Summit Motors Slovakia, spol. s r.o.

Independent Auditors' Report
issued on the Consolidated Annual
Report and Consolidated Financial
Statements as at 31 March 2022

Content

Consolidated Annual Report

Consolidated Financial Statements including Independent Auditors' Report

SUMMIT MOTORS SLOVAKIA, spol. s r.o.
CONSOLIDATED ANNUAL REPORT
4/2021 - 3/2022

Basic information about the company, business characteristics and relationships with external entities

Business name:	Summit Motors Slovakia, spol. s r.o.
Address:	Tuhovská 9 831 07 Bratislava
Identification no.:	35 837 331
Date of incorporation:	15.05.2002
Date of establishment:	30.05.2002
Legal form:	Limited liability company

Core business:

- Purchase of goods for the purpose of its sale to the final customer (retail) in the scope of free trade licence
- Purchase of goods for sale to other companies (wholesale) in the scope of free trade licence
- Intermediation activity in the field of trade, production and services in the scope of free trade licence
- Motor vehicle rental

Statutory representatives: Executives:

Hideto Asada
Yuki Ura

The Executive of the company is its statutory representative; represents the company and acts on its behalf externally and can authorise individually in all matters.

Share capital: **7.029.345 EUR**
Share capital paid: **7.029.345 EUR**

Partners:

Sumitomo Corporation
OTEMACHI PLACE EAST TOWER
3-2 Otemachi 2-Chome, Chiyoda-ku
Tokyo 100-8601, Japan

Share participation: 2 811 738 EUR
Share participation paid: 2 811 738 EUR

Sumitomo Corporation Europe Limited
Vintners´ Place, Upper Thames Street 68
London EC4V 3BJ
United Kingdom of Great Britain and Northern Ireland

Share participation: 4 217 607 EUR
Share participation paid: 4 217 607 EUR

Information on the consolidated group:

The consolidated financial statements include the financial statements of the company and its subsidiary Summit Motors Bratislava, spol. s r.o.. established in November 2004 and with its registered office in Bratislava, Tuhovská 9. The Company and its subsidiary are hereinafter referred to as the Group.

The Group is included in the consolidated financial statements of Sumitomo Corporation Europe Holding Limited (London). The consolidated financial statements can be obtained directly at the registered office of the company.

The group does not have a branch abroad.

Information on business activities:

The company is the exclusive importer of Ford new vehicles and spare parts in the Slovak Republic and has concluded Sales and Service Agreements with 15 dealerships within Slovakia and Service Agreements with 5 partners, which are independent legal entities:

1. Summit Motors Bratislava, spol. s r.o., Bratislava
2. N motor, s.r.o., Nitra
3. AUTO KOIŠ spol. s r.o., Bánovce nad Bebravou
4. AUTO KOIŠ spol. s r.o., Trenčianska Turná,
5. EUROMOTOR, spol. s r.o., Banská Bystrica
6. SZILCAR PARTNERS s.r.o., Košice
7. BUILT, spol. s r.o., Prešov
8. CarComplex, spol. s r.o., Michalovce
9. AUTONOVA, s.r.o., Poprad
10. AUTOPOLIS, s.r.o., Bratislava
11. J.M. MARTIN, spol. s r.o., Martin
12. UNICAR, s. r. o., Liptovský Mikuláš
13. INTRO.CO, s.r.o., Holíč
14. JR CARS, s.r.o., Žilina
15. Autocomodex spol. s r.o., Trnava
16. SZILCAR PARTNERS s.r.o., Bratislava (authorised service)
17. EKOAUTO s.r.o., Bardejov (quick lane service)
18. Eurocar s.r.o. Nove Zamky (quick lane service)
19. N7 s.r.o. Senica (quick lane service)
20. MRJ s.r.o., Zvolen (quick lane service)

The company did not have any research and development costs.

During the 12 months ended 31 March 2022, the Company did not acquire its own business shares or the business shares of the parent company.

Information about financing:

The Group has all domestic bank accounts opened with Československá obchodná banka, a.s. Through this bank, it executes all its domestic and foreign payments. In addition, it has 1 bank account opened at Citibank Europe plc, a branch of a foreign bank, which is connected to the Cash Pooling system of Sumitomo Corporation Europe Limited.

Taxes:

The Group is a payer of value added tax, corporate income tax, real estate tax and motor vehicle tax.

Employees:

The average number of employees of the group for the period of 12 months ending on 31 March 2022 was **99.**

Management	3
Employees	96

The average number of employees of the group for the previous year was 100 (out of which 4 managers).

Report on economic results for the period 4/2021 - 3/2022

The volume of registered vehicles on the Slovak market decreased significantly because of pandemic crisis. In calendar year 2020 was decrease compared to previous year by 25% and the volume of sold vehicles was only 83 T. This trend was continuing in second pandemic year 2021. The number of registered FORD vehicles in the monitored period represented 1,827 registrations (FY2020: 1,201) and market position improved from 1,5% to 2,1%. The company achieved a positive trend in the sale of goods and services, sales increased by 70%.

Overview of Ford's share of the Slovak market:

	4/2018-3/2019	4/2019-3/2020	4/2020-3/2021	4/2021-3/2022	Change
Vehicles registered in Slovakia	106 697	104 929	79 418	87 886	11%
FORD vehicles registered	2 662	1 927	1 201	1 827	52%
FORD market share	2,49%	1,84%	1,51%	2,08%	37%

Consolidated revenues for sales of goods and services in the reported period decreased to **TEUR 64,681** and were in the following structure:

Revenue (TEUR)	4/2018-3/2019	4/2019-3/2020	4/2020-3/2021	4/2021-3/2022	Change
Sale of vehicles	45 344	39 130	31 373	53 876	72%
Sale of spare parts	5 046	5 898	5 120	6 069	19%
Sale of services	3 902	4 592	4 297	4 736	10%
Total sales	**54 292**	**49 621**	**40 790**	**64 681**	**59%**

The Group achieved a total profit after tax of **TEUR 1 614** in the following structure:

Item (TEUR)	4/2018-3/2019	4/2019-3/2020	4/2020-3/2021	4/2021-3/2022	Change
Revenues	54 292	49 621	40 790	64 681	59%
Cost of sales	-44 632	-39 289	-32 409	-52 999	64%
	9 660	**10 331**	**8 381**	**11 682**	39%
Material, energies and services	-3 845	-4 202	-3 909	-4 839	24%
Advertising	-1 676	-668	-438	-576	32%
Personnel expenses	-4 378	-4 199	-3 592	-3 966	10%
Depreciation	-1 117	-1 232	-317	-328	3%
Other operating income, net	423	242	192	125	-35%
Other operating expenses, net	0	0	-237	-190	-20%
	-10 593	**-10 059**	**-8 301**	**-9 774**	18%
Profit from operating activities	**-933**	**272**	**80**	**1 908**	2285%
Interest expense	-34	-56	-23	-1	-96%
Other financial expenses, net	-22	-23	-18	-21	17%
Profit before tax	**-989**	**193**	**39**	**1 886**	4736%
Income tax	-52	-44	67	-273	-507%
Profit/(loss) for the period	**-1 041**	**149**	**106**	**1 614**	**1423%**

In FY21 the Group has faced worldwide material crisis and crisis of Covid pandemic. Despite the crises the number of registered vehicles increased by 11% and FORD market share increased by 37%. Also the revenues of the Group increased by 59% to TEUR 64,681. The Group has continued its activities in area of cost efficiency and managed to generate a profit of TEUR 1,614.

