

Annual Report

2018



Povodí Odry
státní podnik

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Foreword by the General Director

Despite the complex hydrological situation that occurred throughout the Czech Republic, the year 2018 can be ranked among our most successful. During last year's dry season, it was confirmed that the most effective measure against extreme phenomena are valley reservoirs, which accumulate water in periods with excess precipitation and provide the required off-take when it is scarce, including ensuring good water conditions in the streams below them.

In 2018, work was carried out on updating the operating rules of the water management system on the basis of generated hydrological series. The result was the verification of the discharge improvement effects of the reservoirs and an update to the operating rules.

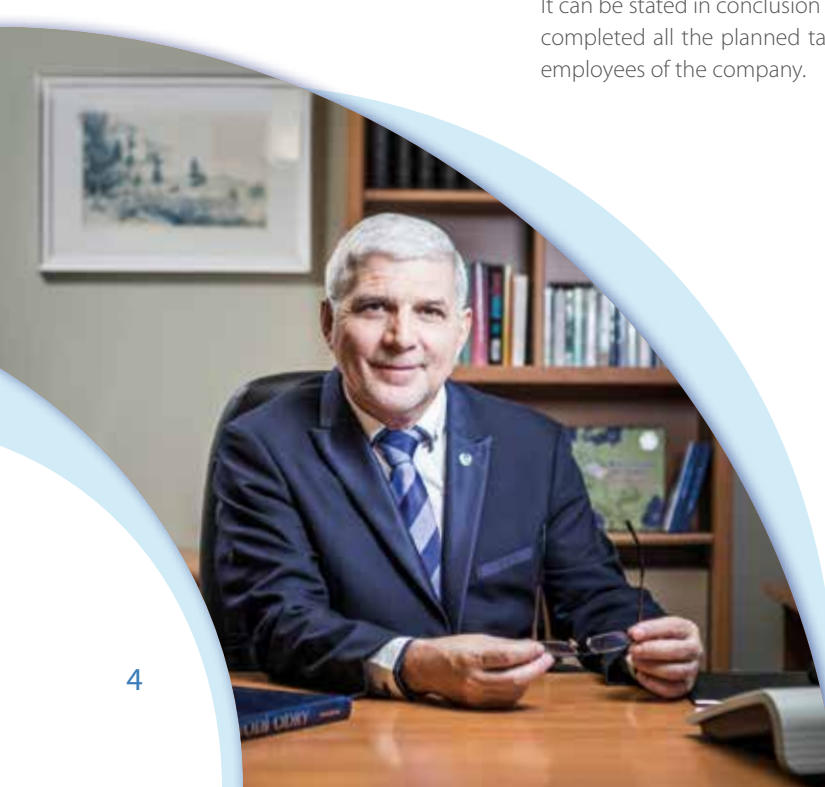
In the area of property repair and maintenance, work was carried out in the amount of CZK 118 million, which was drawn exclusively from the company's own resources. In the area of the acquisition of fixed assets, a total of CZK 441 million was invested, of which CZK 236 million came from subsidies and CZK 205 million came from internal resources.

One of the major construction projects completed in December 2018 was the reconstruction of the unsatisfactory technical condition of the sluices at the Vítkovice weir, which had been damaged by floating gravel debris at higher flow rates in the Ostravice River. The overall costs of almost CZK 27 million were covered by the budget of the state-owned enterprise Povodí Odry.

As part of the investments, the extensive reconstruction of the Šance waterworks was completed, which was financed by the Ministry of Agriculture from the grant programme 'Support for Flood Prevention III' and also from the state-owned enterprise's own resources. Internal resources were also used for the reconstruction of the Staré Město stage on the Ostravice River in Frýdek-Místek in the amount of approximately CZK 50 million.

The process of preparation and implementation of the flood control measures on the upper reaches of the Opava River continued in 2018. The permissions process for the waterworks Nové Heřminovy was started, the construction of the Loděnice dry reservoir was completed, the left bank dam on the Opava River under the town of Krnov was finished, and work continued on the construction of the Jelení dry reservoir. In May 2018, a meeting of the representatives of the state-owned enterprise Povodí Odry was held with the mayors of the cities of Opava, Krnov, and Bruntál, as well as the mayors of the municipalities of Zátor, Brantice, Úvalno, Čaková, Široká Niva, and Brumovice, where a legitimate demand was raised to accelerate the completion of all elements of the flood control measures. In particular, the requirement to accelerate the commencement of the construction of the Nové Heřminovy waterworks was emphasised.

It can be stated in conclusion that the state-owned enterprise Povodí Odry has successfully completed all the planned tasks for the year 2018, mainly thanks to the good work of all employees of the company.



