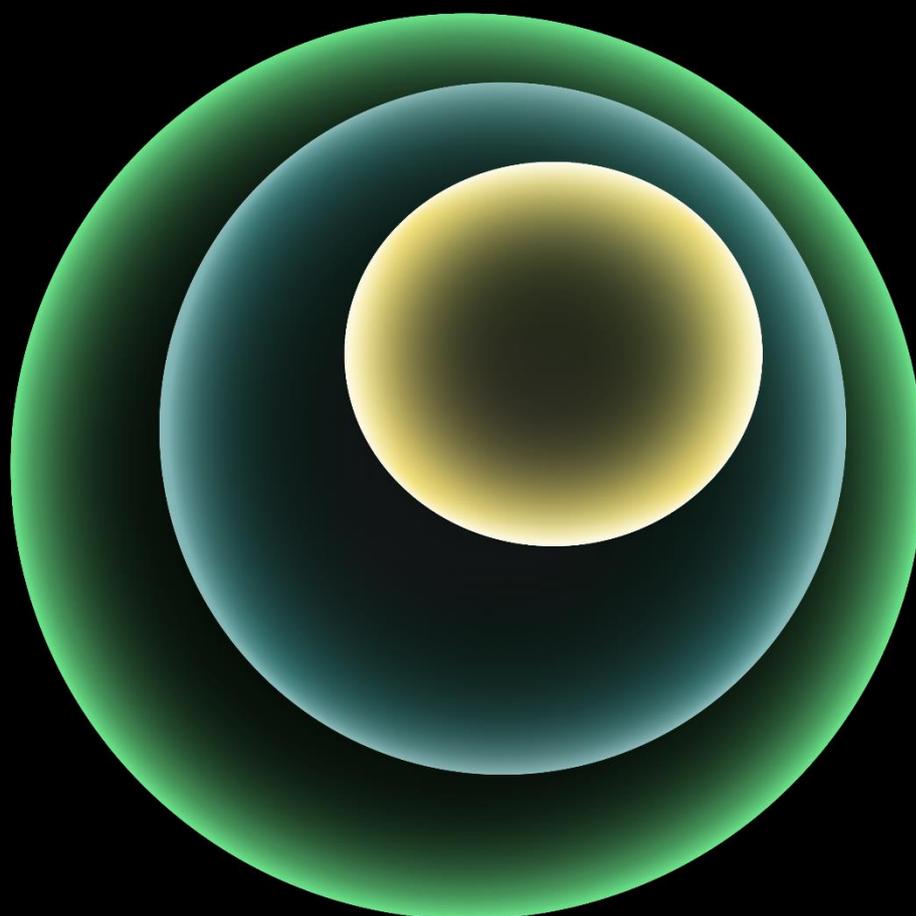


**Deloitte.**



**Deloitte Audit s.r.o.**  
Transparency Report

30 April 2018

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# Deloitte Audit s.r.o.

# Transparency Report

## Introduction

As an audit firm that carries out statutory audits of the annual accounts of public-interest entities, Deloitte Audit s.r.o. (hereinafter the "Company") publishes this annual transparency report in compliance with Act No. 423/2015 Coll. on Statutory Audit and on Amendment of Act No. 431/2002 Coll. on Accounting, as amended (hereinafter the "Act on Statutory Audit") and Regulation (EU) 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities and repealing Commission Decision 2005/909/EC (hereinafter the "EU Audit Regulation").

All information provided in this report relates to the situation of the Company on 31 December 2017, unless indicated otherwise.

### The Deloitte network and legal and structural arrangements in the network

#### About Deloitte

"Deloitte" is the brand under which tens of thousands of dedicated professionals in independent firms around the world collaborate to provide audit, consulting, financial advisory, risk management, tax and legal services to selected clients. These firms are members of Deloitte Touche Tohmatsu Limited ("DTTL") a UK private company limited by guarantee. Each member firm provides services in a particular geographic area and is subject to the laws and professional regulations of the particular country or countries in which it operates. DTTL does not itself provide services to clients. DTTL and DTTL member firms are separate and distinct legal entities, which cannot obligate the other entities. DTTL and each DTTL member firm are only liable for their own acts or omissions, and not for those of each other. Each of the member firms operates under the names "Deloitte", "Deloitte & Touche", "Deloitte Touche Tohmatsu", or other related names. Each DTTL member firm is structured differently in accordance with national laws, regulations, customary practice and other factors, and may secure the provision of professional services in their territories through subsidiaries, affiliates and/or other entities.

