**Illustrative Financial Statements**

**prepared in accordance with Slovak statutory requirements**

**as at 31 December 2013**

**(Translation)**

(in Slovak, English and German Language)

December 2013

###### INTRODUCTION

**Financial statements**

1. KPMG Slovensko has prepared these Illustrative Financial Statements to illustrate the effects of the legislation for the preparation of financial statements as at 31 December 2013, especially for the Notes to the Financial Statements, effective as at 31 December 2013. We prepare the Illustrative Financial Statements from 1999 and update it annually.

We prepared the Illustrative Financial Statements as at 31 December 2013 in accordance with the legal regulations effective as of 31 December 2013.

1. Financial Statements for accounting entities consists of three parts – Balance Sheet, Income Statement and Notes to the Financial Statements.

**Balance Sheet and Income Statement**

1. The structure and description of the individual Balance Sheet and Income Statement items are prescribed by the Ministry of Finance of the Slovak Republic and cannot be changed. Items may not be added to or deleted from these financial statements.
2. Templates for the Balance Sheet and Income Statement are introduced in Appendices 1 and 2 of Decree of the Ministry of Finance of the Slovak Republic No. 4455/2003-92.

The financial statements prepared as at 31 December 2013 and later shall be filed in the Register of Financial Statements within six months of the balance sheet date, unless special legislation provides otherwise (for example, the Act on Income Tax stipulates three months from the end of the accounting period).

1. Ministry of Finance of the Slovak Republic issued in Finančný spravodajca No. 2/2004 Announcement on using of the Balance Sheet and the Income Statement forms for entrepreneurs. According to this announcement, an accounting entity that uses Balance Sheet and Income Statement for the purposes other than the enclosure to the corporate income tax return, can also use other forms as the template in Appendix 1 and 2 to the Decree of the Ministry of Finance of the Slovak Republic from 11 December 2003 No. 25167/2003-92, as long as the content of the statements remains the same as in this template.

**Notes to the Financial Statements**

1. The content of the Notes to the Financial Statements is regulated by the Act on Accounting and regulations issued by the Ministry of Finance of the Slovak Republic (Decree of the Ministry of Finance of the Slovak Republic No. 4455/2003-92 of 31 March 2003, laying down details of the structure, description and content of items of individual financial statements and the extent of data contained in individual financial statements to be published by entrepreneurs maintaining accounts under the system of double entry bookkeeping).

1. The Notes to the Financial Statements include the Cash Flow Statement and the Statement of Changes in Equity; unlike in other countries and under IFRS, these are not separate statements with the same prominence as the Balance Sheet and Income Statement.
2. The Notes to the Financial Statements should also contain the following information:

* summary of movements in non-current assets;
* contingent liabilities;
* other financial commitments;
* related party transactions; and
* events subsequent to the balance sheet date.

1. The Act on Accounting and the Decree of the Ministry of Finance of the Slovak Republic contain relatively long and detailed lists of information that must be disclosed in the Notes to the Financial Statements. As the economic reality of entities cannot be properly described only on the basis of such a list, the Notes to the Financial Statements should also contain any other information necessary to ensure a true and fair view of facts subject to the bookkeeping (Article 7 (1) of the Act on Accounting).
2. As non-mandatory data in the Notes there is presented also information about publishing the Financial Statements for the preceding accounting period (refer to part A.7; e.g. according to the Article 68 (6) of the Commercial Code, the non-compliance with this obligation can lead to the dissolution of the Company by the court), information about the appointment of an auditor to audit the Financial Statements prepared as of   
   31 December 2013 by the general meeting (see part A.8), information on transactions that have been carried out with related parties under normal market conditions, and the selected balances of assets and liabilities resulted from the transactions with related parties (refer to part N), information on the proposal of the statutory body for the distribution of profit or settlement of loss (refer to part P), information on the accounting entity's bodies (refer to part B) and information on shareholders in the accounting entity (refer to part C).
3. Information presented in the Notes to Illustrative Financial Statements is not comprehensive. The Decree   
   of the Ministry of Finance of the Slovak Republic No. 4455/2003-92 also requires that further information (for example on debentures, bills of exchange etc.) must be presented.

Joint-stock companies shall present more information on equity of the company.

The notes to the financial statements of accounting entities referred to in Article 21 (9) of the Act on Accounting whose activities are placed in the category of industrial production and whose net turnover exceeded 250 000 000 euros for the preceding accounting period, shall also contain information on the structure and amount of share capital attributable to public authorities, securities owned by public authorities, the amount of subsidies and returnable financial assistance, information on financial relations between a public authority and the accounting entity and further information. The detailed list of information that are required to be presented in the notes to financial statements, is included in part U. and V. of Appendix 3 to the Decree of the Ministry of Finance of the Slovak Republic No. 4455/2003-92.

The notes to the financial statements of accounting entities that have been granted an exclusive right or a special right and accounting entities that have been granted the right to provide services in the public interest, while receiving compensation for these activities in any form and carrying out other activities at the same time, shall also contain information on all forms of compensation received, the accounting principles applied to the attribution of expenses and income and further information (refer to Appendix 3, part W. of the Decree of the Ministry of Finance of the Slovak Republic No. 4455/2003-92).

Therefore accounting entities shall consider which further information they need to present in the Notes to Financial Statements according to the Act on Accounting and the Decree of the Ministry of Finance   
No. 4455/2003-92.

1. As at 31 December 2011, the Amendment to the Decree of the Ministry of Finance of the Slovak Republic No 4455/2003-92 (Decree MF SR No. 24013/2011-74) came into effect. For the purpose of the planned electronic filing of the financial statements prepared as at 31 December 2013 and later, Amendment to the Decree determined the way of presentation of the numerical information that constitute part of the financial statements, while their current content remained unchanged. The Amendment to the Decree therefore includes Appendix 3a that determines the template of tables for the purpose of presentation of numerical data. In this relation we have included tables required by Appendix 3a already in 2011 Illustrative Financial Statements. Based on experience from last year, in this edition of the Illustrative Financial Statements we have included all tables required by the Decree, not only those which are applicable in relation with the content of the Illustrative Financial Statements. It was due to practical reasons – by including all tables the accounting entity should not forget to disclose any required information. It is easier to delete non-applicable tables than to create new tables. Some tables from the Decree may be changed, while the others may not (refer to explanatory notes, part 6 of Appendix 3a). Therefore with all tables we include also information whether the table may or may not be changed (this information must be deleted).

Based on the amendment to Decree of the Slovak Finance Ministry No. 4455/2003-92 (Decree No. MF SR MF/17920/2013-74), which will enter into force on 31 December 2013, Appendix No. 3a to the Decree has been amended as well. The new Appendix No. 3a replaced the previous Appendix No. 3a, where:

* the content and form of certain tables have been changed – new lines and columns have been added (for example, the line "Transfers" has been added to the tables providing information on non-current assets, as well as to the parts concerning Accumulated Depreciation/Amortization and Value Adjustments);
* certain tables have been removed, for example, material items of accrual/deferral assets and accrual/deferral liabilities, revenue classified according to main products and main territories, in addition to material items of services and other expenses, off-balance sheet accounts, contingent assets and contingent liabilities, etc.