ING. JIŘÍ PAGÁČ
General Director

Basic information about the Company

Founder

Ministry of Agriculture
Registered office: Těšnov 65/17, Nové Město
Prague 1, Postal Code 110 00
Organisation ID No.: 00 02 04 78

Person authorised to act for the founder as at 31 December 2018

Ing. Aleš Kendík
Deputy Minister for Water
Management Section, Ministry of Agriculture

Name

Povodí Odry, státní podnik
(Oder River Basin, state-owned enterprise)

Registered seat

Varenská 3101/49, Moravská Ostrava,
702 00 Ostrava,
Delivery Number: 701 26

Founding date

01/01/2001 according to Act No. 305/2000 Coll.
on river basins

Entry in the Commercial Register

Regional Court in Ostrava
File Ref. AX IV 584

Date of registration

26 March 2001

Legal form

State-owned enterprise
Organisation ID No.: 70 89 00 21
VAT number: CZ 70 89 00 21

Statutory body as at 31 December 2018

Ing. Jiří Pagáč, General Director Povodí Odry, state-owned
company

Supervisory Board

Ing. Aleš Kendík, Chairman
Ing. Zdeněk Macoszek
Ing. Michal Sirko
Ing. Peter Suchý
Miroslav Novák
Ing. Ivana Mojžíšková
Ing. Dagmar Šimková
Ing. Radek Pekař

Executive management as at 31 December 2018

Ing. Jiří Pagáč, General Director
Ing. Petr Březina, Technical Director
Ing. Petr Kučera, Finance Director
Mgr. Miroslav Janoviak, LL.M., Investment Director
Ing. Jiří Tkáč, Director of Plant 1 Opava
Ing. Dalibor Kratochvíl, Director of Plant 2 Frýdek-Místek

Audit committee as at 31 December 2018

Ing. Bc. Simona Székelyová, MBA, Chairperson
Ing. Peter Suchý
Ing. Antonín Brtník

Company structure

The scope of business of the state-owned company is defined in the Memorandum of Association and is based on the legal provisions, especially Act No. 254/2001 Coll., on waters, as amended, Act No. 305/2000 Coll., on river basins, as amended, and Act No. 77/1997 Coll., on the state-owned company, as amended. The activity primarily consists of the management and maintenance of significant watercourses, including boundary watercourses, waterworks, and small watercourses for which the company was appointed as manager, all within the territory of the Oder Basin.

Further activities of the Company include determination and evaluation of the condition surface and ground water in the given territory, investment activities in this area including flood measures, management of accidents on the watercourses and last but not least, also planning activities stipulated by the applicable legislation. The major activity of the Company is directly related to auxiliary activities, especially the activities of accredited laboratories, building, engineering, design and consulting activities in the field of water management, all for the requirements of the Company as well as external customers.

Organisational diagram of the Company

- Office of the General Director
- Office of the Technical Director
- Office of the Finance Director
- Office of the Investment Director
- Plant 1 Opava
- Plant 2 Frýdek-Místek

Office of the General Director

The General Director directly controls the HR Department, which handles both personnel and social matters as well as educational, occupational safety and health matters. Agenda of the Office of the General Director, PR activity, and internal auditing and security pursuant to special regulations together with the agenda of personal data protection in the company, risk management, and the legal agenda.

Structure of the division

- HR Department
- Department of the Office of the General Director
- Legal Department
- Internal audit and safety/security
- Risk Management Department

Office of the Technical Director

This division handles professional activities in the areas of management of the water management system; management of watercourses, waterworks, and water management facilities; energy management; and other activities. The activities of the accredited water management laboratory also fall under the Office of the Technical Director. The divisions ensures the processing of prognoses and water management concepts, assessments, and advisory activities for state administration and other interested parties. The special position is intended to ensure the process of planning in water management and other activities under the Water Act.

Structure of the division

- Operations department
- Water management dispatch
- Water management concepts and information department
- Water management laboratory

Office of the Finance Director

The division handles the implementation of plans targeted at achievement of efficient business management, especially in the areas of planning, finance, pricing, grants, accounting, statistics, analytical activities and labour economy. It also ensures support for information systems, economic management and business/contract services.

Structure of the division

- Finance Department
- Business Information Department
- Labour Economy Department
- Informatics Department
- Business Management Department
- Commercial Contracts Department

Office of the Investment Director

This division oversees activities related to the preparation and execution of investments and engineering activities, particularly projection and geodetic activities. It coordinates the major focuses of engineering services and participates in the preparation of the plan of investments and repairs, including those involving machinery and equipment of a technological nature. It also ensures the asset management agenda

Structure of the division

- Investment Department
- Design Department
- Asset Management Department

Plants

The plants ensure the implementation of the plans and targets of the enterprise in the specified areas of administration, maintenance, repair, and investment activities on the watercourses in relation to the enterprise's main focus of business. The activities of the plant are divided territorially between Plant 1 Opava and Plant 2 Frýdek-Místek such that the two territorial units entirely cover the area of the basin, which is managed by the enterprise. Apart from the activities related to the direct management of watercourses and waterworks, they also manage and coordinate operations and business activities to the necessary extent.