Assets of the Group

As at 31 March 2022, the Group reported assets in the total amount of **TEUR 30,669** in the following structure of assets and liabilities:

Item (TEUR)	4/2018-3/2019	4/2019-3/2020	4/2020-3/2021	4/2021-3/2022	Change
Property, plant and equipment	9 257	7 248	5 292	5 154	-3%
Intangible assets	68	89	130	175	35%
Trade and other receivables	0	0	0	0	
Prepaid expenses	35	23	17	13	-24%
Deferred tax asset	84	41	166	232	40%
Non-current assets	**9 444**	**7 401**	**5 605**	**5 574**	-1%
Inventories	22 933	14 538	14 768	11 753	-20%
Trade and other receivables	1 705	1 763	2 079	2 798	35%
Borrowings granted	0	0	0	9 843	100%
Income tax receivable	76	19	0	0	
Prepaid expenses	136	88	105	93	-11%
Cash and cash equivalents	919	9 029	1 187	608	-49%
Current assets	**25 769**	**25 438**	**18 139**	**25 095**	38%
Total assets	**35 213**	**32 838**	**23 744**	**30 669**	**29%**
Share capital	7 029	7 029	7 029	7 029	0%
Share premium	169	169	169	169	0%
Legal reserve fund	803	803	803	803	0%
Other capital funds	24	24	24	24	0%
Retained earnings	9 433	9 582	9 688	11 196	16%
Total equity	**17 458**	**17 607**	**17 713**	**19 221**	9%
Other non-current liabilities	238	337	518	742	43%
Non-current liabilitieis	**238**	**337**	**518**	**742**	43%
Trade and other liabilities	7 326	4 834	4 666	10 162	118%
Loans and borrowings	10 005	9 747	756	0	-100%
Provisions	186	314	65	248	282%
Income tax payable	0	0	26	297	1042%
Current liabilities	**17 517**	**14 895**	**5 513**	**10 707**	94%
Total equity and liabilities	**35 213**	**32 838**	**23 744**	**30 669**	**29%**

During the year ended 31 March 2022, assets and liabilities/equity increased by **29%** compared to the previous year, with the following significant changes in their structure:

1. The Group recorded a **35%** increase in intangible fixed assets due to realization of projects – website, attendance system, special reporting system for receivables, other projects.

2. The Group recorded a **35%** increase in trade and other receivables due to higher average monthly sales turnovers.

3. The Group recorded a **118%** increase in in trade and other liabilities due to higher volume of purchase invoices.

4. The Group recorded a **282%** increase in provisions due to provision for bonuses to dealer network.

Basic financial indicators for the period 4/2021 - 3/2022

Net working capital:	**14.840 TEUR**
Fixed assets / equity:	**345%**
Fixed assets / (equity + non-current liabilities):	**358%**

Fixed assets of the company are fully covered by equity.

Current liquidity ratio:	**1,49***
Quick liquidity ratio:	**0,34***
Immediate liquidity ratio:	**0,06***

Individual indicators confirm a sufficient level of liquidity of the company.

Return on equity (ROE):	**+8,40%**
Return on total assets (ROA):	**+5,26%**

The company improved its economic result, which was also positively reflected in profitability indicators.

Distribution of profit or loss for the period 4/2021 - 3/2022

The company's management proposes to pay shareholders a total profit for the year ended 31 March 2022 in a form of dividends.

The impact of the Group on the environment

The Group carries out all its business activities in strict accordance with the applicable legislation relating to environmental protection and is not aware of any adverse effects caused by it, whether current or future.

The impact of company on the employment

Without determined work of all 99 employees in fiscal year 2021, such a significant improvement in company's results could not be achieved. The COVID-19 pandemic and the unpredictable situation on the automotive market were still significant factors impacting the operations. In this period, the only certainty are continuous changes, and therefore flexibility, same as generating solutions as response to challenging events that arise on the market, are even more important. Despite this difficult situation, the company was able to improve the teamwork with subsidiary Summit motors Bratislava and started new challenges and projects with effort and support of all colleagues. The automotive industry is facing one of the most significant transformations towards electrification and therefore it is important to adapt quickly to new environment. That impose both internal and external changes, therefore one of the targets of the company is also to improve the working environment for all teams, with focus on enhancing team cooperation and communication.

Significant subsequent events after the balance sheet date

After the end of the accounting period and until the date of preparation of this report, the Group did not record any other events of special significance.

Group targets

For the following period, the group sets the following business targets:

1. Implementation of infrastructure for electric vehicle charging.
2. Implementation of the 1. phase of CRM system.
3. Automation in the field of financial administration: robotic process automation of selected documents, visual reporting, more productive use of accounting software.

In Bratislava, 26.08.2022

Yuki Ura
Managing director

Attachment:

1) Audited consolidated financial statements for the period 4/ 2021 - 3/2022

Summit Motors Slovakia, spol. s r.o.

Consolidated Financial Statements
Prepared in accordance with
International Financial Reporting Standards
as adopted by the European Union

For the year ended 31 March 2022
(English translation)

CONTENTS

Independent auditors' report	3-5
Consolidated statement of financial position as of 31 March 2022	6
Consolidated statement of profit or loss and other comprehensive income for the year ended 31 March 2022	7
Consolidated statement of changes in equity for the year ended 31 March 2022	8
Consolidated statement of cash flows for the year ended 31 March 2022	9
Notes to the consolidated financial statements for the year ended 31 March 2022	10-33

KPMG Slovensko spol. s r. o.
Dvořákovo nábrežie 10
811 02 Bratislava
Slovakia

Telephone: +421 (0)2 59 98 41 11
Internet: www.kpmg.sk

Translation of the Independent Auditors' Report originally prepared in Slovak language

Independent Auditors' Report

To the Owner(s) and Director(s) of Summit Motors Slovakia, spol. s r.o.

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Summit Motors Slovakia, spol. s r.o. (the "Company") and its subsidiaries (the "Group"), which comprise:

- the consolidated statement of financial position as at 31 March 2022;

and, for the period then ended:

- the consolidated statement of profit or loss and other comprehensive income;
- the consolidated statement of changes in equity;
- the consolidated statement of cash flows;

and

- notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2022, and of its consolidated financial performance and its consolidated cash flows for the period then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements of the Act No. 423/2015 Coll. on statutory audit and on amendments to Act No. 431/2002 Coll. on accounting as amended ("the Act on Statutory Audit") including the Code of Ethics for an Auditor that are relevant to our audit of the consolidated financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KPMG

Responsibilities of the Statutory Body and Those Charged with Governance for the Consolidated Financial Statements

The statutory body is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as the statutory body determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the statutory body is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the statutory body either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the statutory body;
- Conclude on the appropriateness of the statutory body's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

Reporting on other information in the Consolidated Annual Report

The statutory body is responsible for the other information. The other information comprises the information included in the Consolidated Annual Report prepared in accordance with the Act No. 431/2002 Coll. on Accounting as amended ("the Act on Accounting") but does not include the consolidated financial statements and our auditors' report thereon. Our opinion on the consolidated financial statements does not cover the other information in the Consolidated Annual Report.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information in the Consolidated Annual Report that we have obtained prior to the date of the auditors' report on the audit of the consolidated financial statements, and, in doing so, consider whether the other information is materially inconsistent with the audited consolidated financial statements or our knowledge obtained in the audit of the consolidated financial statements, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

With respect to the Consolidated Annual Report, we are required by the Act on Accounting to express an opinion on whether the other information given in the Consolidated Annual Report is consistent with the consolidated financial statements prepared for the same financial year, and whether it contains information required by the Act on Accounting.

Based on the work undertaken in the course of the audit of the consolidated financial statements, in our opinion, in all material respects:

- the other information given in the Consolidated Annual Report for the year ended 31 March 2022 is consistent with the consolidated financial statements prepared for the same financial year; and
- the Consolidated Annual Report contains information required by the Act on Accounting.

In addition to this, in light of the knowledge of the Company and its environment obtained in the course of the audit of the consolidated financial statements, we are required by the Act on Accounting to report if we have identified material misstatements in the other information in the Consolidated Annual Report. We have nothing to report in this respect.

Slovenská komora audítorov
SKAU
Č. licencie 96
KPMG
Slovensko spol. s r.o.