However, the obligation to present this information, if applicable to the accounting entity, in the notes to financial statements continues to apply. The method and form of presenting this information are no longer strictly stipulated; the accounting entity may choose the form of publication at its own discretion. In the Illustrative Financial Statements, this information is presented in the form of tables, which should be filled out according to the content applicable to the respective accounting entity. Each table is accompanied by information as to whether or not the form is prescribed and whether or not it is mandatory to disclose the respective data (this information should be deleted).

1. In December 2013, the National Council of the Slovak Republic also approved a draft amendment to the Income Tax Act, which reduced the corporate income tax rate from 23 % to 22 %.

Therefore, in the Illustrative Financial Statements we assume the income tax rate of 22% in the calculation of the deferred tax for 2013.

1. Information according to Appendix No. 3, Part (M) (a), to the Decree (information on payments and benefits to members of statutory bodies, supervisory bodies, and other bodies of an accounting entity) and Part (N) (economic relationships with related parties) forms part of the notes to financial statements of accounting entities that:

* issued securities that were permitted to be traded on a regulated market of a member state of the European Union or in a state that is a party to the Agreement creating the European Economic Area; or
* met at least two of the following conditions as of the balance sheet date and for the preceding accounting period:
* their total assets exceeded EUR 4,000,000, total assets being defined as the amount determined from the balance sheet after adjustments by items specified in Article 26 (3) of the Act on Accounting;
* their net turnover exceeded EUR 8,000,000, net turnover being defined for this purpose as income from the sale of products, merchandise, services provided, and other income related to ordinary activities of the accounting entity after deducting discounts;
* their average number of employees exceeded 50 during one accounting period.

These accounting entities do not have to present information according to Appendix No. 3, Part (M) (a), to the Decree in the notes to financial statements if such information were to allow the identification of the financial situation of a specific member of the accounting entity's statutory body, supervisory body, or other body.

In Part (N) (a) regarding economic relationships between the accounting entity and related parties, it is mandatory to only provide the list of transactions that have not been concluded under normal market conditions.

**Other Information**

1. All documents can be found on the following link: www.iura.sk/vuz. Total and subtotal lines in the Balance Sheet, Income Statement and in the Fixed Asset Continuity Schedule are protected by a password. The password is IFS2013.

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**Notes**

**to the individual Financial Statements**

**as at 31 December 2013**

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| **Date of establishment of the accounting entity** | | | | | | | | | | | | | |  |  |  |  | |  | **Financial statements** | | | | | | | | | | | | | | | | | | | | **Financial statements** | | | | | | | | | | | | | | | | | |  | |  |
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| **Legal name (designation) of the accounting entity** | | | | | | | | | | | | | | | | | | | | | |  | |  | | |  | |  | |  | | |  | | |  | | |  | |  | |  | | |  | | |  | | |  | | |  | |  | |  |
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| **Registered office of the accounting entity**  **Street Number** | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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| Prepared on:  15.2.2014 | | | | | | | | | Signature of the person responsible for bookkeeping: | | | | | | | | | Signature of the person responsible for the preparation of the financial statements: | | | | | | | | | | | | | | | | | | | | | Signature of the accounting entity´s body or a sole trader who is the accounting entity: | | | | | | | | | | | | | | | | | | | | | |
| Approved on: | | | | | | | | |

# INFORMATION about THE ACCOUNTING ENTITY

## Establishment of the Company

ABC Slovenská výroba, spol. s r.o. (hereinafter referred to as "the Company") was established on 21 May 1993 and was registered in the Commercial Register on 3 July 1993 (Commercial Register of the District Court Bratislava I   
in Bratislava, Section s.r.o., file XXXX/Z).

## The principal activities of the Company comprise:

– production of electric motors;

– production of electrometers;

– provision of services and the purchase and sale of goods related thereto.

## Number of employees

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

*(The content, the number of lines and columns in the table may not be changed. This information should be deleted.)*



## Information on unlimited liability

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

## Legal reason for the preparation of the Financial Statements

The Financial Statements of the Company as at 31 December 2013 have been prepared as ordinary financial statements in accordance with Article 17 (6) of Slovak Act No. 431/2002 Coll. on Accounting for the accounting period from 1 January 2013 to 31 December 2013.

## Date of approval of the Financial Statements for the preceding accounting period

The Financial Statements of the Company as at 31 December 2012, i.e. for the preceding accounting period, were approved by the shareholders at the Company’s general meeting on 20 May 2013.

## Publication of the Financial Statements for the preceding accounting period

The Financial Statements of the Company as at 31 December 2012 including the annual report and the auditor’s report on the audit of the financial statements as at 31 December 2012 were filed in the collection of deeds of the Commercial Register on 28 May 2013. The balance sheet and income statement for the preceding accounting period were published in the Commercial bulletin on 15 June 2013.

## Appointment of the auditor

On 20 May 2013 the general meeting appointed XXX as the auditor of the Financial Statements for the period from 1 January 2013 to 31 December 2013.

# INFORMATION about THE ACCOUNTING ENTITY'S BODIES

*(Non-mandatory information. This information should be deleted.)*

Directors Ing. Peter Petrovič

Ing. Ján Jánsky

Supervisory Board Dr. Ralf Schumacher – Chairman

Dr. Hans Joachim Fischer (resigned 2 June 2013)

Dipl.-Ing. Jürgen Neumann (appointed 3 June 2013)

Prof. Martin Martinský

Authorized signatory Ing. Jozef Jozefský

President Prof. Karol Karolský

# INFORMATION about the shareholders of the accounting entity

*(Non-mandatory information. This information should be deleted.)*

On 1 March 2013, ABC Produktion GmbH, Berlin, acquired the interests of the other shareholders to become the sole shareholder of the Company. Subsequently, the share capital of the Company was increased by EUR 1 327 757 to   
EUR 2 233 951. The situation as at 31 December 2013 is as follows:



The shareholders of the Company until 1 March 2013 were as follows:



The change of shareholders and the increase in the share capital was already recorded in the Commercial Register as at 31 December 2013.

# INFORMATION about THE controlling parties

ABC Produktion GmbH, Lindenstr. 1, D-99998 Berlin is the parent company of the smallest group of which   
the Company is a member and for which group financial statements are prepared. ABC Holding AG, Motorenstr. 10, D‑99999 München is the parent Company of the largest group of which the Company is a member and for which group financial statements are prepared. These consolidated financial statements are available at the registered office of   
the listed companies or at the registered office of ABC Slovenská výroba spol. s r.o., Bratislava. The address of   
the registration court maintaining the Commercial Register in which these consolidated financial statements are deposited is Hauptstrasse 102/40, D-99999 München.

The Company has applied an exemption from the obligation to prepare the consolidated financial statements and consolidated annual report in accordance with the Article 22 (8) of the Act on Accounting: its parent company ABC Produktion GmbH, Berlin owns 100 % share in the Company and prepares its consolidated financial statements in accordance with IFRS as adopted by the European Union. The Company and all its subsidiaries are included in these consolidated financial statements.