Classification of the plants

- Office of the Plant Director
- Operations Division
- Technical Division
- Finance Division

Photo: Loděnice dry reservoir

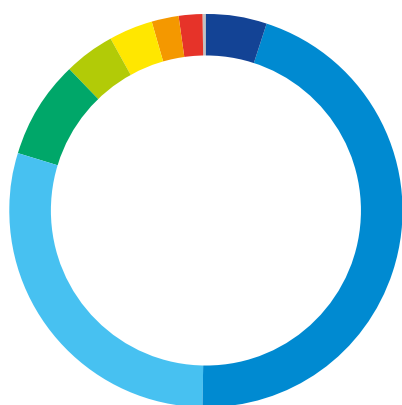


Managed assets

Overall structure of tangible fixed assets

The volume of tangible fixed assets in the category of structures and tangible movables increased by CZK 78.14 million compared to 2017. As at 31 December 2018, the total amount of these tangible fixed assets at their acquisition price was CZK 7,390.31 million.

Fixed tangible assets



● Buildings	5.27%
● Reservoirs and fish ponds	44.73%
● Adaptation of watercourses	28.44%
● Weirs and stages	8.98%
● Other objects	4.44%
● Transport and working machinery	3.64%
● Energy machinery and equipment	2.14%
● Devices, special technical equipment, VT	2.23%
● Inventory	0.13%

The structure of fixed assets in the category of structures and tangible movables:

Buildings	5.27%	CZK 389.19 million
Reservoirs and fish ponds	44.73%	CZK 3,305.65 million
Adaptation of watercourses	28.44%	CZK 2,101.93 million
Weirs and stages	8.98%	CZK 663.83 million
Other objects	4.44%	CZK 328.20 million
Transport and working machinery	3.64%	CZK 268.93 million
Energy machinery and equipment	2.14%	CZK 158.27 million
Devices, special technical equipment, VT	2.23%	CZK 164.88 million
Inventory	0.13%	CZK 9.43 million
Total small tangible fixed assets	100.00%	CZK 7,390.31 million

Tangible fixed assets by facilities

	Buildings		Reservoirs and fish ponds		Adaptation of the watercourses		Weirs and stages		Other objects		Transport and working machinery		Energy machinery and equipment		Devices, special technical equipment		Inventory		Total small tangible fixed assets	
	mil. CZK	%	mil. CZK	%	mil. CZK	%	mil. CZK	%	mil. CZK	%	mil. CZK	%	mil. CZK	%	mil. CZK	%	mil. CZK	%	mil. CZK	%
S.p. total	389.19	100.0	3,305.65	100.0	2,101.93	100.0	663.83	100.0	328.20	100.0	268.93	100.0	158.27	100.0	164.88	100.0	9.43	100.0	7,390.31	100.00
Facility Opava	131.07	33.68	2,276.06	68.9	1,145.66	54.5	187.37	28.2	177.80	54.2	132.12	49.13	93.06	58.8	16.53	10.0	3.95	41.9	4,163.62	56.34
Facility FM	119.87	30.80	1,029.59	31.1	956.27	45.5	476.46	71.8	140.17	42.7	120.13	44.67	60.20	38.0	44.83	27.2	2.76	29.3	2,950.28	39.92
Management of the state-owned company	138.25	35.52	0.00	0.0	0.00	0.0	0.00	0.0	10.23	3.1	16.68	6.20	5.01	3.2	103.52	62.8	2.72	28.8	276.41	3.74

Human resources

Within the framework of the social programme, employees received contributions for encephalitis and jaundice vaccinations. Within the framework of occupational safety and health, all workplaces were verified with focus on safety, fire protection, working hygiene, and provision of PPE to employees.

Development of the numbers of employees in individual years can be compared in the following table:

Number of employees	2016	2017	2018
Number of full-time equivalent employees	465.38	463.15	464.16
Number of employees in individuals	474	468	470
of which: White collar staff	248	246	252
Blue collar workers	226	222	218
Management of the state-owned company	177	174	178
Opava Plant	130	128	129
Frýdek-Místek Plant	167	166	163

Employees according to working location

District	2016	2017	2018
Opava	64	64	64
Bruntál	32	30	30
Šumperk	1	1	1
Nový Jičín	30	30	29
Karviná	24	25	24
Frýdek-Místek	113	111	111
Ostrava – Město	198	195	198
Jeseník	12	12	13

The employer fulfilled its commitments under the Collective Agreement, which was signed after collective bargaining between the General Director and the Chair of the trade union organisations.