Audit firm:
KPMG Slovensko spol. s r.o.
License SKAU No. 96

Responsible auditor:
Ing. Peter Nemečkay
License UDVA No. 1054

Bratislava, 26 August 2022

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 31 MARCH 2022

	Note	31.03.2022 EUR	31.03.2021 EUR
Assets			
Non-current assets			
Property, plant and equipment	4	5 154 264	5 291 643
Intangible assets		174 777	129 589
Prepaid expenses		12 890	17 102
Deferred tax asset	5	232 338	166 299
		5 574 269	**5 604 633**
Current assets			
Inventories	6	11 752 870	14 768 100
Trade and other receivables	7	2 797 722	2 079 114
Loan receivable		9 843 242	0
Prepaid expenses		92 823	104 792
Cash	8	608 483	1 187 106
		25 095 140	**18 139 112**
TOTAL ASSETS		**30 669 409**	**23 743 745**
Equity			
Share capital	9	7 029 345	7 029 345
Share premium		169 023	169 023
Legal reserve fund	10	802 517	802 517
Other capital funds	10	24 246	24 246
Retained earnings	10	11 195 781	9 687 918
Total equity		**19 220 912**	**17 713 049**
Liabilities			
Non-current liabilities			
Other non-current liabilities	12	741 725	517 604
		741 725	**517 604**
Current liabilities			
Trade and other payables	12	10 162 048	4 665 859
Loans and borrowings	11	0	755 877
Provisions	13	247 842	64 914
Income tax payable		296 882	26 442
		10 706 772	**5 513 092**
TOTAL EQUITY AND LIABILITIES		**30 669 409**	**23 743 745**

The notes on pages 10 to 33 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2022

	Note	FY2021 EUR	FY2020 EUR
Revenue from merchandise sold	*14*	59 945 102	36 492 655
Revenue from services	*16*	4 735 983	4 297 174
Revenue from contracts with customers		**64 681 085**	**40 789 829**
Other income		125 038	192 179
Cost of merchandise sold	*15*	(52 998 587)	(32 408 504)
Consumption of material and energy	*17*	(2 237 434)	(1 962 129)
Services	*19*	(2 601 909)	(1 947 203)
Advertising		(575 860)	(438 335)
Personnel expenses	*18*	(3 966 482)	(3 591 857)
Depreciation and amortisation expenses	*4*	(327 953)	(317 280)
Other expenses		(189 851)	(236 237)
Result from operating activities		**1 908 047**	**80 463**
Interest expense		(1 094)	(22 868)
Other finance costs		(20 575)	(18 097)
Total finance costs	*20*	**(21 669)**	**(40 965)**
Profit / (loss) before tax		**1 886 378**	**39 498**
Income tax	*21*	(272 515)	66 583
Profit / (loss) for the period		**1 613 863**	**106 081**
Total comprehensive income for the period		**1 613 863**	**106 081**

Note: Financial year ended 31 March 2022 is referred as „FY2021" and financial year ended 31 March 2021 is referred as „FY2020".

The notes on pages 10 to 33 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2022

	Share capital EUR	Share premium EUR	Legal reserve fund EUR	Other capital funds EUR	Retained earnings EUR	Total EUR
At 31 March 2020	**7 029 345**	**169 023**	**802 517**	**24 246**	**9 581 837**	**17 606 968**
Profit for the year	-	-	-	-	106 081	106 081
Dividends paid	-	-	-	-	-	-
At 31 March 2021	**7 029 345**	**169 023**	**802 517**	**24 246**	**9 687 918**	**17 713 049**
						-
Profit for the year	-	-	-	-	1 613 863	1 613 863
Dividends paid	-	-	-	-	(106 000)	(106 000)
At 31 March 2022	**7 029 345**	**169 023**	**802 517**	**24 246**	**11 195 781**	**19 220 912**

The notes on pages 10 to 33 form part of these consolidated financial statements.

Summit Motors Slovakia, spol. s r.o.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022

	Note	FY2021 EUR	FY2020 EUR
Profit before tax		**1 886 378**	**39 498**
Cash flows from operations			
Adjustments for non-cash items:			
Depreciation and amortization		327 953	317 280
Gain on sale of non-current assets		-	-
Interest expenses		1 094	22 868
Interest income		-	-
Increase/(decrease) in provisions		182 927	(249 152)
Change in impairment allowance		41 461	205 264
Other		-	-
Operating profit before changes is working capital		**2 439 813**	**335 758**
Change in working capital			
Increase in inventories		2 973 768	1 236 403
Decrease/(increase) in trade receivables, other receivables and prepaid expenses		(993 667)	(360 354)
Decrease in trade and other payables		5 990 751	57 621
		10 410 665	**1 269 428**
Interest paid		-	-
Interest received		-	-
Income tax paid, net		(47 313)	-
Net cash flows from operating activities		**10 363 352**	**1 269 428**
Cash flows from investing activities			
Acquisition of property, plant and equipment		(169 888)	(38 659)
Acquisition of intangible assets		(65 874)	(58 802)
Provided loans		(10 600 213)	(9 013 771)
Proceeds from sale of property, plant and equipment		-	-
Net cash flows from investing activities		**(10 835 975)**	**(9 111 232)**
Cash flows from financing activities			
Dividends paid		(106 000)	-
Net cash flows from financing activities		**(106 000)**	-
Net increase/(decrease) of cash and cash equivalents		(578 623)	(7 841 804)
Cash and cash equivalents at the beginning of the year		1 187 106	9 028 910
Cash and cash equivalents at the end of the year	8	**608 483**	**1 187 106**

Note: Financial year ended 31 March 2022 is referred as „FY2021“ and financial year ended 31 March 2021 is referred as „FY2020“.

The notes on pages 10 to 33 form part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

1 GENERAL INFORMATION

General
Summit Motors Slovakia, spol. s r.o. ("the Company") was established on 15 May 2002 and registered in the Commercial Register on 30 May 2002 (Commercial Register of the District Court Bratislava I., Section Sro., file 26651/B). The identification number of the Company (IČO) is 35 837 331, and the tax identification number (DIČ) is SK 202 024 7900.

The Company Summit Motors Slovakia, spol. s r.o. is a subsidiary of SUMITOMO CORPORATION EUROPE LIMITED, London, United Kingdom of Great Britain and Northern Ireland which owns 60% of its share capital.

The Company owns 100% of the share capital of Summit Motors Bratislava, spol. s r.o., established in November 2004, which has its registered office at Tuhovská 9, Bratislava.

The consolidated financial statements for the year ended 31 March 2022, comprise the financial statements of the Company and those of its subsidiary, Summit Motors Bratislava, spol. s r.o. (together referred as the "Group" and individually as "Group entities").

The financial statements of Group entities are included in the consolidated financial statements of SUMITOMO CORPORATION EUROPE HOLDING LIMITED, London, United Kingdom of Great Britain and Northern Ireland. These consolidated financial statements are available at the parent company's registered office at Vintners Place, 68 Upper Thames Street, London.

SUMITOMO CORPORATION prepares consolidated financial statements for the whole Group. These consolidated financial statements are available at the company's registered office 8-11, Harumi 1-chome, Chou-ku, Tokyo, Japan. The address of the registration court maintaining the Commercial Register in which these consolidated financial statements are filed is Kudan, Dai-ni Godochosha, 1-1-15, Kudan Minami, Chiyoda-ku Tokyo, 102-8225, Japan.

The Group entities are not partners with unlimited liability in other companies according to Article 56 (5) of the Commercial Code.

Name and registered office
Summit Motors Slovakia, spol. s r.o.
Tuhovská 9
Bratislava 831 07

Principal activities:
- import and wholesale of Ford motor cars in Slovakia,
- motor car leases,
- motor car repairs.

Employees

In FY2021, the average number of employees of the Group was 99, of which were 3 managers (in FY2020 it was 100, of which 4 managers).

Statutory representatives
During the year ended 31 March 2022, the statutory representatives of the Company were:
- Hideto Asada
- Yuki Ura

Date of authorization of the consolidated financial statements for issue
These consolidated financial statements have been prepared as at and for the year ended 31 March 2021 and were authorized for issue by the Company's statutory body on 22 October 2021.

Information on shareholders
The Company's shareholders and their ownership interest in share capital as of 31 March 2022 and 31 March 2021 are shown in the table below:

	Ownership interest in share capital		Voting rights
	EUR	%	%
Sumitomo Corporation, Japan	2 811 738	40%	40%
SUMITOMO CORPORATION EUROPE LIMITED, United Kingdom	4 217 607	60%	60%
Total	**7 029 345**	**100%**	**100%**

2 BASIS OF PREPARATION

a) Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS/EU").

These consolidated financial statements have been prepared as "ordinary consolidated financial statements" in accordance with Article 22 of Slovak Act No. 431/2002 Coll. on Accounting for the accounting period from 1 April 2021 to 31 March 2022.

These consolidated financial statements indicate the current financial year ended 31 March 2022 as a year FY2021 and the preceding financial year ended 31 March 2021 as a year FY2020.

b) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis.

c) Functional and presentation currency

These consolidated financial statements are presented in euro, which has been the Group's functional currency. All financial information presented in euros is rounded to the nearest euro, unless otherwise indicated.

d) Use of estimates and judgements

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis and are based on management experience and other events including expected future events. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

There are no significant areas of assumptions and estimation uncertainty in applying accounting policies that would have the significant effect on the amounts recognised in the financial statements.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to both periods presented in these consolidated financial statements.

a) Basis of consolidation

Subsidiaries
Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Transactions eliminated on consolidation
Intra-group transactions and balances and any unrealised gains or losses on intra-group transactions are eliminated when preparing the consolidated financial statements.

b) Foreign currency

Transactions in foreign currencies are translated into euro at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to euro at the exchange rate ruling at that date. Gains and losses arising on translation are recognised in profit or loss.

c) Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost comprises expenses that are directly attributable to the acquisition of property, plant and equipment.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Subsequent expenditure incurred after the asset is put in use are capitalised only in cases when it is probable that there will be additional future economic benefits for the Group and these expenses can be reliably measured. Expenses for repairs and maintenance are included in profit or loss as incurred.