# INFORMATION about accounting principles and accounting policies

1. Basis of preparation

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

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

The Company has not made any corrections of significant errors of previous accounting periods in the accounting period 2013.

1. Non-current intangible assets and property, plant and equipment

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

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

The acquisition cost of non-current intangible assets does not include borrowing costs, which arose before the non-current intangible assets were put into use.

Self-constructed non-current assets are valued at their conversion cost. Conversion cost includes all direct costs incurred during production or other activities and indirect costs related to production or other activities.

Research costs are not capitalized; they are expensed in the accounting period in which they are incurred. Development costs are recognized in the period in which they are incurred. However, development costs relating to a definable product or process that is demonstrated to be technically and commercially feasible, and for which the Company has sufficient resources to bring to market, are recognized as assets to the extent that such costs are expected to be recovered from future economic benefits.

Capitalized development costs are allocated on a systematic basis to future accounting periods based on the best estimate of the time period over which the product or process is expected to be sold or used, subject to a maximum of 5 years. If impaired, the capitalized development costs are written down to their recoverable amount.

Amortization of non-current intangible assets is based on the expected useful lives of the assets. Amortization commences on the first day of the month following the date the non-current asset was put into use. Low-value non-current intangible assets with an acquisition cost (or conversion cost) of EUR 2 400 or less are written off when the asset is put into use. Estimated useful life, amortization method, and amortization rate are described in the following table:

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | | Estimated useful |  | Amortization |  | Annual rate of |
|  |  | life in years |  | method |  | amortization in % |
| Capitalized development costs | | 5 |  | straight-line |  | 20 |
| Software | | 4 |  | straight-line |  | 25 |
| Valuable rights | | 8 |  | straight-line |  | 12.5 |
| Low-value non-current intangible assets | | diverse |  | one-off amortization |  | 100 |

Depreciation of property, plant and equipment is based on the expected useful lives of the assets. Depreciation commences on the first day of the month following the date the asset was put into use. Low-value non-current tangible assets with an acquisition cost (or conversion cost) of EUR 1 700 or less are written off when the asset is put into use. Land is not depreciated. Estimated useful life, depreciation method, and depreciation rate are described in the table below:

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | | Estimated useful |  | Depreciation |  | Annual rate of |
|  |  | life in years |  | method |  | depreciation in % |
| Structures | | 40 |  | straight-line |  | 2.5 |
| Machinery and equipment | | 8 to 12 |  | straight-line |  | 8.3 to 12.5 |
| Vehicles | | 4 to 6 |  | degressive |  | 16 to 30 |
| Low-value non-current tangible assets | | diverse |  | one-off depreciation |  | 100 |
|  | |  |  |  |  |  |

1. Securities and ownership interests

Securities and ownership interests (except for the securities held for trading) are valued at their acquisition cost, including costs related to the acquisition, less any impairment of the securities and ownership interests.

Securities held for trading are valued at their fair value upon their acquisition.

1. Inventory

Inventory is valued at the lower of its acquisition cost (purchased inventory), conversion cost (own work capitalized) or its net realizable value.

Acquisition cost includes the price at which inventory has been acquired plus costs related to the acquisition (customs duty, transport, insurance, commissions, discount etc.). Borrowing costs are not capitalized. The cost of inventory is based on the weighted average principle.

Conversion cost includes direct costs (direct material, direct labor, and other direct costs) and part of indirect costs directly related to own work capitalized (production overheads). Production overheads are included in the conversion cost based on the stage of production. Administrative overheads and selling costs are not included in the conversion cost. Borrowing costs are not capitalized.

Net realizable value is the estimated selling price less the estimated costs of completion and the estimated costs necessary to make the sale.

Inventory is written down for any impairment of value.

1. Construction contracts

Construction contracts are presented using the percentage of completion method.

1. Construction of real estate

***Construction of real estate – continuous transfer***

Construction of real estate for sale is presented using the percentage of completion method.

***Construction of real estate – other than continuous transfer***

Construction of real estate for sale (other than continuous transfer) is presented using the so called zero profit method, i.e. profit is recognized only when the real estate is sold.

1. Receivables

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

1. Cash, stamps and vouchers

Cash, stamps and vouchers are valued at their nominal value. A value adjustment is created for any impairment.

1. Prepaid expenses and accrued income

Prepaid expenses and accrued income are presented in accordance with the matching principle in terms of substance and time.

1. Provisions

Provisions are liabilities of uncertain timing or amount. Provisions are created to cover known risks or losses from business activities. They are valued at the expected amount of the liability.

1. Liabilities

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

1. Deferred taxes

Deferred taxes (deferred tax assets and deferred tax liabilities) relate to the following:

1. temporary differences between the carrying value of assets and the carrying value of liabilities presented in the Balance Sheet and their tax base;
2. tax losses which are possible to carry forward to future periods, being understood as the possibility of deducting these tax losses from the tax base in the future; and
3. unused tax deductions and other tax claims, which are possible to carry forward to future periods.
4. Accrued expenses and deferred income

Accrued expenses and deferred income are presented in accordance with the matching principle in terms of substance and time.

1. Emission quotas

A proportional part of emission quotas valued at their replacement cost shall be credited to an account of deferred income.

The deferred income shall be released in relation in terms of time and substance to use of emission quotas allocated free of charge because of their sale or creation of provision or fulfilment of the obligation to submit emission quotas.

Purchased emission quotas are valued at their acquisition cost.

1. Subsidies from the state budget

An entitlement to a subsidy from the state budget shall be accounted for if it is virtually certain that the entity will comply with the conditions attached to the subsidy and that the subsidy will be received.

Subsidies for the Company’s operations are initially recorded as deferred income and are released into operating revenue in relation to the recognition of expenses incurred for the purpose for which subsidies for operations have been granted.

Subsidies for acquisition of non-current intangible assets and property, plant and equipment are initially recorded as deferred income and are released into Income Statement in relation to the depreciation of non-current assets for which subsidies have been granted.

1. Leasing

Assets leased through operating leases are presented by the owner, not by the lessee.

Financial leasing is the acquisition of property, plant and equipment on the basis of a lease agreement with an agreed right to purchase the leased asset for agreed payments during the agreed period of lease. Assets leased through financial leasing are recognized and depreciated by the lessee, not by the owner.

The asset received by the lessee shall be recorded in the accounting of the lessee at the day when the asset is received as a debit of a relevant asset account with a corresponding credit entry to account 474 – Lease liabilities in the amount of agreed payments decreased by the unrealized financial costs.

Agreed payments include the purchase price for which the ownership title to the leased asset is transferred from the lessor to the lessee at the end of the agreed period of financial leasing of the asset. Agreed period of lease is at least 60 % of the depreciation period according to tax regulations, but at least 3 years. Lease payment is allocated between the repayment of principal and financial expenses, calculated with the effective interest method. Financial expenses are accounted for as a debit on account 562 – Interests.

1. Derivatives

Derivatives are valued at their fair value.

Changes in the fair values of hedging derivatives are recorded directly to equity, with no impact on net profit/loss.

