The average headcount for the years ended 31 December 2018 and   
31 December 2017 is as follows:

2018

(CZK ‘000)

|  |  |  |
| --- | --- | --- |
|  | **Number of staff** | **Total staff costs** |
| Category 1 |  |  |
| Category 2 |  |  |
| Category 3 |  |  |
| **Total** |  |  |

2017

(CZK ‘000)

|  |  |  |
| --- | --- | --- |
|  | **Number of staff** | **Total staff costs** |
| Category 1 |  |  |
| Category 2 |  |  |
| Category 3 |  |  |
| **Total** |  |  |

***(Disclose the amount of bonuses awarded to the members of statutory, supervisory or management bodies arising from their positions and the amount of contracted or incurred pension liabilities for former members of the bodies – including those that are not reported in the balance sheet – in aggregate, split separately by category. This information need not be disclosed should it reveal information on the specific financial situation of a specific member.)***

***(Indicate the aggregate amount (for each category of persons) of prepayments, deposits, borrowings and loans provided to members of statutory, supervisory or management bodies as well as the interest rates, principal terms, amounts paid, written off or waived, collateral and other considerations to the persons.)***

## Other Operating Income and Expenses

## Sales of Fixed Assets and Material

***(Comment on all material items or changes in the amount of individual items.)***

2018

(CZK ‘000)

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Item** | **Intangible fixed assets** | | **Tangible fixed assets** | | **Material** | |
| **Carrying value** | **Selling**  **value** | **Carrying value** | **Selling**  **value** | **Carrying value** | **Selling**  **value** |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
| **Total** |  |  |  |  |  |  |

2017

(CZK ‘000)

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Item** | **Intangible fixed assets** | | **Tangible fixed assets** | | **Material** | |
| **Carrying value** | **Selling**  **value** | **Carrying value** | **Selling**  **value** | **Carrying value** | **Selling**  **value** |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
| **Total** |  |  |  |  |  |  |

## Grants

(CZK ‘000)

|  |  |  |
| --- | --- | --- |
|  | **Year ended  31 Dec 2018** | **Year ended  31 Dec 2017** |
| Operating grants received |  |  |
| Investment grants received |  |  |
| **Total** |  |  |

(Comment on all material items or changes in the amount of individual items.)

## Other Operating Income

(CZK ‘000)

|  |  |  |
| --- | --- | --- |
|  | **Year ended  31 Dec 2018** | **Year ended  31 Dec 2017** |
| Contractual penalties and default interest |  |  |
| Grants received to offset costs |  |  |
| Recoveries of receivables written off and transferred |  |  |
| Rental income arising from ownership of non-current financial assets |  |  |
| Release of negative goodwill |  |  |
| Release of negative valuation difference on acquired assets |  |  |
| Inventory surpluses, compensation for deficits and damage of operating assets |  |  |
| Sundry operating income |  |  |
| **Total** |  |  |

(Detail the amount and nature of the individual income items that are material in terms of volume or origin. The amount of ‘Sundry operating income’ should not exceed 15 percent of the total sum.)

## Other Operating Expenses

(CZK ‘000)

|  |  |  |
| --- | --- | --- |
|  | **Year ended  31 Dec 2018** | **Year ended  31 Dec 2017** |
| Gifts |  |  |
| Contractual penalties and default interest |  |  |
| Other penalties and fines |  |  |
| Write-off of receivables and transferred receivables |  |  |
| Deficits and damage relating to operating activities |  |  |
| Sundry operating expenses |  |  |
| **Total** |  |  |

(Detail the amount and nature of the individual expense items that are material in terms of volume or origin. The amount of ‘Sundry operating expenses’ should not exceed 15 percent of the total sum.)

## Income from Non-Current Financial Assets – Investments

## Income from Investments – Controlled or Controlling Entity

(CZK ‘000)

|  |  |  |
| --- | --- | --- |
|  | **Year ended 31 Dec 2018** | **Year ended  31 Dec 2017** |
| Proceeds from the sale of securities and investments (specify principal items) |  |  |
| Dividends |  |  |
| Profit shares |  |  |
| **Total** |  |  |

## Other Income from Investments

(CZK ‘000)

|  |  |  |
| --- | --- | --- |
|  | **Year ended 31 Dec 2018** | **Year ended  31 Dec 2017** |
| Proceeds from the sale of securities and investments (specify principal items) |  |  |
| Dividends |  |  |
| Profit shares |  |  |
| **Total** |  |  |

## Costs of Investments Sold

(Detail the amount and nature of the individual expense items that are material in terms of volume or origin.)