Substantial technical improvements are capitalised if it is probable that these can be reliably matched with future economic benefits for the Group.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Depreciation commences when the asset is available for use intended by management. Land is not depreciated. The estimated useful lives are as follows:

Type of asset	*Estimated useful life*	*Annual depreciation rate*
Buildings	20/40 years	5% - 2.5%
Assembled structures	12 years	8.3%
Machinery and equipment	4, 6, 12 years	8.3%; 16.7%; 25%
Vehicles	4 years	31.2%, 6.4%
Low-valued fixed assets – depreciated	3-5 years	20 – 33 %
Low-valued fixed assets – recorded	various	100%

Vehicles are depreciated in the first three years 31.2% and in the last year 6.4%.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

d) Intangible assets

Intangible assets are measured at cost less accumulated amortisation and impairment losses. Cost comprises expenses that are directly attributable to the acquisition of non-current intangible assets.

Subsequent expenditure incurred after the asset is put in use are capitalised only in cases when it is probable that there will be additional future economic benefits for the Group and these expenses can be reliably measured.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of intangible assets. The amortisation commences when the asset is available for use. The estimated useful lives are as follows:

Type of asset	*Estimated useful life*	*Annual depreciation rate*
Software	5 years	20.0 %
Low-valued intangible fixed assets	various	100%

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

e) Leasing

Operating lease – the Group as a lessee

At inception of a contract, the Group assesses whether a contract is, or contains, lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group considers a contract to be a lease in case that all following conditions are met:
- the contract involves the use of an identified asset, this may be specified explicitly or implicitly, and
- the Group has the right to obtain substantially all of the economic benefits from use of asset, and
- the Group has the right to direct the use of the asset.

At inception and subsequent reassessment of a contract that contains a lease and non-lease component, the Group allocates the consideration in the contract to each lease component on a pro rata basis and on the total value of the non-lease components if agreed separately and on the total value of the non-lease components if agreed separately.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability, any lease payments made at or before the commencement date, any initial direct costs incurred less adjusted for any lease incentives received. In determining the lease term, the Group considers the length of the lease term and early termination or extension option of contract. In assessing the likelihood of exercise extension or early termination option of lease term, the Group considers all relevant facts and circumstances that provide economic impulse to exercise (not exercise) those options. The period by which the contract can be extended (or period which follows after early termination option of contract) will be included in the lease term only if the Group is sufficiently certain that the extension will be exercised.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. If the lease contains transfer of ownership or call option, the right-of-use asset is depreciated using the straight-line method during the useful life of the asset. Depreciation begins on the date of commencement of the lease. The impairment assessment of the right-of-use asset is described in accounting policy i) ii. below.

The lease liability is initially measured on the date when the leased asset is made available to the lessee (the lease commencement date). The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Group's incremental borrowing rate. Group's incremental borrowing rate was determined based on available financial information relating to the Group. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero (so that the final right-of-use asset will amount to zero).

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases for all types of leases that have a lease term of 12 months or less. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term. The Group has also elected not to recognise right-of-use assets and lease liabilities for contracts where the value of the leased asset is below EUR 5 000. The estimated value of asset is based on the assumption that the asset is new. If the value of the asset cannot be reliably measured, the optional exception is not applied.

f) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average cost method, and the cost includes the purchase price and related other costs incurred in bringing them to their existing location and condition.

Net realisable value is the estimated selling price less the estimated costs necessary to make the sale. The company classifies the company cars, which are in use below 12 months, under Inventory caption from FY2020.

g) Financial instruments

i. Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

ii. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:
— it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
— its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The financial assets at amortised cost consist of trade and other receivables, cash and cash equivalents, and intercompany loan.

Financial assets – Business model assessment
The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:
— the stated policies and objectives for the portfolio and the operation of those policies in practice.

These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
— how the performance of the portfolio is evaluated and reported to the Group's management;
— the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
— how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
— the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest
For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:
— contingent events that would change the amount or timing of cash flows;
— terms that may adjust the contractual coupon rate, including variable-rate features;
— prepayment and extension features; and
— terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

iii. Financial assets – Subsequent measurement and gains and losses

Financial assets at amortized costs
These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

iv. Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

v. Derecognition

Financial assets
The Group derecognises a financial asset when:
— the contractual rights to the cash flows from the financial asset expire; or
— it transfers the rights to receive the contractual cash flows in a transaction in which either:
-- substantially all of the risks and rewards of ownership of the financial asset are transferred; or
-- the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Financial liabilities
The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

vi. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

h) Cash and cash equivalents

Cash and cash equivalents include petty cash, bank accounts repayable on demand, and other highly liquid assets with a maturity of less than three months. Cash and cash equivalents are stated at nominal value.

i) Impairment of assets

i. Financial assets

The Group recognises loss allowances for ECLs on:

- Financial assets measured at amortized costs.

The Group measures loss allowances for trade receivables at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment, including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realizing security (if any is held); or
- the financial asset is more than 90 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

ECLs are not discounted as they don't include any significant financial component.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:
— significant financial difficulty of the debtor;
— a breach of contract such as a default or being more than 90 days past due;
— the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise; or
— it is probable that the debtor will enter bankruptcy or other financial reorganisation.

Presentation of allowance for ECL

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets in the statement of financial position.

Impairment losses related to trade and other receivables are recognized in profit and loss.

Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

ii. Non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, 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 or CGU.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

Impairment losses are recognised directly in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

j) Employee benefits

Short-term employee benefits
Short-term employee benefits obligations are measured on an undiscounted basis and are expensed as the related service is provided by the employee. A provision is recognised for the amount expected to be paid under short-term cash bonus if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined contribution pension plan
The Group contributes to the government defined contribution pension plans. The Group makes contributions to the obligatory health, sickness benefit, retirement benefit, accident insurance and also contributions to the guarantee insurance and unemployment schemes at the statutory rates in force during the year, based on gross salary payments.

k) Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, or in other comprehensive income.

i. Current tax
Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustments to the tax payable in respect of previous years.

ii. Deferred tax
Deferred tax is calculated using the balance sheet liability method, on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes and tax losses carried forward. Temporary differences relating to the initial recognition of assets or liabilities in a transaction that is not a business combination and that affect neither accounting nor taxable profit are not considered. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax assets and liabilities are offset only if certain criteria are met.

l) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting the obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

m) Revenue

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognizes revenue when it transfers control over a product or service to a customer.

New motors and old motor vehicle sales

The Group recognizes the revenue from sale of new cars as well as sale of use cars, when the control passes to its customers, which is determined based on the acceptance date of take over from the customer. The controls over cars passes usually at a point the cars are given available to the customer or when the transportation is completed to the customer.

For some contracts for new motors vehicle sales the amount invoiced to customer may include two separate performance obligations - sale of car and extended service. In such case, the amount on invoice is split to the two separate performance obligations based on proportion of the standalone selling prices that are determined using costs plus margin method. The revenue from extended service is recognized as a contract liability (within long term other operating liabilities – refer to Note 12) and recognized to revenue when the performance obligation is fulfilled.

Some old motor vehicles are used by the Group prior to the sale to final customers temporarily. Such sales and cost of sales are presented within linesRevenues and Costs of merchandise sold.

Sale of spare parts

The Group recognizes the revenue from sale spare parts, when the control passes to its customers, which is determined based on the delivery to the customer. The controls over spare parts passes usually at a point the spare parts is delivered to the customer or is installed within the repair services and repair service is completed.

Repair, technical inspections and service control

The Group recognize revenues from repair, technical inspections and service control (together also maintenance) at a point in time when the service is completed and the the car subject to service is accepted by the customers, as the customer consumes the benefit from the service once the service is completed.

The transaction price of sale of new motor vehicle, sale of old motor vehicles and sale of maintanance may include future discounts that are granted to the customers. Management determines these discounts and recognise them when is it highly probable the discount will be granted. The discount is presented as contract liabilities – refer to Note 12 Trade and other payables.