Changes in the fair values of derivatives held for trading on a domestic stock exchange, foreign stock exchange, or other public market are recorded with an impact on net profit/loss.

Changes in the fair values of derivatives held for trading on a non-public market are recorded directly to equity, with no impact on net profit/loss.

1. Assets and liabilities hedged by derivatives

Assets and liabilities hedged by derivatives are valued at their fair value. Changes in the fair values of assets and liabilities hedged by derivatives are recorded directly to equity, with no impact on net profit/loss.

1. Foreign currency

Assets and liabilities denominated in foreign currency are translated to Euro as at the date of the accounting transaction by the reference exchange rate determined and declared by the European Central Bank or National Bank of Slovakia as at the date preceding the date of the accounting transaction.

An increase in a foreign currency purchased with euro currency is valued according to the exchange rate at which this foreign currency was purchased.

In case of a decrease in the same foreign currency in cash or in a foreign exchange account, reference exchange rate determined and declared by the European Central Bank or National Bank of Slovakia as at the date preceding the date of the accounting transaction is used for the valuation of a decrease in the foreign currency in euros.

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

Advance payments made and advance payments received in foreign currencies to or from bank account maintained in this currency are translated to Euro as at the date of the accounting transaction by the reference exchange rate determined and declared by the European Central Bank or the National Bank of Slovakia as at the date preceding the date of accounting transaction. They are not retranslated as of the Balance Sheet date.

Advance payments made and advance payments received in a foreign currency to or from bank account maintained in Euro are translated to Euro by the exchange rate for which these values were purchased or sold.

1. Revenue

Revenue from own work and merchandise is net of value added tax. Revenue is also reduced by discounts and reductions (quick payment discounts, bonuses, rebates, and credit notes etc.), irrespective of whether a customer was entitled to   
a discount in advance or whether a discount was agreed subsequently.

# INFORMATION about DATA on the asset side of the balance sheet

## Non-current intangible assets and property, plant and equipment

Information on the movements of non-current intangible assets and property, plant and equipment from 1 January 2013 to 31 December 2013 and for the comparative period from 1 January 2012 to 31 December 2012 is shown in the tables on pages 16 to 19.

*(The content, the number of lines and columns in tables may not be changed. This information should be deleted.)*

A lien was established on a production line with a carrying value of EUR 995 817 in favour of a creditor. A lien was established on one production line in favour of a bank as collateral for a loan in the amount of EUR 331 940 for two production lines; the net book value of this production line is EUR 829 848 as at 31 December 2013.

Information on pledged property, plant and equipment is shown in the following table:

*(The content, the number of lines and columns in the table may not be changed. This information should be deleted.)*



The bank acquired the ownership title to the other production line, whose net book value was EUR 829 848 as at 31 December 2013, based on a contract on transfer of ownership title as collateral, and the Company is using this production line free of charge based on a contract for the lending of an asset and presents this asset in its accounting.

The Company leases 3 personal cars with acquisition costs of EUR 99 580 (net book value as at 31 December 2012: EUR 74 686; as at 31 December 2013: EUR 49 781) and 1 CNC machine with an acquisition cost of EUR 148 808 (net book value as at 31 December 2012: EUR 123 980; as at 31 December 2013: EUR 99 183) which the Company presents as assets.

In 2013 the Company acquired property (land) in the amount of EUR 29 211 and as at 31 December 2013 the Company presents the property as an asset. The legal right of ownership was transferred to the Company in January 2014.

The above mentioned property, plant and equipment are not at the Company`s full disposal and amount to EUR 1 008 023 in total in the current accounting period.

An impairment provision of EUR 66 388 was created for an unused packaging machine, which reduced its net book value to an estimated selling price (reduced by the costs related to sale) of EUR 16 600.

Property, plant and equipment is insured against theft and natural disaster up to TEUR 3 300 (2012: TEUR 3 000).

Information on research and development costs is shown in the table below:

*(The form and the way of presentation is not regulated. This information should be deleted.)*



*The following table is not applicable for the Company in the illustrative financial statements. This table is included as it may be applicable for some accounting entities. When it is applicable for the accounting entity, it should include it in notes to financial statements. Otherwise, the accounting entity should delete it including this information.*

Information on pledged non-current intangible assets is shown in the following table:

*(The content, the number of lines and columns in the table may not be changed. This information should be deleted.)*

*When it is applicable for the accounting entity, it should include it in notes to financial statements. Otherwise, the accounting entity should delete it including this information.*

Value of non-current intangible assets that are not at the Company`s full disposal amounts to EUR xxx and is represented by the following assets:

## Non-current financial assets

Information on the movements of non-current financial assets from 1 January 2013 to 31 December 2013 and for the comparative period from 1 January 2012 to 31 December 2012 is shown in the tables on pages 20 and 21.

*(The content, the number of lines and columns in the table may not be changed. This information should be deleted.)*

Non-current financial assets increased as a result of a EUR 298 745 contribution in kind of machinery and equipment, which was made to acquire a majority stake in ABC Motoren SR, s. r. o., Martin.

The table below shows equity as at 31 December 2013 and net profit/loss for the 2013 accounting period for subsidiaries, joint ventures, associated companies and other financial investments:

*(The content and the number of lines in the table shall be stated according to the needs of the accounting entity. The columns may not be changed. This information should be deleted.)*



A lien was established on the Company’s ownership interests in ABC Motoren SR, s. r. o., Martin in favour of a bank:

*(The content, the number of lines and columns in the table may not be changed. This information should be deleted.)*



*When it is applicable for the accounting entity, it should include it in notes to financial statements. Otherwise, the accounting entity should delete it including this information.*

Value of non-current financial assets that are not at the Company`s full disposal amounts to EUR xxx and is represented by the following assets:

The table below shows equity as at 31 December 2012 and net profit/loss for the 2012 accounting period for subsidiaries, joint ventures, associated companies and other financial investments:

*(The content and the number of lines in the table shall be stated according to the needs of the accounting entity. The columns may not be changed. This information should be deleted.)*



*The following table is not applicable for the Company in the illustrative financial statements. This table is included as it may be applicable for some accounting entities. When it is applicable for the accounting entity, it should include it in notes to financial statements. Otherwise, the accounting entity should delete it including this information.*

Information on debt securities held to maturity is shown in the following table:

*(The content, the number of lines and columns in the table may not be changed. This information should be deleted.)*



*The following table is not applicable for the Company in the illustrative financial statements. This table is included as it may be applicable for some accounting entities. When it is applicable for the accounting entity, it should include it in notes to financial statements. Otherwise, the accounting entity should delete it including this information.*

Information on provided long-term loans is shown in the following table:

*(The content, the number of lines and columns in the table may not be changed. This information should be deleted.)*



## Inventory

The movements of a value adjustment during the accounting period are presented in the table below:

*(The content, the number of lines and columns in the table may not be changed. This information should be deleted.)*



A value adjustment was created to reflect impairment of inventory. The value of inventory has been impaired mainly due to changes in the product range, excessive inventory and a decrease in sales prices.