## Income from Other Non-Current Financial Assets

## Income from Other Non-Current Financial Assets – Controlled Entity

(CZK ‘000)

|  |  |  |
| --- | --- | --- |
|  | **Year ended 31 Dec 2018** | **Year ended  31 Dec 2017** |
| Proceeds from the sale of securities and investments (specify principal items) |  |  |
| Dividends |  |  |
| Profit shares |  |  |
| Fixed income debt securities held to maturity –  difference between cost, net of coupon, and nominal value on an accrual basis |  |  |
| Difference between cost and nominal value of debt securities whose interest income is determined as equal to the difference between nominal value and lower issue rate |  |  |
| **Total** |  |  |

## Other Income from Other Non-Current Financial Assets

(CZK ‘000)

|  |  |  |
| --- | --- | --- |
|  | **Year ended 31 Dec 2018** | **Year ended 31 Dec 2017** |
| Proceeds from the sale of securities and investments (specify principal items) |  |  |
| Dividends |  |  |
| Profit shares |  |  |
| Fixed income debt securities held to maturity –  difference between cost, net of coupon, and nominal value on an accrual basis |  |  |
| Difference between cost and nominal value of debt securities whose interest income is determined as equal to the difference between nominal value and lower issue rate |  |  |
| **Total** |  |  |

## Costs of Other Non-Current Financial Assets

(CZK ‘000)

|  |  |  |
| --- | --- | --- |
|  | **Year ended 31 Dec 2018** | **Year ended  31 Dec 2017** |
| Securities sold (specify individual items) |  |  |
| Other costs (specify principal items) |  |  |
| **Total** |  |  |

## Interest Income and Similar Income

## Interest Income and Similar Income – Controlled or Controlling Entity

(CZK ‘000)

|  |  |  |
| --- | --- | --- |
|  | **Year ended  31 Dec 2018** | **Year ended  31 Dec 2017** |
| Interest on loans |  |  |
| Interest on debt securities |  |  |
| Interest on current bank accounts |  |  |
| Interest on deposit bank accounts |  |  |
| Other interest received from financial institutions |  |  |
| Other interest received from other debtors |  |  |
| **Total** |  |  |

## Other Interest Income and Similar Income

(CZK ‘000)

|  |  |  |
| --- | --- | --- |
|  | **Year ended  31 Dec 2018** | **Year ended  31 Dec 2017** |
| Interest on loans |  |  |
| Interest on debt securities |  |  |
| Interest on current bank accounts |  |  |
| Interest on deposit bank accounts |  |  |
| Other interest received from financial institutions |  |  |
| Other interest received from other debtors |  |  |
| **Total** |  |  |

## Change in Values and Reserves Relating to Financial Activities

(CZK ‘000)

|  |  |  |
| --- | --- | --- |
|  | **Year ended  31 Dec 2018** | **Year ended  31 Dec 2017** |
| Change in the balance of reserves for issued guarantees for loans and borrowings |  |  |
| Change in the balance of provisions against prepayments for acquired non-current financial assets |  |  |
| Change in the balance of provisions against non-current financial assets |  |  |
| Change in the balance of provisions against prepayments for acquired current financial assets |  |  |
| Change in the balance of provisions against current financial assets |  |  |
| Change in the balance of other provisions relating to financial activities |  |  |
| **Total** |  |  |

## Interest Expense and Similar Expense

## Interest Expense and Similar Expense – Controlled or Controlling Entity

(CZK ‘000)

|  |  |  |
| --- | --- | --- |
|  | **Year ended  31 Dec 2018** | **Year ended  31 Dec 2017** |
| Interest expense (indicate principal items) |  |  |
| Similar expense (indicate principal items) |  |  |
| **Total** |  |  |

## Other Interest Expense and Similar Expense

(CZK ‘000)

|  |  |  |
| --- | --- | --- |
|  | **Year ended  31 Dec 2018** | **Year ended  31 Dec 2017** |
| Interest expense (indicate principal items) |  |  |
| Similar expense (indicate principal items) |  |  |
| **Total** |  |  |

## Other Financial Income

(CZK ‘000)

|  |  |  |
| --- | --- | --- |
|  | **Year ended  31 Dec 2018** | **Year ended  31 Dec 2017** |
| Proceeds from the sale of securities and investments |  |  |
| Foreign exchange rate gains |  |  |
| Income from the revaluation of securities |  |  |
| Income from current financial assets |  |  |
| Income from derivative transactions |  |  |
| Financial gifts received |  |  |
| Fee claims in respect of issued guarantees for loans and borrowings |  |  |
| Release of the grant to offset interest charged to expenses |  |  |
| Compensation for deficits on financial assets |  |  |
| Sundry financial income |  |  |
| Transfer of financial income |  |  |
| **Total** |  |  |

(If the amount of ‘Sundry financial income’ exceeds 15 percent of the total sum, please provide a separate analysis of the principal amounts).

## Other Financial Expenses

(CZK ‘000)

|  |  |  |
| --- | --- | --- |
|  | **Year ended  31 Dec 2018** | **Year ended 31 Dec 2017** |
| Securities and investments sold |  |  |
| Foreign exchange rate losses |  |  |
| Expenses arising from the revaluation of securities |  |  |
| Financial gifts provided |  |  |
| Expenses arising from financial assets |  |  |
| Expenses arising from derivative transactions |  |  |
| Deficits and damage on financial assets |  |  |
| Banking fees |  |  |
| Other financial expenses |  |  |
| Transfer of financial expenses |  |  |
| **Total** |  |  |

***(If the amount of ‘Other financial expenses’ exceeds 15 percent of the total sum, please provide a separate analysis of the principal amounts).***

## Related Party Transactions

In the year ended 31 December 2018, income from related party transactions amounted to CZK XXX thousand (31 December 2017: CZK XXX thousand). As of 31 December 2018, receivables from the transactions amounted to CZK XXX thousand (31 December 2017: CZK XXX thousand).