See [www.deloitte.com/about](http://www.deloitte.com/about) for a detailed description of the legal structure of Deloitte Touche Tohmatsu Limited and its member firms.

Information about audit firms operating as a member of the Deloitte network in accordance with Article 13.2 (b) (ii)-(iv) of the EU Audit Regulation is provided in Appendix 1.

#### About Deloitte Central Europe

Deloitte Central Europe ("DCE") is a regional organisation of entities organised under the umbrella of Deloitte Central Europe Holdings Limited, the member firm in Central Europe of Deloitte Touche Tohmatsu Limited. Services are provided by the subsidiaries and affiliates of Deloitte Central Europe Holdings Limited, which are separate and independent legal entities.

## Legal, ownership and governance structure of the Company

### Legal and ownership structure

Deloitte Audit s.r.o. is a limited liability company established under Slovak law, with its registered office at Digital Park II, Einsteinova 23, 851 01 Bratislava and registered in the Commercial Registry of District Court Bratislava I, Section: Sro, Insert No.: 4444/B.

The Company has an audit firm license No. 014 and is registered in the list of audit firms maintained by the Audit Supervision Authority in the Slovak Republic (hereinafter the "Authority").

As of the date of this report, the capital and voting rights of the Company are held by a Cyprus Holding company, Deloitte Central Europe Holdings Limited, which owns 48% of voting rights and Deloitte Audit s.r.o., with its registered office at Karolinská 654/2, 186 00 Prague, Czech Republic, which is a licensed audit company in another EU Member State, the Czech Republic (certificate No. 79), and the owner of 52% of the voting rights.

### Governance structure

The statutory body of the Company has five executives. Four of the five executives are licensed statutory auditors in Slovakia, and are registered in the list of statutory auditors maintained by the Authority.

### Description of the Company's management structure

The Company is managed by the executives appointed by the Partners' General Meeting. The majority of the executives are registered in the list of statutory auditors maintained by the Authority.

The executives are responsible for the general strategy of the Company and its alignment with DCE strategy and for the preparation of the financial statements and the overall management of the Company. The day-to-day management of the Company is carried out by its executives.

The executives registered in the list of statutory auditors maintained by the Authority are:

- Zuzana Letková (license SKAU No. 865),
- Wolda Grant (license SKAU No. 921),
- Marián Hudák (license SKAU No. 856), and
- Peter Longauer (license UDVA No. 1136).

One executive is not registered in the list of statutory auditors maintained by the Authority, but is registered as an auditor in other EU Member State:

- Juan Carlos Garcia Santiago (Spain).

The Company has a supervisory board which has six members and whose competences mainly include supervision of the executives' activities, inspection of trade and accounting books and other Company documents and review of the information contained therein, examination of the Company's financial statements and submission of reports to the Partners' General Meeting at least once per year.

The Members of the Company's supervisory board are:

- Vladimír Masár
- Larry Human
- Ivana Lorencovičová
- Martin Rybár
- Michal Kopanič
- Gavin Flook

Auditors and audit assistants as at 31 December 2017:

Description	Number
Statutory auditors	22
Auditors from other EU Member States	1
Auditors from third countries	-
Audit assistants:	33

## Internal quality control system

The Company maintains policies and procedures to promote an internal culture based on the recognition that quality is our number one priority, which the Company has agreed to adhere to.

The Company focuses on professional excellence as the foundation for achieving outstanding audit quality on a consistent basis. The Company policies and procedures addressing leadership responsibilities for the system of quality control at the audit firm, ethical requirements, client and engagement acceptance and continuance, human resources, engagement performance and monitoring.

This internal quality control system has two monitoring systems:

- The engagement quality control review, and
- The practice review.

### *Engagement quality control review*

Statutory audit reports on the annual accounts or consolidated accounts relating to a public interest entity, among others, are subject to an engagement quality control review by a partner with sufficient and appropriate experience and professional qualifications, prior to issuance of the report. The engagement quality control reviewer may be assigned to the Company from within DCE to work under the Company responsibility, but is not part of the engagement team and is not portrayed in fact or appearance as a member of the engagement team.