Provision of information

The state-owned enterprise Povodí Odry is an obliged entity in the area of provision of information pursuant to Act No. 106/1999 Coll., on free access to information, as amended.

Activities in this area for 2018 are summarised below:

- **The number of filed requests for information and the number of issued decisions to reject requests** – In 2018, six requests for information were delivered to the state enterprise and three decisions to reject requests were issued.
- **Number of appeals against decisions** – No appeals were submitted in 2018.
- **A copy of the relevant parts of each of the court verdicts in the matter of examination of the legality of the decisions of the statutory body regarding rejection of a request for the provision of information and an overview of all expenditure incurred in connection with judicial proceedings on the rights and obligations under Act No. 106/1999** – No lawsuits were filed and no funds were incurred for such purpose in 2018.
- **List of provided exclusive licences** – No exclusive licences were provided in 2018.
- **Number of complaints filed under the provisions of Section 16a of Act No. 106/1999** – No complaints were filed in 2018.
- **Additional information relating to the implementation of this law** – For all requests, information was provided within the statutory limit of 15 days from the receipt of the request.



Water consumption

Underground water off-take

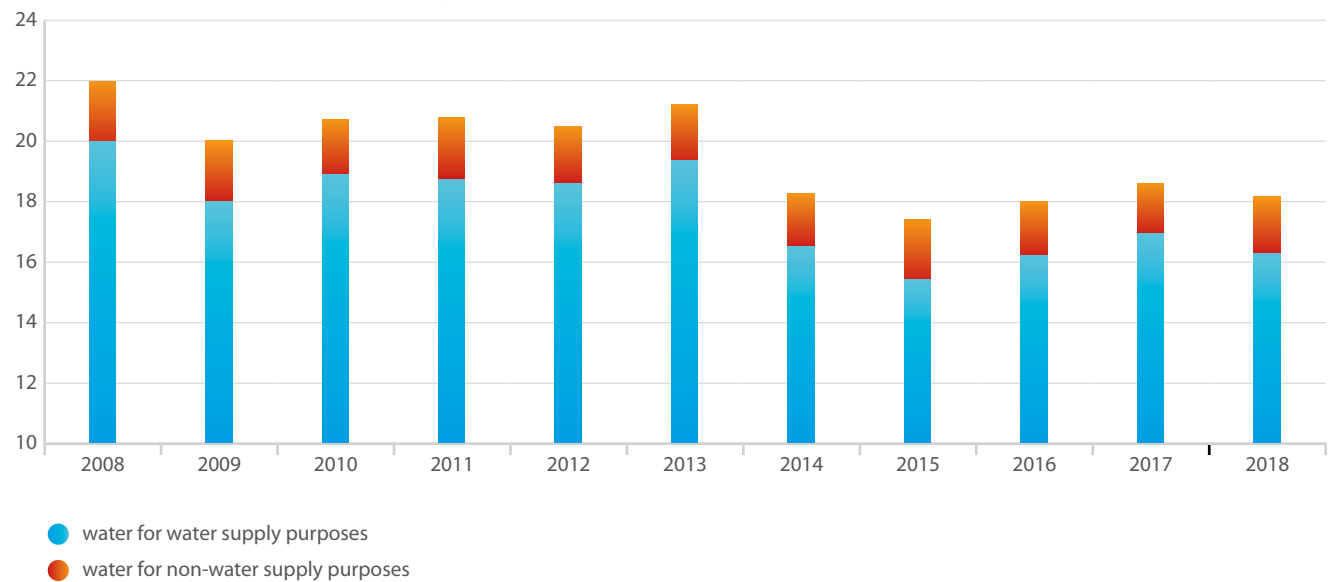
As regards groundwater off-take, the year 2018 saw a year-on-year decrease in water consumption: the total off-take was 18.0 million cubic metres of water compared to 18.7 million in 2017. In the case of consumption for water management, there was a decrease in the Horní Odra River sub-basin in the monitored year by 4%, from 17.1 to 16.4 million cubic metres, mainly due to a decrease by 0.5 million cubic metres in the amount consumed by the water and sewerage company Ostravské vodárny a kanalizace a.s., resulting in their total consumption of 6.9 million cubic metres of underground water. Underground water consumption for purposes other than water management stagnated year-to-year and reached 1.6 million cubic metres.

The year 2018 was characterised by an increase in the quantity of groundwater used with total consumption of **18.0 million m³**.