In the year ended 31 December 2018, total purchases from related parties amounted to CZK XXX thousand (31 December 2017: CZK XXX thousand).

## Total Fee to the Statutory Auditor/Audit Company

***(Applicable only to LARGE REPORTING ENTITIES)***

***(If applicable)*** The fee to the statutory auditor for the obligatory audit of the financial statements for the year ended 31 December 2018 amounted to CZK ***XXX*** thousand (CZK ***XXX*** thousand as of 31 December 2017). The statutory auditor did not provide the Company with any other services. ***(Otherwise provide specific details on the services including the fee.)***

***(If the statutory auditor provided other services to the Company, please complete the following table.)***

(CZK ‘000)

|  |  |  |
| --- | --- | --- |
|  | **Year ended**  **31 Dec 2018** | **Year ended**  **31 Dec 2017** |
| Obligatory audit of the financial statements |  |  |
| Other assurance services |  |  |
| Tax advisory |  |  |
| Other non-audit services |  |  |
| **Total** |  |  |

***(The Company is not obliged to disclose this information if the Company has been included in the consolidated financial statements pursuant to Part 5 of Regulation No. 500/2002 Coll., provided this information is disclosed in the notes to the consolidated financial statements.)***

## Off-Balance Sheet Commitments

(Note: Present the aggregate amount and nature of commitments (receivables and payables), contingent liabilities and issued physical guarantees, indicating their nature and form, that are not recorded in the accounting records. Provide a separate disclosure for pension liabilities and liabilities to reporting entities in the consolidation group and associates. Disclose the nature and business purposes of principal items, factors that may result in a loss being incurred, the amount of the loss and an estimate of the financial impact, or explain why such an estimate cannot be made, as well as risks and benefits which are significant and the disclosure of which is necessary for the evaluation of an entity’s financial situation.

***Examples of such transactions include the following:***

* *Significant potential losses;*
* *Guarantees made;*
* *Legal disputes;*
* *Third party guarantees;*
* *Liabilities arising from asset construction and acquisition;*
* *Environmental liabilities;*
* *Factoring of receivables*
* *Combined agreements on sales and repurchases*
* *Consignment stock agreements*
* *Take or pay agreements*
* *Agreed securitisation negotiated through individual companies and non-registered entities*
* *Pledged assets*
* *Operating lease agreements*
* *Sub-supplier transactions; and*
* *Low-value intangible and tangible assets.*

**Material Contingent Losses**

(Disclose other material potential losses, for which no accrual was made in the accounting records, and which will be incurred depending on a number of uncertain future events.)

***(Disclose***

* ***a description of an uncertain event;***
* ***factors affecting the loss;***
* ***estimate of loss; and***
* ***estimate of financial impact if the uncertainties crystallise, or explain why such an estimate cannot be made.)***

**Bills of Exchange Issued as a Guarantee**

***(Present information on the issued bills of exchange which are not recorded in the accounting books.)***

Split between:

(a) Bills of exchange not related to a specific transaction

***(List bills of exchange with the following information: entity (entities), amount, currency, maturity ...)***

(b) Bills of exchange related to a specific transaction

***(List bills of exchange and associated transactions with the following information: entity (entities), amount, currency, maturity, interest ...)***

**Legal Disputes**

As of 31 December 2018, the Company was involved in no legal dispute, the outcome of which would have a material impact on the Company.

**OR**

***(Provide a brief description of litigation that may significantly impact the Company.)***

**Third Party Guarantees**

(Adjust the nature of the guarantee to reflect the Company’s position (bills of exchange, loans …)

|  |  |  |  |
| --- | --- | --- | --- |
| **Entity** | **Amount** | **Type of guarantee** | **Purpose of guarantee** |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |

**Liabilities Associated with the Construction and Acquisition of Assets (Including Financial Leases)**

At the balance sheet date, the Company recorded future liabilities as a result of the contracted capital expenditure of CZK XXX thousand.

(Provide more comments as and when necessary.)

**Environmental Liabilities**

As of 31 December 2018, there was no environmental audit of the Company. As a result, the Company’s management cannot estimate contingent liabilities pertaining to damage caused by prior activities or liabilities related to the prevention of potential future damage.

## Post Balance Sheet Events

***(State significant post balance sheet events, such as an increase/decrease in share capital, material investments, new loans, acquisition of business, and natural disasters. Describe the nature of each material event and the financial impact of the event on the Company, or explain why an estimate of the financial consequences cannot be made.)***

(Or) No events occurred subsequent to the balance sheet date that would have a material impact on the financial statements.