The reviewer is appropriately briefed by the engagement team and conducts the review in such a manner that sufficient knowledge and understanding is obtained in order to reach conclusions. The reviewer's responsibility is to perform an objective review of significant auditing, accounting, and financial reporting matters, to document the procedures the reviewer performed, and to conclude, based on all the relevant facts and circumstances of which the reviewer has knowledge, that no matters that have come to his or her attention would cause the reviewer to believe that the significant judgments made and the conclusions reached were not appropriate in the circumstances.

For engagements that have been identified as having a higher risk, a special review partner is assigned to provide an additional level of competence and objectivity in planning and performing the engagement. The special review partner may be assigned to the Company from within DCE to work under the Company responsibility, but is independent of the engagement. Normally this partner possesses specialized industry and technical skills applicable to the engagement and, in certain situations, is independent of the practice unit to enhance objectivity or to provide specialized resources.

The auditor's report may only be issued if the reviewer is satisfied that the audit engagement team has made appropriate judgments and conclusions, and has complied with applicable standards and regulations.

### *Practice review*

The Company is subject to a quality assurance review, or "practice review" as it is commonly referred to, at intervals not to exceed three years.

Normally, the performance of every engagement partner is assessed during the three-year cycle, and at least one engagement for each partner is selected to achieve this goal. Consideration is also given to assessing the performance of directors, particularly those directors who are candidates for partner nomination.

The Company is responsible for the practice review. DCE provides guidance and oversight regarding the practice review plan and procedures. The general coordination and administration of the practice review program is the responsibility of the practice review director.

The practice review plan, process, and results are reviewed and concurred by a partner from another member firm (the "external partner") every year. The external partner who is assigned this responsibility works closely with the practice review director in overseeing the planning and performance of the practice review.

### Types of engagements reviewed

The engagements selected for review include public interest entities and a number of high risk engagements, and other national engagements and inbound/outbound transnational engagements (audits of financial statements that are, or may be used, across national borders). Some sensitive and complex engagements (eg first-year engagements, situations where there is a change in control, or deteriorating financial condition) are also selected. All major industries served are considered.

### Scope of practice reviews

The assignment of reviewers is based on skill level, industry knowledge, and experience on transnational engagements.

The reviews of individual engagements consist of discussions with the partner and/or manager responsible for the engagement and a review of related reports, working papers, and, where appropriate, correspondence files.

Engagements are reviewed to:

- Determine whether quality control procedures have been properly applied to such engagements,
- Assess the adequacy of implementation of the audit approach, including compliance with the Company's policies and procedures contained in the policy manuals,
- Monitor compliance with applicable local laws, and
- Assess the overall quality of service provided to clients.

The overall risk management and quality control policies and procedures of practice offices within the Company are also reviewed, including the following:

- Risk management program, including client and engagement acceptance and continuance
- Independence
- Recruitment and advancement
- Professional development
- Public filings in other countries
- Information technology specialist reviews
- Consultation with Company's experts
- Consultation with outside experts
- Engagement quality control reviews

The findings and recommendations resulting from the practice reviews are included in the Company's audit quality plan and presented to the Company's and DCE leadership. The purpose of the audit quality plan is to provide suggestions for improvement in response to noted findings. The Company addresses findings by conducting a root cause analysis and drawing up a detailed action plan setting out the action to be taken, the person(s) responsible, and the timing to implement the recommendations, where applicable.

In addition, the Company communicates to the relevant partner and other appropriate personnel deficiencies (if any) noted as a result of the practice review and recommendations for appropriate remedial action. The Company also communicates the results of the practice review and ongoing consideration and an evaluation of its system of quality control to its partners and other appropriate individuals.

### *Management statement*

The Management of the Company are satisfied that the internal control system, as described above, is effective in providing reasonable assurance that the audit firm and its personnel comply with applicable professional standards and regulatory and legal requirements and that audit reports issued are appropriate in the circumstances.

### **Date of the last quality assurance review**

The last audit quality assurance review of the Company carried out by the Slovak Chamber of Auditors (SKAU) was completed on 18 November 2015.

### **List of public-interest entities audited during the last financial year**

Enclosed as Appendix 2 to this report.

### **Independence confirmation**

The Company implemented written independence policies and procedures, which include the performing of certain independence compliance checks on an annual basis.