Revenues and related cost of sales from sale of own and demo cars are presented within Revenues and Costs of merchandise sold.

n) Net finance costs

Finance income and expenses comprise interest expense on loans, interest income from cash pooling activities and foreign exchange gains and losses.

Interest income and expense are recognised in profit of loss as they accrue, using the effective interest method.

o) Adoption of new standards and interpretations

As of 1 April 2021, the Group initially applied the following new standards and interpretations:

Amendments to IFRS 16 Leases COVID-19 - Related rent concessions

Effective for annual periods beginning on or after 1 June 2020. Earlier application is permitted, including in financial statements not authorised for issue at 28 May 2020.

The amendments introduce an optional practical expedient that simplifies how a lessee accounts for rent concessions that are a direct consequence of COVID-19. A lessee that applies the practical expedient is not required to assess whether eligible rent concessions are lease modifications, and accounts for them in accordance with other applicable guidance. The resulting accounting will depend on the details of the rent concession. For example, if the concession is in the form of a one-off reduction in rent, it will be accounted for as a variable lease payment and be recognised in profit or loss.

The practical expedient will only apply if:

- the revised consideration is substantially the same or less than the original consideration;
- the reduction in lease payments relates to payments due on or before 30 June 2021; and
- no other substantive changes have been made to the terms of the lease.

The Adoption of the amendments, on initial application has no impact on the consolidated financial statements of the Group because the Group does not account for COVID-19 – related lease discounts.

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform - Phase 2 (issued on 27 August 2020)

Effective for annual periods beginning on or after 1 January 2021. Early application is permitted.

The amendments address issues that might affect financial reporting once the existing interest rate benchmark is replaced.

The Adoption of the amendments have no material impact on its consolidated financial statements when initially applied.

Amendments to IFRS 16 Leases COVID-19 - Related rent concessions beyond 30 June 2021

Effective for annual reporting periods beginning on or after 1 April 2021. Earlier application is permitted, including in financial statements not authorised for issue at 31 March 2021.

The amendment provides an extension for practical expedient on COVID-19 related rent concessions permitting lessees to apply it to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022.

The Adoption of the amendments, when initially applied, have no material impact on the consolidated financial statements of the Group because the Group does not account for COVID-19 – related lease discounts.

p) New standards and interpretations not yet adopted

The following new Standards, amendments to Standards and Interpretations are not yet mandatorily effective for annual periods beginning on or after 1 April 2021, and have not been applied in preparing these consolidated financial statements. The Group plans to adopt these pronouncements when they become effective.

Standards and interpretations endorsed by the European Union

Amendments to IAS 16 Property, plant and equipment – Proceeds before intended Use

Effective for annual periods beginning on or after 1 January 2022. Earlier application is permitted.

The amendments to IAS 16 require that the proceeds from selling items produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended must be recognised, together with the cost of those items, in profit or loss and that the entity must measure the cost of those items applying the measurement requirements of IAS 2.

The amendments must be applied retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. The cumulative effect of initially applying the amendments will be recognised as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented (if necessary).

The Group does not expect the Amendments to have a material impact on its financial statements when initially applied.

Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets Onerous Contracts – Cost of Fulfilling a Contract

Effective for annual periods beginning on or after 1 January 2022 Early application is permitted.

In determining costs of fulfilling a contract, the amendments require an entity to include all costs that relate directly to a contract. Paragraph 68A clarifies that the cost of fulfilling a contract comprises both: the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts.

The Company should apply these amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the reporting period in which it first applies the amendments (date of first application). The Company will not adjust comparable information. Instead, at the date of the first application, it shall recognize the cumulative effect of the first application of the amendments as an adjustment to the opening balance of retained earnings or other equity items, according to a particular situation.

The Group does not expect the Amendments to have a material impact on its consolidated financial statements when initially applied.

Annual Improvements to IFRS Standards 2018 - 2020

Effective for annual periods beginning on or after 1 January 2022. Early application is permitted.

Amendment to IFRS 9 Financial Instruments
The improvements clarify that, when assessing whether an exchange of debt instruments between an existing borrower and lender are on terms that are substantially different, the fees to include together with the discounted present value of the cash flows under the new terms include only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

Amendment to Illustrative Examples accompanying IFRS 16 Leases
The improvements remove from illustrative Example 13 accompanying IFRS 16 reference to a reimbursement by the lessor to the lessee for leasehold improvements as well as an explanation of a lessee's accounting for such reimbursement.

Amendment to IAS 41 Agriculture
The improvements remove the requirement to use pre-tax cash flows to measure fair value of agriculture assets. Previously, IAS 41 had required an entity to use pre-tax cash flows when measuring fair value but did not require the use of a pre-tax discount rate to discount those cash flows.

The Group does not expect the Amendments to have a material impact on its consolidated financial statements when initially applied.

Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors

Effective for annual periods beginning on or after 1 January 2023. Early application is permitted.

The amendments introduce a definition of "accounting estimates" and include additional amendments to IAS 8 that clarify how to distinguish changes in accounting policies from changes in estimates. The distinction is important because changes in accounting policies are generally applied retrospectively, while changes in estimates are recognized in the period in which the change occurs.

The Group does not expect the Amendments to have a material impact on its consolidated financial statements when initially applied.

Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgments

Effective for annual periods beginning on or after 1 January 2023. Early application is permitted.

The amendments to IAS 1 require companies to disclose their significant accounting policies and not their significant accounting policies.

The Group does not expect the Amendments to have a material impact on its consolidated financial statements when initially applied.

Standards and interpretations not yet adopted by the European Union

Amendments to IAS 1 Presentation of Financial Statements Classification of Liabilities as Current or Non-current - deferment of effect (issued on 23 January 2020 and 15 July 2020)

Effective for annual periods beginning on or after 1 January 2023. Early application is permitted.

The amendments affect only the presentation of liabilities in the statement of financial position. The amendments clarify that the classification of liabilities as current or non-current shall be based solely on the Entity's right to defer settlement at the end of the reporting period. The Company's right to defer settlement for at least 12 months from the reporting date need not be unconditional but must have substance.

The classification is not affected by management's intentions or expectations about whether and when the Entity will exercise its right. The amendments also clarify the situations that are considered settlement of a liability.

The Group does not expect the Amendments to have a material impact on its consolidated financial statements when initially applied.

Amendments to IAS 12 Income Taxes Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendment is effective for annual periods beginning on or after 1 January 2023, early application is permitted.

The amendments narrow the scope of the initial recognition exemption (IRE) to exclude transactions that give rise to equal and offsetting temporary differences – e.g. leases and decomissioning liabilities. For leases and decomissioning liabilities, the associated deferred tax assets and liabilities will need to be recognised from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. For all other transactions, the amendments apply to transactions that occur after the beginning of the earliest period presented.

The Company expects that the amendment, when initially applied, will not have a material impact on the presentation of the financial statements of the Company, as the Company has no decommissioning liability and the amount of lease liabilities is not material.

Amendments to IFRS 10 and IAS 28 Sale or contribution of assets between an investor and its associate or joint venture

Effective date deferred indefinitely. Available for optional adoption in full IFRS financial statements. The European Commission decided to defer the endorsement indefinitely, it is unlikely that it will be endorsed by the EU in the foreseeable future.

The Amendments clarify that in a transaction involving an associate or joint venture, the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business, such that:

- a full gain or loss is recognised when a transaction between an investor and its associate or joint venture involves the transfer of an asset or assets which constitute a business (whether it is housed in a subsidiary or not), while
- a partial gain or loss is recognised when a transaction between an investor and its associate or joint venture involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

The Group expects that the amendments, when initially applied, will have no material impact on its consolidated financial statements, as the Group does not have any associates or joint ventures.