*(The content, the number of lines and columns in the table may not be changed. This information should be deleted.)*

*When it is applicable for the accounting entity, it should include it in notes to financial statements. Otherwise, the accounting entity should delete it including this information.*

Value of inventory that is not at the Company`s full disposal amounts to EUR xxx and is represented by the following inventory:

*The following table is not applicable for the Company in the illustrative financial statements. This table is included as it may be applicable for some accounting entities. When it is applicable for the accounting entity, it should include it in notes to financial statements. Otherwise, the accounting entity should delete it including this information.*

Information on the acquisition of real estate for sale is shown in the following table:

*(The content, the number of lines and columns in the table may not be changed. This information should be deleted.)*



## Information about construction contracts

Revenues from construction contracts were determined using prices agreed in the contract and were recognized in the accounting period using the percentage of completion method. The stage of completion of the contract is determined as the proportion of contract costs incurred for work performed to the estimated total contract costs. Only costs that relate to the work performed were included in the calculation.

Further information on construction contracts is shown in tables below:

*(The content, the number of lines and columns in the table may not be changed. This information should be deleted.)*



*(The content, the number of lines and columns in the table may not be changed. This information should be deleted.)*



## Information about construction of real estate intended for sale

*The following table is not applicable for the Company in the illustrative financial statements. This table is included as it may be applicable for some accounting entities. When it is applicable for the accounting entity, it should include it in notes to financial statements. Otherwise, the accounting entity should delete it including this information.*

Information on the construction of real estate intended for sale is shown in the following tables:

*(The content, the number of lines and columns in the table may not be changed. This information should be deleted.)*



*The following table is not applicable for the Company in the illustrative financial statements. This table is included as it may be applicable for some accounting entities. When it is applicable for the accounting entity, it should include it in notes to financial statements. Otherwise, the accounting entity should delete it including this information.*

*(The content, the number of lines and columns in the table may not be changed. This information should be deleted.)*



## Receivables

The movements in the value adjustment to receivables during the accounting period are presented in the table below:

*(The content, the number of lines and columns in the table may not be changed. This information should be deleted.)*



The ageing structure of receivables for the current accounting period is as follows:

*(The content, the number of lines and columns in the table may not be changed. This information should be deleted.)*



The ageing structure of receivables for the preceding accounting period is as follows:

*(The content, the number of lines and columns in the table may not be changed. This information should be deleted.)*



Deferred tax receivable (account 481) and net value of contract (account 316) are not part of the tables on aging structure of receivables for the current and preceding accounting period. Information on the deferred tax are presented in part G.4. and information on the net value of contract in part F.4. and F.5.

Information on receivables secured by a lien or other form of security is shown in the following table:

*(The content, the number of lines and columns in the table may not be changed. This information should be deleted.)*



*When it is applicable for the accounting entity, it should include it in notes to financial statements. Otherwise, the accounting entity should delete it including this information.*

Value of receivables that are not at the Company`s full disposal amounts to EUR xxx and is represented by the following receivables:

*The following table is not applicable for the Company in the illustrative financial statements. This table is included as it may be applicable for some accounting entities. When it is applicable for the accounting entity, it should include it in notes to financial statements. Otherwise, the accounting entity should delete it including this information.*

The Company has receivables from financial leasing of *(specify the leased asset)*. The amount of future payments according to maturity allocated to the principal and the financial income is shown in the following table:

*(The content, the number of lines and columns in the table may not be changed. This information should be deleted.)*



Financial leasing receivables are secured by a lien established on the leased asset up to EUR xxx.

*(Companies that lease assets on financial leasing disclose information on the established lien also in the above table on established liens).*

## Financial accounts

Cash on hand, bank accounts, and securities are presented in financial accounts. The bank accounts are at the Company's full disposal, except for a term deposit in the amount of EUR 332 000, which will become available after   
15 March 2014.

Overview of items of financial accounts is shown in the following table:

*(The content, the number of lines and columns in the table may not be changed. This information should be deleted.)*



## Current financial assets

Shares in various companies and emission quotas are presented as current financial assets:

*(The content, the number of lines and columns in the table may not be changed. This information should be deleted.)*



*The following table is not applicable for the Company in the illustrative financial statements. This table is included as it may be applicable for some accounting entities. When it is applicable for the accounting entity, it should include it in notes to financial statements. Otherwise, the accounting entity should delete it including this information.*

The movement of the value adjustment to current financial assets:

*(The content, the number of lines and columns in the table may not be changed. This information should be deleted.)*



*The following table is not applicable for the Company in the illustrative financial statements. This table is included as it may be applicable for some accounting entities. When it is applicable for the accounting entity, it should include it in notes to financial statements. Otherwise, the accounting entity should delete it including this information.*

Information on pledged current financial assets and assets that are not at the Company´s full disposal:

*(The content, the number of lines and columns in the table may not be changed. This information should be deleted.)*

*When it is applicable for the accounting entity, it should include it in notes to financial statements. Otherwise, the accounting entity should delete it including this information.*

Value of current financial assets that are not at the Company`s full disposal amounts to EUR xxx and is represented by the following current financial assets:

*The following table is not applicable for the Company in the illustrative financial statements. This table is included as it may be applicable for some accounting entities. When it is applicable for the accounting entity, it should include it in notes to financial statements. Otherwise, the accounting entity should delete it including this information.*

Information on the valuation of the current financial assets at their fair value as at the balance sheet date:

*(The content, the number of lines and columns in the table may not be changed. This information should be deleted.)*



## Accruals/deferrals

They include the following items:

*(Mandatory information. The form and the way of presentation is not regulated. This information should be deleted.)*



# INFORMATION about DATA ON LIABILITIES AND EQUITY SIDE OF THE BALANCE SHEET

## Equity

Information on equity is provided in Parts C and P.

## Provisions

Provisions for the current accounting period are shown in the table below:

*(The content and the number of lines in the table shall be stated according to the needs of the accounting entity. The columns may not be changed. This information should be deleted.)*



A provision for lump sum payment at retirement was created using actuarial methods.

A provision for severance pay was created with respect to the planned reduction of the number of employees in 2014.

A provision for warranty repairs in the amount of EUR 20 188 is intended to be used for the estimated cost of warranty repairs of products that were sold prior to 31 December 2013. The estimated costs are based on warranty repairs of products that were already rejected as of the date of preparation of the financial statements (this part of the provision was made on a specific basis) and costs of warranty repairs of products that have not been claimed as of the date of preparation of the financial statements (this part of the provision was made as a percentage of sales). The provision will be fully used during the accounting periods 2015 and 2016.

A provision for emissions in the amount of EUR 5 468 was created as a multiple of the known amount of emissions released into the atmosphere during the accounting period and the amount of emission quotas determined by the Company for submission according to the Act on Trading with Emission Quotas.

A provision for fines and penalties in the amount of EUR 7 300 was made for potential fines and penalties that may arise from the failure to adhere to delivery terms.

**Unbilled supplies of assets**

Provisions for unbilled supplies of assets are recorded without impact to the profit or loss.