- Each professional should sign an individual independence confirmation each year. In addition, similar independence confirmations are obtained from new professionals and professionals leaving the Company.
- All managerial personnel and above should enter their financial interests to a global independence monitoring system. Each person's portfolio is checked against an electronic list of audit clients to check whether this ownership is allowed under the relevant independence rules;
- All professionals should complete an e-learning on independence rules and;
- Client and engagement acceptance processes are used to verify that independence is not impaired.

In addition to the continuous monitoring of compliance with independence policies, independence inspection and testing procedures are performed annually on a sample of professionals and senior officers.

An internal confirmation of independence compliance by professionals of the Company was performed as of 31 May 2017 and an internal independence compliance testing and inspection for selected professionals was finalized by 30 November 2017.

### **Continuing education**

All statutory auditors in the Company as well as trainee auditors maintain their continuous professional qualification through a mixture of internal courses as well as educational courses.

Continuing education is a key policy of the Company, as this is an important means of developing knowledge and maintaining and improving the quality of our services. A learning intranet provides a starting point, including technical training, management and interpersonal skills, business economics and industry-specific courses.

The continuing education program is comprised of both within Deloitte network agreed training sessions as well as trainings organized by the Slovak Chamber of Auditors (SKAU) or external training. Certain courses are mandatory and others are optional, such that each statutory auditor or trainee auditor can personalise their learning programme.

During the first years, most training is comprised of mandatory courses on technical topics including audit methodologies and processes but afterwards the optional part increases given that individual needs become more diverse. An individual learning programme is required as from approximately four years' experience.

More experienced auditors are expected to update and deepen their technical knowledge. Developing management and interpersonal skills are also very important for this group. There is also the possibility to follow longer term education, such as MBA programmes. There is also a system of accreditation whereby a training course needs to be completed before an auditor may perform certain tasks.

Through an automated monitoring system it is possible to check the status of internal and external courses followed by an individual auditor. Continuing education is also a factor taken into account for the yearly evaluation of audit staff and the assessment of their growth potential within the Company.

### Partner remuneration

Partners are evaluated annually and depending on the outcome of the evaluation, the remuneration of partners may increase or decrease. Partner evaluation takes the following factors into account: quality, expertise, integrity, professionalism, entrepreneurship, independence and compliance.

### Rotation policy of key audit partners and staff

The Company maintains policies and procedures requiring rotation of key audit partners and staff. These differ for a public interest entity as defined in the Act on Statutory Audit (the "EU PIE")<sup>1</sup> or entities defined as a public interest entity by the Company ("other PIE"). Individuals responsible for carrying out a statutory audit should not serve an EU PIE for more than five consecutive years in the position of a key audit partner. They shall not participate again in the statutory audit of the audited EU PIE entity before three years have elapsed following cessation of such service. In case of other PIE, individuals responsible for carrying out a statutory audit should not serve other PIE for more than seven consecutive years in the position of a key audit partner. They shall not participate again in the statutory audit of the audited other PIE entity before two years have elapsed following cessation of such service. During the cooling-off period of three or two years, the key audit partner should not participate in the audit of the audited entity, perform the engagement quality control review, consult with the engagement team or the audited entity regarding technical or industry-specific issues, transactions or events or otherwise directly influence the outcome of the statutory audit.

While it is the primary responsibility of the individuals serving as key audit partners to ensure they comply with the rotation requirements, the Company implemented a monitoring process that includes among other analysis of client portfolios and individuals assigned in various roles to statutory audits and considering appropriate competence, capability, workload and availability of statutory auditors so as to enable these individuals to adequately discharge their responsibilities as key audit partners.

### Financial information

The Company's total revenues from the sale of services for the financial year ended 31 December 2017 amounted to EUR 14 101 thousand, which can be broken down into:

Service description	EUR '000
Revenues from the statutory audit of annual and consolidated financial statements of public-interest entities and entities belonging to a group of undertakings whose parent undertaking is a public-interest entity	3 298
Fees for the statutory audit of annual and consolidated financial statements of other entities	2 936
Fees for non-audit services provided to entities the Company audits	1 814
Fees for non-audit services to other entities	6 053
<b>TOTAL</b>	<b>14 101</b>

  
**Peter Longauer**  
Executive  
Deloitte Audit s.r.o.

Date: 30 April 2018  
Location: Bratislava, Slovak Republic

<sup>1</sup> For the purposes of the rules for key audit partner rotation, the same rules apply for audit clients which are companies pursuant to Article 2 (15) f) of the Act on Statutory Audit as those for the EU PIE in accordance with the requirement of Article 33 (4) of the Act on Statutory Audit.