4 PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Machinery and equipment	Acquisition of property, plant and equipment	Advance payments made for property, plant and equipment	Total
	EUR	EUR	EUR	EUR		EUR
Acquisition costs						
1 April 2020	1 306 048	8 202 650	3 406 828	-	-	12 915 526
Additions	-	-	38 659	-	-	38 659
Disposals	-	-	-	-	-	-
Transfers*	-	-	(1 934 958)	-	-	(1 934 958)
31 March 2021	**1 306 048**	**8 202 650**	**1 510 529**	-	-	**11 019 226**
1 April 2021	1 306 048	8 202 650	1 510 529	-	-	11 019 227
Additions	-	52 323	103 879	-	-	156 202
Disposals	-	-	(20 580)	-	-	(20 580)
Transfers	-	-	-	-	-	-
31 March 2022	**1 306 048**	**8 254 973**	**1 593 828**	-	-	**11 154 850**
Accumulated depreciation and impairment losses						
1 April 2020	-	**4 244 179**	**1 423 597**	-	-	**5 667 776**
Depreciation for the year	-	221 832	95 448	-	-	317 280
Disposals	-	-	-	-	-	-
Transfers*			(257 473)			(257 473)
31 March 2021	-	**4 466 011**	**1 261 572**	-	-	**5 727 583**
1 April 2021	-	4 466 011	1 261 572	-	-	5 727 583
Depreciation for the year	-	222 144	71 439	-	-	293 583
Disposals	-	-	(20 580)	-	-	(20 580)
Transfers			-			-
31 March 2022	-	**4 688 155**	**1 312 431**	-	-	**6 000 586**
Net book value						
1 April 2020	**1 306 048**	**3 958 471**	**1 983 231**	-	-	**7 247 750**
31 March 2021	**1 306 048**	**3 736 639**	**248 957**	**0**	**0**	**5 291 643**
31 March 2022	**1 306 048**	**3 566 818**	**281 397**	**0**	**0**	**5 154 264**

*The carrying amount of Company cars used by employees of the Group for a period up to 12 months were transferred on 1 April 2020 to inventories. The amount transferred was included in the cash flows statement within changes in inventories.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

	Land	Buildings	Machinery and equipment	Acquisition of property, plant and equipment	Advance payments made for property, plant and equipment	Total
	EUR	EUR	EUR	EUR		EUR
Acquisition costs						
1 April 2019	1 501 048	8 778 251	4 559 077	-	-	14 838 376
Additions	-	43 687	8 827 851	-	-	8 871 539
Disposals	(195 000)	(619 288)	(9 980 101)	-	-	(10 794 389)
Transfers	-	-	-	-	-	-
31 March 2020	**1 306 048**	**8 202 650**	**3 406 828**	-	-	**12 915 526**
1 April 2020	1 306 048	8 202 650	3 406 828	-	-	12 915 526
Additions	-	-	38 659	-	-	38 659
Disposals	-	-	-	-	-	-
Transfers	-	-	(1 934 958)	-	-	(1 934 958)
31 March 2021	**1 306 048**	**8 202 650**	**1 510 529**	-	-	**11 019 226**
Accumulated depreciation and impairment losses						
1 April 2019	-	4 140 957	1 440 836	-	-	5 581 793
Depreciation for the year	-	238 468	5 157 868	-	-	5 396 336
Disposals	-	(135 246)	(5 175 107)	-	-	(5 310 353)
31 March 2020	-	**4 244 179**	**1 423 597**	-	-	**5 667 776**
1 April 2020	-	**4 244 179**	**1 423 597**	-	-	**5 667 776**
Depreciation for the year	-	221 832	95 448	-	-	317 280
Disposals	-	-	-	-	-	-
Transfers			(257 473)			(257 473)
31 March 2021	-	**4 466 011**	**1 261 572**	-	-	**5 727 583**
Net book value						
1 April 2019	**1 501 048**	**4 637 294**	**3 118 241**	-	-	**9 256 583**
31 March 2020	**1 306 048**	**3 958 471**	**1 983 231**	**0**	**0**	**7 247 750**
31 March 2021	**1 306 048**	**3 736 639**	**248 957**	**0**	**0**	**5 291 643**

5 DEFERRED TAX ASSET

Deferred tax asset is attributable to the following:

	31.03.2022			31.03.2021		
	Assets EUR	Liabilities EUR	Net EUR	Assets EUR	Liabilities EUR	Net EUR
Property, plant and equipment	1 270	(316 400)	(315 130)	53 106	(265 471)	(212 365)
Inventories	82 859	-	82 859	21 429	-	21 429
Provisions	415 574	-	415 574	278 879	-	278 879
Receivables	459	-	459	511	-	511
Tax losses carried forward	48 576	-	48 576	77 846	-	77 846
Deferred tax asset	**548 738**	**(316 400)**	**232 338**	**431 770**	**(265 471)**	**166 299**

	31.03.2022 EUR	31.03.2021 EUR
Balance at the beginning of the period - asset	166 299	40 500
Recognised as expense (Note 21)	66 039	125 799
Balance at the end of the period - asset	**232 338**	**166 299**

Deferred tax asset was calculated using the corporate income tax rate of 21%.

6 INVENTORIES

	31.03.2022 EUR	31.03.2021 EUR
New vehicles	7 021 888	10 148 284
Used cars	2 691 844	2 087 803
Spare parts	983 459	1 035 832
Company cars	1 055 679	1 496 181
Total	**11 752 870**	**14 768 100**

In FY 2020 the Group reclassified own company cars to inventories which are usually sold within one year from registration.

Spare parts stock represent merchandise for sale and for consumption in own workshop.

New vehicles are stored by a third party who has full responsibility for any loss or damage. Used cars risks are covered by inventory insurance contract. Spare parts are insured up to their net book value. Company cars are fully covered by standard KASKO (accident) insurance.

The movement in the provision for impairment of inventories during accounting period is as follows:

	31.03.2022 EUR	31.03.2021 EUR
As of 1 April	338 303	126 885
Creation	319 122	312 042
Release	(262 860)	(100 623)
As of 31 March	**394 566**	**338 303**

Creation and reversal of impairment allowance are recognised in cost of sales. Inventory was written down mainly due to expected market value of vehicles and spare parts being below their carrying amount as a reaction to pending pandemic situation.

7 TRADE AND OTHER RECEIVABLES

	31.03.2022 EUR	31.03.2021 EUR
Trade receivables	2 106 074	1 294 459
Accrued income	462 309	393 991
Other receivables	231 525	393 096
	2 799 908	*2 081 546*
Value adjustment to receivables	(2 186)	(2 432)
Total	**2 797 722**	**2 079 114**

Movement of value adjustment during the accounting period:

	31.03.2022 EUR	31.03.2021 EUR
Balance at the beginning of the year	2 432	8 586
Value adjustment to receivables, net	(246)	(6 154)
Balance at the end of the year	**2 186**	**2 432**

All trade and other receivables are in EUR currency.

Information about the Group's exposure to credit and market risks, and impairment losses for trade receivables is included in Note 26 Financial risk management.

8 CASH AND CASH EQUIVALENTS

	31.03.2022 EUR	31.03.2021 EUR
Bank accounts	578 113	1 171 853
Petty cash	23 085	7 819
Stamps and vouchers	7 285	7 435
	608 483	**1 187 106**

9 SHARE CAPITAL

	31.03.2022 EUR	31.03.2021 EUR
Registered in the Commercial Register, subscribed and fully paid	**7 029 345**	**7 029 345**

10 RESERVES FUNDS, FUNDS CREATED FROM PROFIT AND THE PROFIT/LOSS FOR THE ACCOUNTING PERIOD

	Legal reserve fund EUR	Other capital funds EUR	Retained earnings EUR	Total EUR
At 31 March 2020	**802 517**	**24 246**	**9 581 837**	**10 408 600**
Profit for the year	-	-	106 081	106 081
Dividends paid	-	-	-	-
At 31 March 2021	**802 517**	**24 246**	**9 687 918**	**10 514 681**
Profit for the year	-	-	1 613 863	1 613 863
Dividends paid	-	-	(106 000)	(106 000)
At 31 March 2022	**802 517**	**24 246**	**11 195 781**	**12 022 543**

Under the Slovak Commercial Code, all companies are required to maintain a legal reserve fund to cover losses. The Group entities are obliged to contribute an amount to the fund each year which is not less than 5 % of their annual net profit (based on statutory financial statements prepared in accordance with Slovak accounting regulations) until the fund's balance reaches 10% of registered share capital. The legal reserve fund is not intended for distribution to the owners. The legal reserve fund has already attained the limit stipulated by the legislation as of 31 March 2022 and 31 March 2021, respectively.

Other capital funds
Other capital funds can be used for distribution to owners or for an increase of share capital based on decision of annual general meeting.

11 LOANS AND BORROWINGS

Overview of received loans and borrowings is given in the following table:

In EUR

	Currency	Current interest	Maturity	31.03.2022	31.03.2021
Loans and borrowings					
SUMITOMO CORPORATION EUROPE LIMITED	EUR	0.448%-0.495%	30 June 2023	-	755 877
				-	**755 877**

The fair value of current loans and borrowings approximates their carrying amount, as the impact of discounting is not significant. The fair values are based on cash flows discounted using a rate based on the risk-adjusted discount rates and are within level 2 of the fair value hierarchy.