Provisions for the previous accounting period are shown in the table below:

*(The content and the number of lines in the table shall be stated according to the needs of the accounting entity. The columns may not be changed. This information should be deleted.)*



## Liabilities

The structure of liabilities (except for bank loans) according to maturity is shown in the table below:

*(The content, the number of lines and columns in the table may not be changed. This information should be deleted.)*



Deferred tax liability (account 481) and net value of contract (account 316) are not part of the tables on aging structure of payables. Information on the deferred tax is presented in part G.4. and information on the net value of contract in part F.4 and F.5.

Liabilities in the amount of EUR 663 880 are secured by a lien; a production line with the carrying value of   
EUR 995 817 is pledged as at 31 December 2013 as a security for the liabilities.

The Company has liabilities relating to financial leasing of 3 personal cars and 1 CNC machine. The split of the future payments between the principal and the related financial expense based on the due period is shown in the table below:

*(The content, the number of lines and columns in the table may not be changed. This information should be deleted.)*



Payables from financial leasing are secured by a lien established on the leased asset up to EUR 235 720.

## Deferred tax liability

The calculation of the deferred tax liability is presented in the table below:

*(The content, the number of lines and columns in the table may not be changed. This information should be deleted.)*



The deferred tax liability in the amount of EUR 3 865 relates to revaluation of hedging derivatives and was recognized as a difference from revaluation of assets and liabilities within equity.

## Social fund

The creation and drawing from the social fund during the accounting period are presented in the table below:

*(The content, the number of lines and columns in the table may not be changed. This information should be deleted.)*



According to the Act on the Social Fund, part of the social fund must be created against expenses and part can be created from retained earnings. According to the Act on the Social Fund, the social fund is used to satisfy social, health, recreation, and other needs of employees.

## Bonds issued

*The following table is not applicable for the Company in the illustrative financial statements. This table is included as it may be applicable for some accounting entities. When it is applicable for the accounting entity, it should include it in notes to financial statements. Otherwise, the accounting entity should delete it including this information.*

Information on bonds issued is shown in the following table:

*(The content and the number of lines in the table shall be stated according to the needs of the accounting entity. The columns may not be changed. This information should be deleted.)*



## Bank loans

Bank loans are detailed in the table below:

*(The content and the number of lines in the table shall be stated according to the needs of the accounting entity. The columns may not be changed. This information should be deleted.)*



The original investment loan amounting to EUR 497 908, used to acquire a building, was repaid and replaced by a loan in the amount of EUR 257 252.

A revolving loan in the amount of EUR 899 157 for receivables due is secured by receivables in the amount of   
EUR 235 278, inventory in the amount of EUR 332 000 and ownership interests in the subsidiary ABC Motoren SR, s. r. o., Martin in the amount of EUR 298 745.

Regarding the loan of EUR 331 940 for two production lines, a lien on one production line has been established in favour of a bank; the carrying value of this production line is EUR 829 848 as at 31 December 2013. The ownership title of the other production line, whose carrying value is EUR 829 848 as at 31 December 2013, has been acquired by   
the bank as collateral based on a transfer of ownership contract, and the Company is using this production line free of charge based on a contract for the lending of an asset.

A guarantee for the loan of EUR 257 252 for the building has been provided by the parent company ABC Produktion GmbH, Berlin.

*The following table is not applicable for the Company in the illustrative financial statements. This table is included as it may be applicable for some accounting entities. When it is applicable for the accounting entity, it should include it in notes to financial statements. Otherwise, the accounting entity should delete it including this information.*

The structure of borrowings is shown in the following table:

*(The content and the number of lines in the table shall be stated according to the needs of the accounting entity. The columns may not be changed. This information should be deleted.)*



## Accruals/deferrals

The structure of accruals/deferrals is presented in the table below:

*(Mandatory information. The form and the way of presentation is not regulated. This information should be deleted.)*



The release of subsidies for acquisition of property, plant and equipment and subsidies for operations is presented under other operating income.

## Derivatives

The Company has concluded a currency forward with the bank for the purchase of USD. Forward contract was concluded on 14 March 2013 with the maturity on 13 March 2014. The nominal value of the forward is EUR 740 000 and its fair value is EUR 14 818 as at 31 December 2013. Forward was agreed on the public market. The Company has not complied with the formal requirements of hedge accounting therefore it presents this forward as the trading derivative.

The Company has agreed an interest rate swap (pay fix) with a nominal value of EUR 1 250 000 and maturity in 2014. The swap was agreed on the non-public market and its fair value is EUR 17 568 as at 31 December 2013. Deferred tax related to this revaluation amounts to EUR 3 865. The Company presents this swap as the hedging derivative.

Below is an overview of trading derivatives and hedging derivatives:

*(The content and the number of lines in the table shall be stated according to the needs of the accounting entity. The columns may not be changed. This information should be deleted.)*



*(The content and the number of lines in the table shall be stated according to the needs of the accounting entity. The columns may not be changed. This information should be deleted.)*



Information on items hedged by derivatives:

*(The content, the number of lines and columns in the table may not be changed. This information should be deleted.)*



# INFORMATION about INCOME

## 

## Revenue from own work and merchandise

Revenue from own work and merchandise according to the individual segments, i.e. types of products and services and main territories, is presented in the table below:

*(Mandatory information. The form and the way of presentation is not regulated. This information should be deleted.)*



## Changes in internal inventory

The change in internal inventory presented in the income statement represents a decrease in the amount of EUR   
658 832 (2012: increase in the amount of EUR 938 990). According to the balance sheet, the decrease amounts to EUR 725 884 (2012: increase in the amount of EUR 1 013 177), as shown in the table below:

*(The content, the number of lines and columns in the table may not be changed. This information should be deleted.)*



The difference between the balance sheet and the income statement arises because, according to Slovak legislation, certain items are not accounted for as a change in inventory but are directly recorded in other expense and income accounts.

## Capitalized costs, other operating income, financial income and extraordinary income

Overview of capitalized costs, other operating income, financial income and extraordinary income is presented in the table below:

*(Mandatory information. The form and the way of presentation is not regulated. This information should be deleted.)*



Income from revaluation of derivatives relates to currency forward for the purchase of USD. For more information on the currency forward refer to part G.9.

The income from the difference between the acknowledged value of contribution in kind and carrying value of the contributed assets includes the difference between the acknowledged value and the carrying value of a contribution in kind to the company ABC Motoren SR, s. r. o., Martin. The acknowledged value of the contribution in kind was by EUR 82 985 higher than its carrying value. Deferred tax relating to this transaction amounts to EUR 18 257.