Underground water consumption (millions of m³)

Years	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Water for water supply purposes	20.0	18.5	18.8	18.9	18.9	19.2	16.1	15.6	16.2	17.1	16.4
Water for non-water supply purposes	1.8	1.7	1.9	1.7	1.6	1.7	1.6	1.7	1.5	1.6	1.6
Total underground water	22.0	20.2	20.7	20.6	20.5	20.9	17.7	17.3	17.7	18.7	18.0

Underground water (in millions of m³ per year)

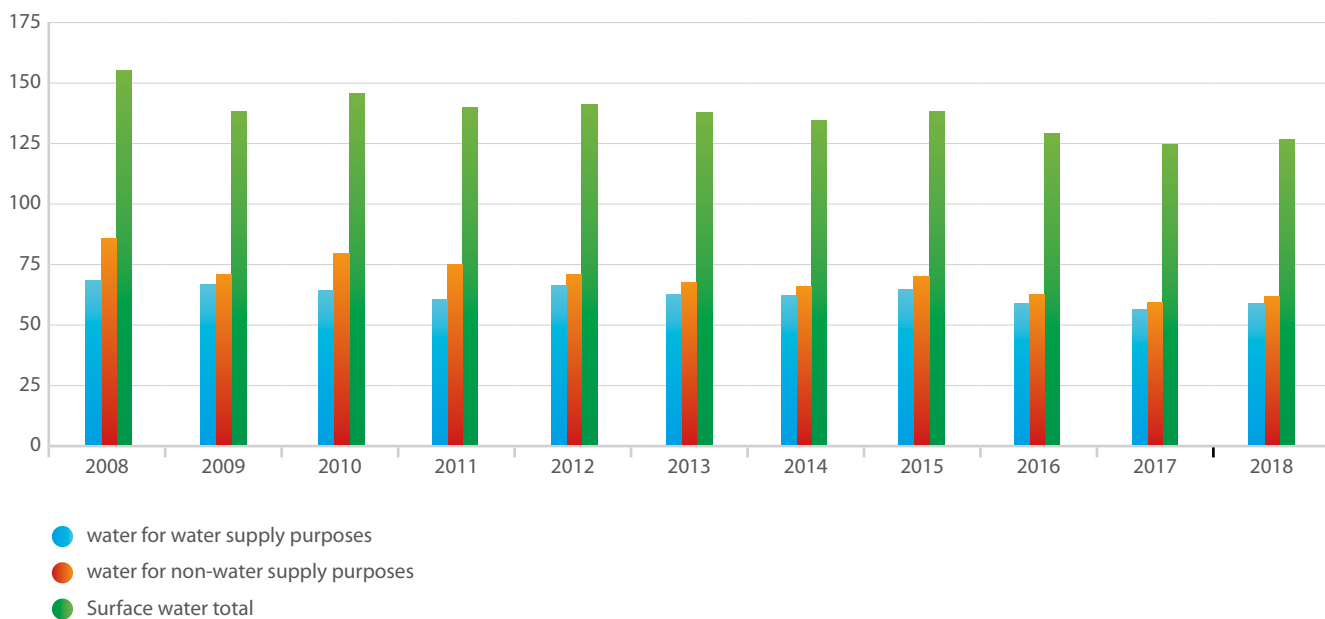


In 2018, customers used from the resources of the state-owned enterprise Povodí Odry a total of 125.4 million m³.

Surface water off-take

Even though there was another dry season that affected the Oder River sub-basin in 2018, there was an increase in the supply of surface water to customers. In 2018, a total of 125.4 million cubic metres of water from sources managed by the state-owned enterprise Povodí Odry was consumed by customers, which was a year-on-year increase of 1%. There was an increase in off-take for both the supply of drinking water to inhabitants (from 60.6 to 60.9 million cubic metres) and the consumption by industrial facilities (from 63.5 million to 64.5 million cubic metres).

Surface water (millions of m³ per year)