## APPENDIX 1

### Audit firms operating as a member of the Deloitte network – disclosure in accordance with Article 13.2 (b) (ii)-(iv) of the EU Audit Regulation

EU/EEA Member State	Name of audit firms carrying out statutory audits in each Member State
<b>Austria</b>	Centro-Audit Wirtschaftsprüfungsgesellschaft mbH
	Deloitte Audit Wirtschaftsprüfungs GmbH
	Deloitte Burgenland Wirtschaftsprüfungs GmbH
	Deloitte Niederösterreich Wirtschaftsprüfungs GmbH
	Deloitte Oberösterreich Wirtschaftsprüfungs GmbH
	Deloitte Salzburg Wirtschaftsprüfungs GmbH
	Deloitte Schwarz & Schmid Wirtschaftsprüfungs GmbH
	Deloitte Tax Wirtschaftsprüfungs GmbH
	Deloitte Tirol Wirtschaftsprüfungs GmbH
	Deloitte Wirtschaftsprüfung Styria GmbH
	F.X. Priester GesmbH
	Kapferer Frei und Partner Wirtschaftsprüfungs- und Steuerberatungs GmbH
	MPD Wirtschaftsprüfungs-GmbH & Co KG
<b>Belgium</b>	Deloitte Bedrijfsrevisoren - Reviseurs d'Entreprises
<b>Bulgaria</b>	Deloitte Audit OOD
<b>Croatia</b>	Deloitte d.o.o.
<b>Cyprus</b>	Deloitte Limited
<b>Czech Republic</b>	Deloitte Audit s.r.o.
<b>Denmark</b>	Deloitte Statsautoriseret Revisionspartnerselskab
<b>Estonia</b>	Deloitte Audit Eesti AS
<b>Finland</b>	Deloitte Oy
<b>France</b>	Deloitte & Associés
	Deloitte Marque & Gendrot
	Deloitte Marque Gendrot
	Anne-Marie Torres Commissaires aux comptes
	Audalian Commissaire
	Audit Aquitaine Commissariat aux comptes SARL
	BEAS
	Cabinet FPM
	Cisane
	COGES
	Constantin Associés
	Constantin Entreprises
	Consultants Auditeurs Associés
Davec SAS	

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**EU/EEA Member State Name of audit firms carrying out statutory audits in each Member State**

Durand & Associés
ECA Audit
Fiduciaire Expertise Commissariat et Développement
IE IDF HAC (Holding Audit Consulting)
In Extenso
In Extenso Alsace Participations
In Extenso Audit
In Extenso Bretagne
In Extenso Centre Est
In Extenso Centre Ouest
In Extenso Charente
In Extenso Dordogne
In Extenso Eure
In Extenso IDF Audit
In Extenso IDF EX&Com Audit
In Extenso IDF Harl Lefort et Associés
In Extenso Ile de France
In Extenso Mont Blanc
In Extenso Nord Audit
In Extenso Nord de France
In Extenso Orne
In Extenso Picardie Ile de France
In Extenso Provence
In Extenso Rhône Alpes
In Extenso Rhône Alpes Distribution
In Extenso SECAG
In Extenso Strasbourg Nord SA
Jacques Serra et Associés
Laurens Michel Audit
MFG Audit
Opus 3.14 Audit et Conseil
Pierre-Henri Scacchi et Associés
Revi Conseil
SEREF
Serge Kubryk
Société d'expertise comptable d'Organisation et de Gestion
Sterenn

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**EU/EEA Member State Name of audit firms carrying out statutory audits in each Member State**