## Net turnover

The net turnover of the Company for the purpose of determination of obligation to have financial statements audited by an auditor [Article 19 (1a) of the Act on Accounting] is shown in the table below:

*(The content, the number of lines and columns in the table may not be changed. This information should be deleted.)*



# INFORMATION about EXPENSES

## Costs of services provided, other operating expenses, financial and extraordinary expenses

Overview of costs of services provided, other operating expenses, financial and extraordinary expenses is presented in the table below:

*(Mandatory information. The form and the way of presentation is not regulated* ***except*** *of information about costs related to auditor, audit company. This information should be deleted.)*



# INFORMATION about INCOME TAXES

A reconciliation of the effective tax rate is shown in the table below:

*(The content, the number of lines and columns in the table may not be changed. This information should be deleted.)*



Other information about deferred taxes:

*(The content, the number of lines and columns in the table may not be changed. This information should be deleted.)*



# INFORMATION about DATA IN OFF-BALANCE SHEET ACCOUNTS

## *Leasehold property*

The Company leases (operating lease) a production line from a related party. The lease will expire in 2016. Annual leasing costs are approximately EUR 170 000. Leasing liabilities recorded on off-balance sheet accounts are in the amount of EUR 510 000 (2012: EUR 680 000).

Value of leased property is stated at fair value that was established by the court expert (alternatively: professional estimate etc.).

*Alternative wording:* The Company does not know the value of leased assets and the costs of obtaining will outweigh the benefit.

The Company leases part of the administrative premises (580 m²) from a third party. The lease will expire in 2017 with a possibility of termination in specified cases. The notice period is six months before the end of the calendar year. Annual leasing costs are EUR 86 300. Lease liabilities recorded on off-balance sheet accounts amount to EUR 345 200 (2012: EUR 431 500).

## *Property leased to other parties*

The Company leases part of the production hall (1 240 m2) to a third party for production purposes. Annual leasing income is approximately EUR 13 300. The lease agreement will expire in 2016. The leased part of the production hall is presented as property, plant and equipment in the balance sheet. Lease receivables recorded on off-balance sheet accounts amount to EUR 39 900 (2012: EUR 53 200).

## *Other financial commitments*

Other financial commitments, which are not recorded in balance sheet accounts, are as follows:

* The Company has concluded a license agreement with its parent company for the manufacture of electric motors, type ELMO-2B, between 2012 and 2018. According to the agreement, the Company pays a fixed annual license fee of EUR 35 000 and a variable license fee of EUR 5 for each electric motor manufactured and sold. In 2013, the Company manufactured and sold 5 300 of these electric motors and plans to produce and sell 7 000 motors in 2014 and approximately 10 000 per year in following years. Company liabilities from this license agreement recorded on off-balance sheet accounts amount to EUR 260 000 (2012: EUR 321 500). These liabilities are included within Other items in the table above.
* The Company plans to change part of its product range and to adjust its production facilities between 2014 and 2015. The Company has already concluded agreements with suppliers, according to which the Company will invest approximately EUR 330 000 in 2014 and approximately EUR 470 000 in 2015. Company liabilities from these agreements recorded on off-balance sheet accounts amount to EUR 800 000 (2012: EUR 0). These liabilities are included within Other items in the table above.

# INFORMATION ON OFF-BALANCE SHEET ASSETS AND OFF-BALANCE SHEET LIABILITIES

## Contingent liabilities

The Company has the following contingent liabilities, which are not recorded in balance sheet accounts:

* The Company is a guarantor of a loan in an amount of EUR 100 000 provided by a bank to the Company's subsidiary, ABC Motoren SR, s. r. o., Martin. The loan is repayable between 2016 and 2019 and the interest rate is 5.1 %.
* There is legal action pending by a competitor against the Company for a patent infringement. The competitor requests compensation of between TEUR 700 and 900. The Company believes that no patent has been infringed and that it will be successful in any lawsuit. The cost of a possible lawsuit is estimated at approximately EUR  
  13 000.
* There is legal action pending that will be brought by the state nature protection and environmental authorities for the contamination of underground water. The authority will request removal of the underground water contamination and payment of a penalty. The Company believes that the underground water has not been contaminated and that it will be successful in any possible lawsuit. The cost of removing the underground water contamination is not known; the penalty may amount to a maximum of EUR 60 000. The cost of a possible lawsuit is estimated at approximately EUR 10 000.
* Several former employees of the Company are planning to bring a lawsuit against the Company for violation of legislation relating to the termination of their employment contracts and request damages of approximately   
  EUR 150 000. The Company is convinced that it has not violated legislation and that it will be successful in any possible lawsuit. The cost of such a lawsuit is estimated at approximately EUR 10 000.

Many parts of Slovak tax legislation remain untested and there is uncertainty about the interpretation that the tax authorities may apply in a number of areas. The effect of this uncertainty cannot be quantified and will only be resolved as legislative precedents are set or when the official interpretations of the authorities are available. Management is not aware of any circumstances that would cause any significant costs for the Company.

## Contingent assets

In 2013, the Company has taken legal action against Elektro Co for the unauthorized use of trademark   
No. AXY 121. The subject of the lawsuit is the prohibition of the trademark use. At the same time it requiring compensation for lost profit amounting to EUR 160 000.

A milling machine XC-20 in the value of EUR 43 180 was stolen from the Company at the end of 2013. The machine was insured against damage caused by theft. The amount of the reimbursement from the insurance company was not known at the date of preparation of the financial statements and there is an uncertainty whether any reimbursement will be received from the insurance company. The Company expects that the reimbursement would amount to approximately EUR 32 400.

# INFORMATION ON INCOME AND emoluments of members of the statutory bodies, supervisory bodies, and other bodies of the accounting entity

*(For disclosure of this information, refer to part 14 of the introduction).*

Gross payments to members of the Company's statutory bodies for their activities for the Company during the accounting period amounted to EUR 61 000 (2012: EUR 49 500) and gross payments to the supervisory bodies of the Company amounted to EUR 20 000 (2012: EUR 20 000).

In 2013, there were no guarantees or other collaterals issued or loans provided to the members of the statutory bodies and supervisory bodies; there were no financial resources or other income used for private purposes and claimed by members of the members of the statutory bodies and supervisory bodies (2012: none).

# INFORMATION ON THE ACCOUNTING ENTITY'S transactions with RELATED PARTIES

*(Disclosed is only such list of transactions between the accounting entity and related parties that have not been concluded under normal market conditions. For disclosure of this information, refer also to part 14 of the introduction. This information should be deleted.)*

The Company has not carried out such transactions with related parties that have not been concluded under normal market conditions.

The Company carried out the following transactions with related parties concluded under normal market conditions during the accounting period:

*(Non-mandatory information. This information should be deleted.)*



Selected assets and liabilities arising from related-party transactions are presented in the table below:

*(Non-mandatory information. This information should be deleted.)*



# INFORMATION ON EVENTS occuring between the balance sheet date and the date of preparation of financial statements

The following events with a material impact on the true and fair presentation of facts subject to the accounting occurred after 31 December 2013:

1. as at 1 January 2014, the Company sold all its interests in the joint venture ABC Elektro, s. r. o., Považská Bystrica;
2. as at 1 February 2014, the Company purchased 50 % of the ownership interest held by the other partner to the joint venture ABC Elektromery, s. r. o., Košice, and subsequently increased its share capital by transferring part of   
   the division "Electric Meter Production" as a contribution in kind.