Electricity generation

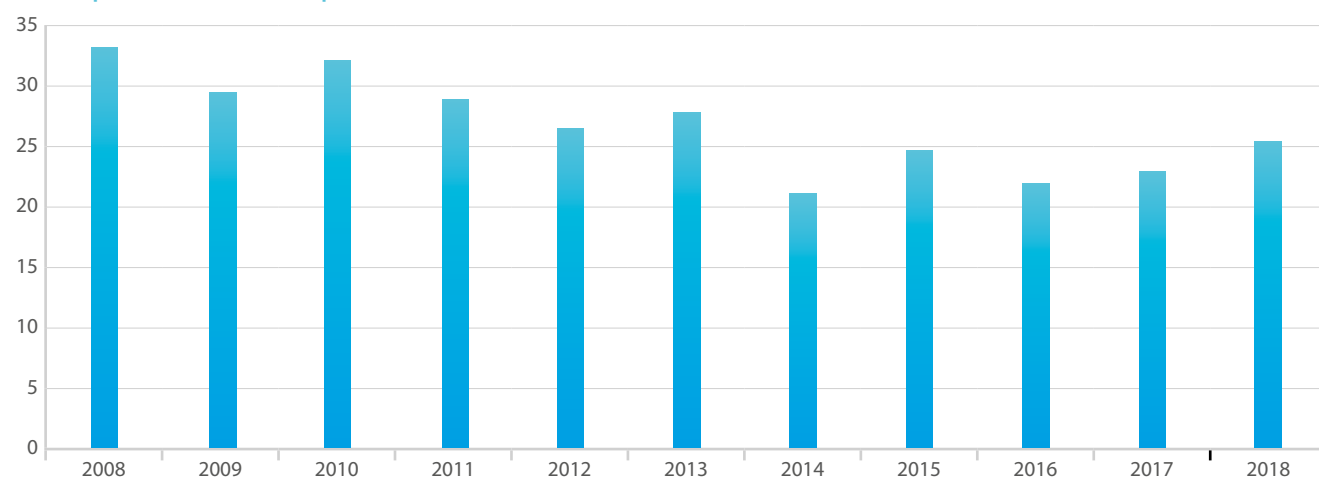
The operation of hydroelectric power plants by the state-owned enterprise Povodí Odry was negatively affected by the year's hydrological conditions, especially in the second half of the year. Until April, above-average monthly quantities were produced, reaching a record monthly production of 3.38 million kWh in March. For the rest of the year, quantities were below average, with an annual low of 0.9 million kWh in June. A total of 25.2 million kWh of electricity was produced, of which almost 60% came from the largest hydroelectric power plant at the Slezská Harta waterworks on the Moravice River. Production was limited at the hydroelectric power plant on the Šance reservoir due to the finishing work on the reconstruction of the dam.

A total of **25.2 million kWh** of electrical power was produced in 2018, of which almost 60% came from the largest hydroelectric power plant at the Slezská Harta waterworks on the Moravice River.

Annual production of electric power (in millions of kWh)

Years	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Annual production	33.133	29.799	32.133	29.194	26.424	27.559	20.992	24.824	21.820	23.289	25.198

Annual production of electric power in millions of kWh



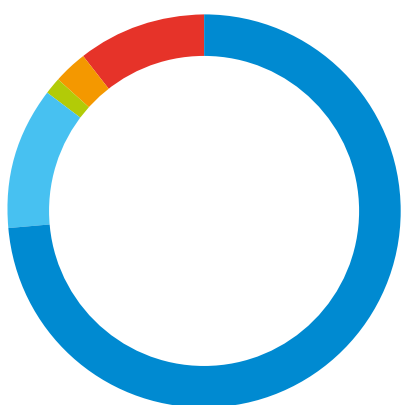
Water quality control

An important activity of our state enterprise under the Water Act is to ensure and evaluate the surface water level and quality. This is a long-term and systematic activity in the area of its monitoring and applies to both flowing water (rivers, streams) and still water (water supply and recreational reservoirs).

The measured results are used as the bases for all sorts of activities in the area of protecting water against pollution and are increasingly becoming more important in connection with implementation of European standards in Czech legislation. The objective is to achieve the so-called good water level, which is defined in the general Framework Agreement on Water and represents the fulfilment of many criteria and conditions in the aqueous environment. Monitoring water levels not only involves sampling basic physiochemical parameters, but also heavy metals, pesticides, and a broad spectrum of pollutants in the area of specific organic substances that are created by human activities in many production processes. Great emphasis is also placed on monitoring of the biological elements, for instance, fish population, macrozoobenthos, phytoplankton, phytobenthos, and others. An integral part of the evaluation of the watercourses is also hydro-morphological monitoring, which provides information about whether building constructions and other anthropogenic activities in the water channel have disrupted conditions for the development of aqueous organisms. The results of such monitoring processes are the basic condition for the protection of water quality and the design of measures for its continuous improvement within the scope of the planning processes for water use. They represent a major category of information for the communicative activities of the state enterprise, particularly the issue of opinions and conveyances on any handling of water because the managers of the basins create the professional base for the water management authorities and, on a case-by-case basis, assess whether polluters' release wastewater violates the law in terms of the given requirements for the target quality condition of the water. The basin managers perform this activity free-of-charge and it is their duty to prepare and provide an opinion. In 2018, the water quality care department handled about 1,900 record items.

Water analyses are annually evaluated and used in the performance of additional state administrative actions both as information for the professional and lay public – they are the basic condition for formulation of the water management balance – and for the negotiation of bilateral treaties and the activities of the International Committee for Protection of the Oder.

