

1.4 Corrections of prior period errors

The amount of provisions for employee benefits is calculated by an independent actuarial company using the forecasted individual benefits method. As at 31 December 2018, the Parent Company discovered that during previous periods the calculation of provisions for jubilee bonuses and retirement and disability pension severance pays was based on incorrect periods of the duration of employment with railroad companies, which duration is an input for the calculation and payment of such benefits. Accordingly, the Parent Company remeasured its provisions for jubilee bonuses and retirement and disability pension severance pays, taking into account the correct assumptions regarding the duration of employment and correcting the numbers recognized in previous years correspondingly.

The effect of restatement of the statement of financial position and the statement of profit or loss and other comprehensive income is described in [Note 1.5](#). Information disclosed in the additional explanatory notes to the Consolidated Financial Statements was restated as appropriate.