# INFORMATION ON EQUITY

The movements of equity during the accounting period are presented in the table below:

*(The content, the number of lines and columns in the table may not be changed. This information should be deleted.)*



During the accounting period 2013, the share capital was increased by EUR 1 327 757; partially in the form   
of a monetary contribution (EUR 663 878) and partially in the form of a contribution in kind (capitalization of a liability in the amount of EUR 663 879). This increase has been registered in the Commercial Register as at  
31 December 2013.

The share capital was fully paid.

Other capital funds totalling EUR 165 969 include a contribution in kind by a shareholder in 1999, which did not result in an increase in share capital.

The revaluation of hedging derivatives to fair value is presented within differences from the revaluation of assets and liabilities. For more information on hedging derivatives refer to part G.9.

The movements of equity during the preceding accounting period are presented in the table below:

*(The content, the number of lines and columns in the table may not be changed. This information should be deleted.)*



*Following information is disclosed in the financial statements of a joint-stock company:*

*(The form and the way of presentation is not regulated. This information should be deleted.)*

*The share capital of the Company in the amount of EUR 2 233 951 EUR (31 December 2012: EUR 906 194) consists of:*

* *x ordinary shares with the nominal value of EUR xxx; shares have form of registered book-entry shares (as at   
  31 December 2012: x ordinary shares with the nominal value of EUR xxx),*
* *x ordinary shares with the nominal value of EUR xxx; shares have form of registered book-entry shares (as at   
  31 December 2012: x ordinary shares with the nominal value of EUR xxx),*
* *x preference shares with the nominal value of EUR xxx (as at 31 December 2012: xxx preference shares with the nominal value of EUR xxxx).*

*All shares were fully paid.*

*Holders of preference shares have priority right to dividends and no voting rights.*

*Holders of shares have right to dividends according to the decision of the general meeting and they have rights to vote (except for the preference shares holders as described above). Each EUR xxx represents one vote.*

*The Company owns xxxx own shares with the nominal value of EUR xxx, total value of EUR xxx  
(as at 31 December 2012: xxxx own shares with the nominal value of EUR xxx, total value of EUR xxx).*

*The basic profit was in the amount of EUR xx per one ordinary share as at 31 December 2013 (as at 31 December 2012: EUR xxx per one ordinary share).*

Profit for 2012 was distributed as follows:

*(The content, the number of lines and columns in the table may not be changed. This information should be deleted.)*





The general meeting will decide on the distribution of profit in the amount of EUR 1 302 045 for the 2013 accounting period. The proposal presented by the statutory body to the general meeting is as follows:

1. contribution to the social fund in the amount of EUR 4 980; and
2. transfer to retained earnings from the previous years in the amount of EUR 1 297 065.

No mandatory contribution to the legal reserve fund is required as the legal reserve fund has already attained the maximum limit stipulated in the legislation and the Memorandum of Association.

*If the Company incurred accounting loss, following table is presented instead of the table above:*

Accounting loss 2012 was settled as follows:

*(The content, the number of lines and columns in the table may not be changed. This information should be deleted.)*





# Information of accounting entities in which a public authority holds a majority of voting rights

# The Company in which a public authority holds a majority of voting rights, whose activities are placed in the category of the industrial production according to special legislation (Section C of the Appendix to the Decree of the Statistics Office of the Slovak Republic No. 306/2007 Coll. on the Issuance of the Statistical Classification of Economic Activities) and whose net turnover exceeded EUR 250 000 000 for the preceding accounting period, shall also disclose information stated below.

# Information shall be disclosed in relation with the applicable content of the individual accounting entity and their form and way of presentation are not regulated. In our Illustrative Financial Statements we include only the examples how this information can be presented. Each accounting entity discloses and describes relevant information that is applicable in relation with the particular circumstances.

# The structure and amount of share capital attributable to public authorities and other persons in which a public authority holds a majority of voting rights:

The structure of share capital of the Company as at 31 December 2013 is described in parts C and P.

Out of the total number of shares disclosed in part P, *the public authority* (name) owns xxx ordinary shares with the nominal value of EUR xxx (as at 31 December 2012: xxx ordinary shares with the nominal value of EUR xxxx) and this represents xxx % share on total share capital.

Rights to dividends according to the decision of the general meeting and voting rights are associated with shares and each EUR xxx represents one vote.

(Alternative wording for limited liability companies: The value of share of *the public authority* (name) on total share capital of the Company is EUR xxxx and this represents xxxx % share on the share capital and related voting rights.)

As at 31 December 2013 *the public authority* (name) holds following securities to which the right of exchange for shares, is attached:

* xxx convertible bonds with the nominal value of EUR xxxx, total value of EUR xxx, repayable on xx.xx.xxxx (as at 31 December 2012: xx bonds in the nominal value of EUR xxx, total value of EUR xxxx).

In December 2012 the Company received the decision of the Slovak Republic government on allocation of the subsidy from the state budget of Slovak Republic for the purpose of financing the investment project xxxxx in the value of EUR xxxx during the following 10 years. In 2013 the Company used EUR xxx from allocated subsidy.

The Company received another subsidy in the amount of EUR xx from *the public authority* (name) in 2013. This subsidy is not fixed to any conditions.

Information on loans received, overdrafts and capital contributions received:

*(The form and the way of presentation is not regulated. This information should be deleted.)*



Loans and contributions were provided under following conditions (describe according to relevant conditions of the accounting entity):

Guarantee for loan in the amount of EUR xxx for the purpose of (state the purpose) provided *the public authority* (name).

According to the decision of the general meeting, dividends in the amount of EUR xxx were paid to *the public authority* (name) in 2013 (2012: EUR xxx). Retained earnings as at 31 December 2013 that could be paid to *public authority* (name) in the future, amounts to EUR xxx (31 December 2012: EUR xxx).

According to the decision (describe according to relevant conditions) from (date), the Company´s liability towards (fill in) from the title (describe the origin of the liability) in the amount of EUR xx was forgiven. The reason why the liability was forgiven, was that (describe according to relevant conditions).

# Information on the financial relationships between *the public authority* and the Company:

*(The form and the way of presentation is not regulated. This information should be deleted.)*

# 

# information on accounting entities that have been granted an exclusive right or a special right and accounting entities that have been granted the right to provide services in the public interest

# The Company discloses the following information:

*(The form and the way of presentation is not regulated. This information should be deleted.)*

# all forms of compensation received;

# the accounting principles applied to the allocation of expenses and income;

# the organizational structure of the accounting entity and individual activities;

# all types of activities of the accounting entity.

# CASH FLOW STATEMENT FOR THE YEAR ENDED 31 decembEr 2013



**Cash generated from operations**



**Cash**

Cash is defined as cash on hand, equivalents of cash on hand, cash in current bank accounts, overdraft facility, and part of the balance of the cash in transit account tied to the transfer between the current account and petty cash or between two bank accounts.

**Cash equivalents**

Cash equivalents are defined as current financial assets that are readily convertible to a known amount of cash, which, as of the balance sheet date, do not entail the risk that their value will change considerably during the next three months, e.g. term deposits in bank accounts with a maximum of a three-month notice, liquid securities held for trading, and priority shares acquired by the accounting entity, which are due within three months of the balance sheet date.