Output of VHL in 2018



Operational monitoring of divisions of flowing water and sediments	73.7%
Operational monitoring of divisions of standing water	11.8%
Operational monitoring of surface water contamination	1.4%
Miscellaneous – internal	2.9%
Miscellaneous – external	10.2%

Water quality control – VHL

The monitoring of water quality in 2018 was accomplished in compliance with the annual plan prepared according to the existing legislation and the needs of our state enterprise. Within the framework of monitoring, 155 profiles were monitored in flowing watercourses with a sampling frequency of 12 times per year and 12 profiles with a sampling frequency of 6 times per year. This also includes the monitoring of small water reservoirs and the requirements for monitoring border waters. The scopes of the analysed parameters were optimised in such a manner that the relevant substances and groups of these substances as well as other quality indicators necessary for evaluation of the condition or ecological potential in the water bodies were monitored in the individual profiles. Monitoring of the quality of the water in our valley water supply and recreation reservoirs included the “mixed” and “zonal” off-takes from several vertical reservoirs (3 to 7, usually 5) with the frequency ranging from 3 to 12 off-takes per year. Basic monitoring was also done at the selected discharges of the contaminators of surface water.

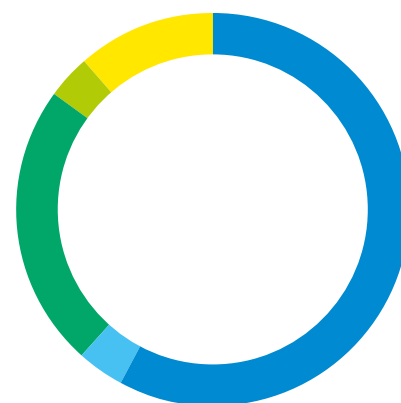
The total volume of the outputs of the water management laboratories in 2018 was approximately CZK 20.4 million. The percentage share of the individual types of analyses in the total outputs is given in the following graph:

Water purity failure

Accidents in 2018

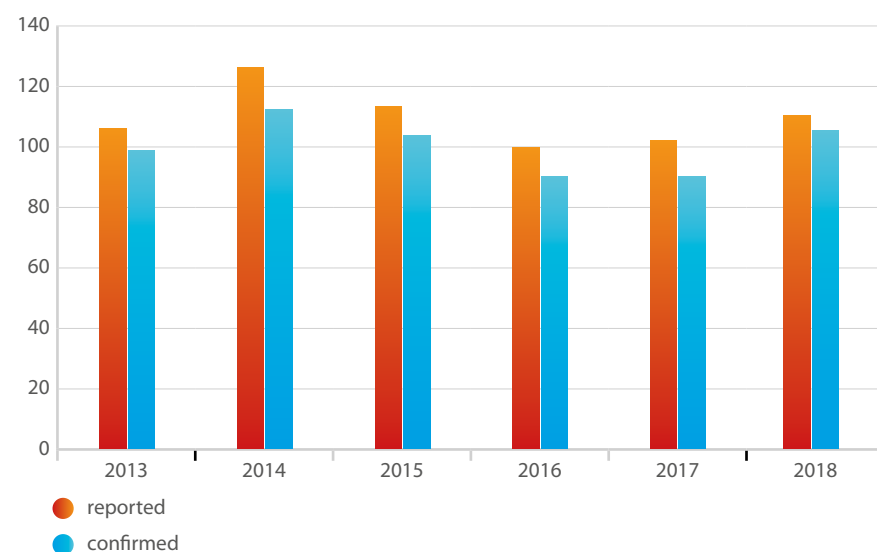
Reported accidents	110
Confirmed accidents	107
of which: reported after lapse of accident	3
of which: confirmed threat to the watercourse	51
Unconfirmed accidents	3