A loan in the amount of EUR 0 (31.3.2021: EUR 755 877) represents a cash management system into which the Group entered through Citibank with its parent company SUMITOMO CORPORATION EUROPE LIMITED. The credit limit is set to the amount of EUR 36 000 000. The interest rate is linked to EURIBOR, plus 1,05% p.a. and during the year ended 31 March 2022, the range was between 0,448% and 0,495%. The purpose of the loan is new cars inventory financing. The maturity date is not specified, the contract is renewed automatically by one year (as at 30 June).

As at 31.03.2022 the Group was in receivables position on its cashpooling account (+ EUR 9 843 242). Positive amounts on cashpooling account did not bear any interest during FY 2021, since EURIBOR base rates were negative.

12 TRADE AND OTHER PAYABLES

	31.03.2022 EUR	31.03.2021 EUR
Long-term contract liability - Free service	685 742	453 253
Other non-current liabilities	55 983	64 351
Total Long-term liabilities	**741 725**	**517 604**
Trade payables	7 666 766	3 233 486
Value added tax liability	1 195 717	627 887
Employee liabilities	501 139	125 489
Bonuses	134 308	109 115
Untaken vacation pay	206 568	95 845
Short-term contract liability - Customer discounts	74 336	338 309
Other liabilities	271 022	44 147
Liabilities from social insurance	112 194	91 582
Total Short-term liabilities	**10 162 048**	**4 665 859**
Total liabilities	**10 903 774**	**5 183 464**

Discounts are provided to customers after exceeding stated annual turnover. These discounts relate to performance obligation – revenue from maintenance services.

Information about the Group's exposure to currency and liquidity risks is included in Note 26 Financial risk management. Substantially all trade and other payables are in EUR currency.

Trade payables are not secured by a lien or other collateral.

Trade payables according to their maturity as of 31 March 2022 are presented in the table below:

Item	within maturity period	Less than 360 days overdue	More than 360 days Overdue	Total
Trade payables	7 503 358	163 408	-	7 666 766

Trade payables according to their maturity as of 31 March 2021 are presented in the table below:

Item	within maturity period	Less than 360 days overdue	More than 360 days Overdue	Total
Trade payables	3 223 644	9 843	-	3 233 487

Social fund is due from 1 to 5 years. Other payables are within maturity period and payable within one year.

The average due date on purchases of material, merchandise and services is 30 days. The Group's main supplier is the Ford Motor Company. All conditions with Ford were agreed at the group level, and Sumitomo Corporation Japan provides a guarantee to Ford for the trade payables of the Group.

Social fund:

	31.03.2022 EUR	31.03.2021 EUR
As of 1 April	64 351	63 533
Creation	12 773	11 905
Drawing	(21 141)	(11 087)
As of 31 March	**55 983**	**64 351**

13 PROVISIONS

	1 April 2021 EUR	Creation EUR	Use/ release EUR	31 March 2022 EUR
Bank guarantee fee	20 109	8 371	20 109	8 371
Maintenance services discounts	8 739	-	4 430	4 309
Services	3 000	5 428	3 000	5 428
Dealer network support programm	-	200 000	-	200 000
Other	33 066	29 734	33 066	29 734
Provisions total	**64 914**	**243 533**	**60 605**	**247 842**

Provision for services includes provision for the costs of legal services in such cases where the Group withdrew from debt collection.

The balance of other provisions represents mainly provision for guarantee maintenance of used cars in the amount of EUR 24 800 (31 March 2021: EUR 24 962).

14 SALES OF MERCHANDISE

In the following table, revenue from contracts with customers related to sales of merchandise is disaggregated by major categories.

	FY 2021	FY 2020
	EUR	EUR
Sale of new vehicles	43 164 310	24 599 033
Sale of used cars	7 666 454	3 686 599
Sale of company cars	3 045 517	3 087 499
Sale of spare parts	6 068 821	5 119 523
	59 945 102	**36 492 655**

15 COST OF MERCHANDISE SOLD

	FY 2021	FY 2020
	EUR	EUR
Cost of sales of new vehicles	-38 580 932	-22 024 405
Cost of sales of used cars	-7 056 302	-3 501 715
Cost of sales of company cars	-2 912 288	-3 251 282
Cost of sales of spare parts	-4 449 065	-3 631 102
	-52 998 587	**-32 408 504**

16 SALE OF SERVICES

In the following table, revenue from contracts with customers related to services provided is disaggregated by major service lines.

	FY 2021	FY 2020
	EUR	EUR
Repairs, technical inspections, service controls	3 116 094	2 800 899
Warranties claimed from Ford Motor Company	1 467 577	1 332 420
Other	152 312	163 855
	4 735 983	**4 297 174**

17 MATERIAL AND ENERGY CONSUMPTION

In the following table, costs for material and energy consumption is disaggregated by major categories.

	FY 2021	FY 2020
	EUR	EUR
Material	-2 025 383	-1 793 219
Electricity	-114 956	-76 661
Gas	-92 651	-83 873
Watter	-4 444	-8 376
	-2 237 434	**-1 962 129**

18 PERSONNEL COSTS

	FY 2021	FY 2020
	EUR	EUR
Wages and salaries	-2 876 277	-2 645 772
Social and healt insurance	-965 327	-908 597
Other social expenses	-124 878	-37 488
Total	**-3 966 482**	**-3 591 857**

In 2022 the average no. of employees has increased by 6% to 106.

Personnel costs include emoluments of key management personnel, as disclosed in note 24.

19 SERVICES

	FY 2021	FY 2020
	EUR	EUR
Warranties	-1 159 194	-998 315
Repairs and maintenance	-219 123	-160 586
Software and licences	-164 338	-141 895
Security	-108 298	-107 692
Warehouse services	-31 959	-105 034
Experts and advisory services	-68 640	-100 466
Audit	-44 220	-47 526
Other services	-806 137	-285 690
Total	**-2 601 909**	**-1 947 203**

Services also include the costs of the audit of the individual statutory financial statements of the Company and its subsidiary and the audit of the consolidated financial statements of the Group in the amount of EUR 44 220 (FY 2020: EUR 47 526). The audit company did not provide any other assurance or advisory services during the 12 months ending 31 March 2022.

20 FINANCE COSTS, NET

In EUR	FY 2021	FY 2020
Interest expenses	-1 094	-22 868
Interest income	-	-
Interest expenses, net	*-1 094*	*-22 868*
Foreign exchange losses, net	-	-
Other financial expenses	-20 575	-18 097
Other financial expenses, net	*-20 575*	*-18 097*
Finance costs, net	**-21 669**	**-40 965**
Of which:		
Finance income	-	-
Finance expenses	-21 669	-40 965

Interest expenses were paid to parent company. Other financial expenses represent mainly fees to local banks for customer payments by debit/credit cards.

21 INCOME TAX

	FY 2021	FY 2020
	EUR	EUR
Current tax expense:		
Period income tax charge	385 571	41 339
Period adjustments to income tax expense	-47 017	17 877
Deferred tax expense:	-66 039	-125 799
Total income tax expense	**272 515**	**-66 583**

Reconciliation of the effective tax rate

In euro	FY 2021	%	Income tax	FY 2020	%	Income tax
Profit / (Loss) before tax for the period	1 842 930			37 191		
Income tax using the Group's domestic tax rate		21%	387 015		21%	7 810
Tax effect of:						
Income not subject to tax	-2 169 198	21%	-455 532	-1 389 521	21%	-291 799
Tax non-deductible expenses	2 564 897	21%	538 628	1 951 758	21%	409 869
Tax losses claimed during the period	-402 573	21%	-84 540	-402 574	21%	-84 540
Income tax for prior period	-223 892	21%	-47 017	85 129	21%	17 877
Income tax (income) / expenses in profit or loss			**338 555**			**59 216**
Effective tax rate			**21%**			**159%**

Due to Group reporting deadline, the company accounted for tax expense for FR 2021 in the amount of EUR 338 thousand, and through adjustments of the new FR 2021 in the amount of EUR 47 thousand.

22 LEASES (Group as lessee)

During FY 2021, the Group concluded contracts on operational vehicle leasing with the company IMPULS LEASING, a.s. As of 31 March 2022, 4 contracts were active, while the value of the obligation resulting from the contract as of 31 March 2022 was EUR 5 thousand (FY 2020: nil)

23 CONTINGENT LIABILITIES

Uncertainties in tax legislation

Many parts of Slovak tax legislation (such as transfer pricing regulation) 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 Group.