<b>Germany</b>	Deloitte GmbH Wirtschaftsprüfungsgesellschaft
	Deutsche Baurevision GmbH Wirtschaftsprüfungsgesellschaft
	SüdTreu Süddeutsche Treuhand GmbH Wirtschaftsprüfungsgesellschaft
<b>Gibraltar</b>	Deloitte Limited
<b>Greece</b>	Deloitte Certified Public Accountants SA
<b>Hungary</b>	Deloitte Auditing and Consulting Ltd.
<b>Iceland</b>	Deloitte ehf.
<b>Ireland</b>	Deloitte
<b>Italy</b>	Deloitte & Touche S.p.A.
<b>Latvia</b>	Deloitte Audits Latvia SIA
<b>Lithuania</b>	Deloitte Lietuva, UAB
<b>Luxembourg</b>	Deloitte Audit
<b>Malta</b>	Deloitte Audit Limited
<b>Netherlands</b>	Deloitte Accountants B.V.
<b>Norway</b>	Deloitte AS
<b>Poland</b>	Deloitte Polska spółka z ograniczoną odpowiedzialnością Sp. k.
<b>Portugal</b>	Deloitte & Associados, SROC S.A.
<b>Romania</b>	Deloitte Audit S.R.L.
<b>Slovakia</b>	Deloitte Audit s.r.o.
<b>Slovenia</b>	Deloitte Revizija d.o.o.
<b>Spain</b>	Deloitte, S.L.
<b>Sweden</b>	Deloitte AB
<b>United Kingdom</b>	Deloitte LLP
	Deloitte NI Limited

The total turnover from audit by the network (from the statutory audit of annual and consolidated financial statements in accordance with Article 13.2 (b)(iv) EU Audit Regulation) was €1,967 million.<sup>2</sup>

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<sup>2</sup>This amount represents an estimate based on best efforts to collect this data. Certain Deloitte audit firms registered to perform statutory audits in respective Member States provide statutory audit services and other audit, assurance and non-audit services. While we have endeavored to collect the specific statutory audit turnover for each EU/EEA Deloitte audit firm, in certain cases turnover from other services has been included. The turnover amounts included herein are as of 31 May 2017, except for a limited number of instances where a Deloitte audit firm has a different financial year end, or has not finalized its reporting for such a period. In these cases, turnover amounts are for the relevant financial year or preceding financial year.

Where currency other than the euro is used in the Member State, the amount in euros was translated using the average exchange rate in effect for the period 1 June 2016 to 31 May 2017.

## APPENDIX 2

### **List of public interest entities for which the Company performed audit services pursuant to Act No. 423/2015 Coll. on Statutory Audit and on Amendment of Act No. 431/2002 Coll. on Accounting, as amended during the reporting period ended 31 December 2017**

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Atradius Crédito y Caución S.A. de Seguros y Reaseguros, pobočka poisťovne z iného členského štátu
Atradius Credit Insurance N.V., pobočka poisťovne z iného členského štátu
Doplnková dôchodková spoločnosť Tatra banky, a.s.
DÔVERA, zdravotná poisťovňa a.s.
Fio banka, a. s., pobočka zahraničnej banky
Fortbet Funding, s.r.o.
Hlavné mesto SR Bratislava
I.D.C. Holding, a.s.
Komerční banka, a.s., pobočka zahraničnej banky
MetLife Europe d.a.c., pobočka poisťovne z iného členského štátu (predtým: MetLife Europe Limited, pobočka poisťovne z iného členského štátu)
MetLife Europe Insurance d.a.c., pobočka poisťovne z iného členského štátu (predtým: MetLife Europe Insurance Limited, pobočka poisťovne z iného členského štátu)
Ministerstvo financií Slovenskej republiky
OTP Banka Slovensko, a.s.
Prima banka Slovensko, a.s.
Privatbanka, a.s.
Prvá stavebná sporiteľňa, a. s.
Sberbank a.s.
Slovenská záručná a rozvojová banka, a. s.
SPP - distribúcia , a.s.
STABILITA, d.d.s., a.s.
SZRB Asset Management, a.s.
Tatra Asset Management, sprav.spol.
Tatra banka, a.s
UniCredit Bank Czech Republic and Slovakia a.s., pobočka zahraničnej banky

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# Deloitte.

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee and its network of member firms, each of which is a legally separate and independent entity. Please see [www.deloitte.com/sk/about](http://www.deloitte.com/sk/about) for a detailed description of the legal structure of Deloitte Touche Tohmatsu Limited and its member firms.

Deloitte provides audit, tax, consulting, transaction advisory and legal services to public and private clients spanning multiple industries. With a globally connected network of member firms in more than 150 countries and territories, Deloitte brings world-class capabilities and high-quality service to clients, delivering the insights they need to address their most complex business challenges. Deloitte's approximately 245,000 professionals are committed to making an impact that matters.