24 INFORMATION ON PAYMENTS AND BENEFITS TO MEMBERS OF THE ACCOUNTING ENTITY'S STATUTORY BODIES, SUPERVISORY BODIES, OTHER BODIES AND KEY MANAGEMENT PERSONNEL

Emoluments (comprising short-term income: salaries and bonuses) granted to the statutory representatives and key management, consisting of 4 members, during the period from April 2021 until March 2022 amounted to EUR 154 thousand and other benefits represented amount EUR 11 thousand (FY 2020: EUR 281 thousand and EUR 28 thousand respectively, 4 members).

25 INFORMATION ON THE ACCOUNTING ENTITY'S TRANSACTIONS WITH RELATED PARTIES

The Group carried out the following transactions with related parties during the accounting period:

	FY 2021 EUR	FY 2020 EUR
Transactions with subsidiaries under the control of Sumimoto Corporation (revenue)	-	-
Transactions with subsidiaries under the control of Sumimoto Corporation (expenses)		
Service fees	172 514	120 256
Other operating expenses	8 371	20 109

Assets and liabilities arising from transactions with companies within the Group (sister accounting entities) are presented in the table below:

In euro	31 March 2022	31 March 2021
Loan receivable / (payable) (Note 11)	9 843 242	(755 877)

The Group enters into transactions with related parties on an arm's-length basis.

Sumitomo Corporation Japan has provided a guarantee for trade payables on behalf of the Group to Ford Motor Company.

26 FINANCIAL RISK MANAGEMENT

The Group has exposure to the following risks:
- credit risk
- market risk
- liquidity risk

The statutory representatives have overall responsibility for the establishment and oversight of the Group's risk management framework.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer fails to meet its contractual obligations and arises principally from the Group's receivables from customers.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer.

Approximately 60 % of the Group's sales are attributable to 15 main customers, car dealers, with whom it has long-term relationships. The management has established a credit policy under which each new car dealer is analysed individually for credit worthiness.

The remaining sales are attributable to retailers which comprise mainly reputable companies or other companies and individuals who pay cash in advance.

Bank accounts

The table below shows the balances of receivables from banks at the reporting date:

	31.03.2022 EUR	31.03.2021 EUR
Counterparty:		
ČSOB	608 483	1 187 106
Total bank accounts	**608 483**	**1 187 106**

The Group believes that these are low credit risk receivables to which the 12-month expected losses would be applied. Due to the insignificance, the Group did not recognise a provision for cash and cash equivalents.

Expected credit loss for customers

Management assess a credit risk grade for each customer and for every sales transaction. The financial receivables from sale of cars due from third party customers are historically paid within due date, whereby the risk is reduced to an acceptable low level. As the vast majority of third-party receivables are from sale of cars, the Group does not provide a split of receivable to different risk grades, but it provides the split of receivables by type of transaction.

Weighted average loss rate was calculated as 0% and therefore exposure to credit risk has been set as remote.

Ageing structure of not impaired gross trade receivables classified according to due date is presented in the table below:

	31.03.2022 EUR	31.03.2021 EUR
Within maturity period	2 672 072	1 921 258
Overdue 1-30 days	118 681	129 725
Overdue 31-90 days	2 981	14 059
Overdue 91-360 days	1 901	14 072
Overdue > 360 days	2 086	-
Total	**2 797 722**	**2 079 114**

As at 31.03.2022, trade receivables in default were in the amount of EUR 2 186 (31.03.2021: EUR 2 432).

The structure of trade receivables classified by subjects is presented in the table below:

	31.03.2022 EUR	31.03.2021 EUR
Wholesale customers	1 214 655	1 274 641
Others	534 399	388 344
Retail customers	1 048 668	416 129
Total	**2 797 722**	**2 079 114**

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates and share prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk.

The Group is not exposed to any significant market risks. The Group has no significant positions in foreign currency. The Group is not exposed to significant interest rate risks.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group manages its liquidity in order to secure sufficient disposable sources to be able to settle all its obligations due to be paid.

The structure of the Group's financial assets and liabilities classified according to their remaining maturity as of 31 March 2022 is presented in the table below:

31 March 2022

In EUR	< 1 month	1 - 3 months	3 -12 months	1 - 5 years	> 5 years	Without maturity	Total
Assets							
Cash and cash equivalents	608 483						**608 483**
Trade and other receivables	2 790 754	2 981	1 901	2 086			**2 797 722**
Loan receivable	9 843 242						**9 843 242**
Total assets	**13 242 479**	**2 981**	**1 901**	**2 086**	**-**	**-**	**13 249 447**
Liabilities							
Trade and other payables	10 113 607	47 925	516	-			**10 162 048**
Provisions	-		247 842				**247 842**
Loans and borrowings	-						**-**
Total liabilities	**10 113 607**	**47 925**	**248 358**	**-**	**-**	**-**	**10 409 890**
March 2022	**3 128 872**	**(44 944)**	**(246 457)**	**2 086**	**-**	**-**	**2 839 557**

Undiscounted cash flows of the financial assets and financial liabilities do not significantly differ from their remaining maturity.

The structure of the Group's assets and liabilities classified according to their remaining maturity as of 31 March 2021 is presented in the table below:

31 March 2021

In EUR	< 1 month	1 - 3 months	3 -12 months	1 - 5 years	> 5 years	Without maturity	Total
Assets							
Cash and cash equivalents	1 187 106						**1 187 106**
Trade and other receivables	1 921 258	129 725	14 059	14 072			**2 079 114**
Total assets	**3 108 364**	**129 725**	**14 059**	**14 072**	**-**	**-**	**3 266 220**
Liabilities							
Trade and other payables	4 644 247	8 629	12 983	-			**4 665 859**
Provisions			64 914				**64 914**
Loans and borrowings	-		755 877				**755 877**
Total liabilities	**4 644 247**	**8 629**	**833 774**	**-**	**-**	**-**	**5 486 650**
March 2021	**(1 535 883)**	**121 096**	**(819 715)**	**14 072**	**-**	**-**	**(2 220 430)**

27 Capital management

The Group defines the capital as its equity. The Group's policy is to build a strong capital base to sustain future development of the business. The Group's needs for the capital are primarily satisfied through loans and borrowings.

The Group monitors capital using a ratio of 'net debt' to 'equity'. Net debt is calculated as total liabilities (as shown in the consolidated statement of financial position) less cash and cash equivalents. Equity comprises all components of equity.

In EUR	*Note*	*31 March 2022*	*31 March 2021*
Total liabilities		-10 162 048	-6 030 697
Less cash and cash equivalents	*8*	608 483	1 187 106
Net debt		**9 553 565**	**-4 843 591**
Equity		**19 220 912**	**17 713 049**
Net debt to equity ratio		**50%**	**27%**

Refer also to Note 11.

28 FAIR VALUES

Fair value is the amount, at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm`s length transaction. The estimated fair values of the Group`s financial assets and liabilities at the year end were as follows:

In EUR	Net book value 31.03.2022	Fair value 31.03.2022	Net book value 31.03.2021	Fair value 31.03.2021
Non-current financial assets and liabilities				
Other non-current liabilitites	741 725	741 725	517 604	517 604
Current financial assets and liabilities				
Trade and other receivables	2 979 722	2 979 722	2 079 114	2 079 114
Trade and other payables	10 162 048	10 162 048	4 665 859	4 665 859
Loan receivable / (payable)	9 843 242	9 843 242	(755 877)	(755 877)

All items above are measured using Level 2 of the fair value hierarchy.

The following methods and assumptions were used in estimating the fair values of the Group's financial assets and liabilities:

Trade receivables and other receivables
The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the measurement date. Short-term receivables with no stated interest rate are measured at the original invoice amount if the effect of discounting is immaterial. Fair value is determined at initial recognition and, for disclosure purposes, at each annual reporting date. Carrying amount of trade and other receivables is a reasonable approximation of their fair value.

Non-derivative financial liabilities
Non-derivative financial liabilities are recognised initially at fair value and for disclosure purposes, at each reporting date. Fair value is calculated based on the present value of expected payments, discounted using a risk-adjusted discount rate at the measurement date. Carrying amount of non-derivative financial liabilities is approximately equal to their fair value.

28 Subsequent events

No events with a significant impact on the true and fair presentation that would require an adjustment or additional disclosure of the financial statements occurred after 31 March 2022.