Division of confirmed accidents by type of contamination



Trend of reported and confirmed accidents in the period 2013–2018

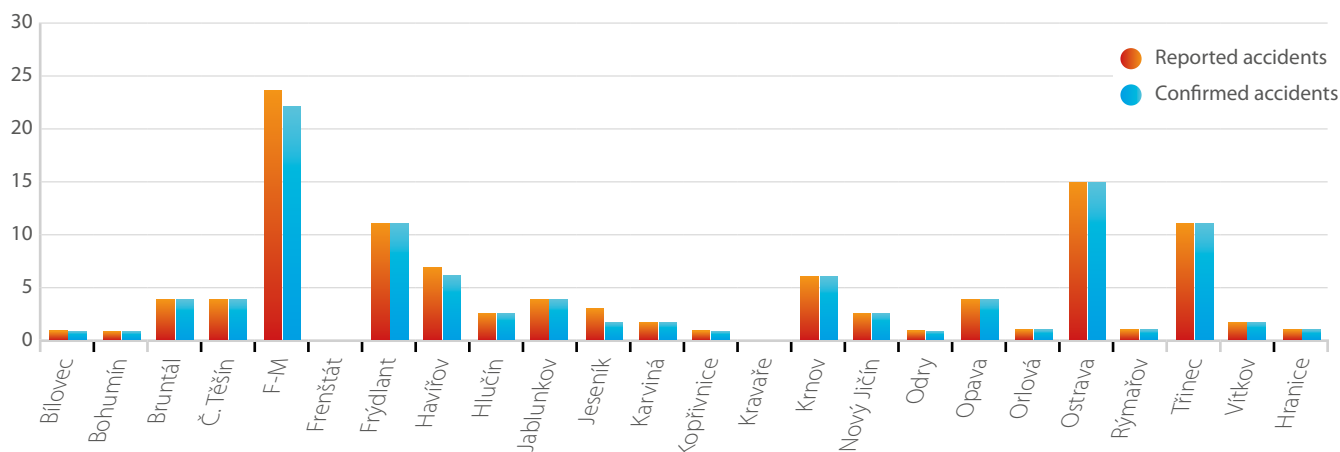
Year	2013	2014	2015	2016	2017	2018
reported	106	126	115	100	101	110
confirmed	99	113	103	91	91	107



Accidents in 2018 in the territories of the individual municipalities with extended powers

ORP	Bilovec	Bohumín	Bruntál	Č. Těšín	F-M	Frenštát	Frydlant	Havířov	Hlučín	Jablunkov	Jeseník	Karviná
Accidents reported	1	1	4	4	24	0	11	7	3	4	3	2
Accidents confirmed	1	1	4	4	22	0	11	6	3	4	2	2

ORP	Kopřivnice	Kravaře	Krnov	Nový Jičín	Odry	Opava	Orlová	Ostrava	Rýmařov	Třinec	Vítkov	Hranice
Accidents reported	1	0	4	1	7	6	1	6	0	5	4	1
Accidents confirmed	1	0	4	1	7	6	1	5	0	4	4	1



In 2018, a total of 107 accidents were confirmed, which resulted in deterioration of or danger to the quality of surface or ground waters. Accidents involving petroleum products were generally dominant, of which about 58% were car accidents.

More significant accidents

14 March 2018 – VT Olešná – Paskov

On 14 March 2018, at 3:15 pm, white foam was reported on the surface of the Olešná watercourse, which was allegedly flowing from the Křibec watercourse. The accident service of the Oder River Basin Authority inspected the drainage canal on the premises of Biocel Paskov and the sawmill Mayr Melnhof Holz s.r.o. It was found that the pollution appeared on the premises of Biocel Paskov and flowed to the confluence with the Křibec watercourse. However, at the time of the inspection it was no longer possible to determine whether the pollution came from the sewerage of the sawmill Mayr Melnhof Holz s.r.o. or from the sewerage of the Staříč mine. The accident service of the Oder River Valley Authority took a sample of polluted water.

4 May 2018 – Adolfovice (Jeseník) – Diesel oil leak

On 4 May 2018 at about 3:28 pm, there was a truck accident in the municipality of Bělá pod Pradědem – Adolfovice, Jeseník District, Olomouc Region. During the accident, there was leakage of operating fluids into the Bělá watercourse and also of an unknown amount of micronised limestone. Containment booms were installed on the Bělá watercourse emergency profile. The watercourse was inspected in the direction of the municipality of Mikulovice. No oil or oil products were observed, only white colouring and foam. There was no further leakage of operating fluids or limestone during the recovery of the truck. The water management control centre of the Oder River basin informed the Polish side of Opole about the accident on the Bělá watercourse.

7 May 2018 – Overturned excavator in Bumbálský stream

The dam keeper of the Šance waterworks informed the Oder River basin control centre about an overturned excavator in the Bumbálský stream (right-bank tributary of the Bílá Ostravice). There was a leak of an unspecified amount of operating fluids. The accident occurred between 7 and 8 am. Three containment booms were installed on the watercourse, which were filled with sorbent and then secured. When the fire brigade lifted up the excavator, there was minimal leakage of operating fluids, and what fluids did escape were absorbed by the sorbent at the first boom. The dam keeper of the Šance waterworks replaced the sorbent. The accident service of the Oder River Basin Authority carried out an inspection of the Bílá Ostravice River and no further pollution was found.

More significant accidents

14 March 2018

Watercourse Olešná – Paskov

4 March 2018

Adolfovice (Jeseník) – Diesel oil leak

7 March 2018

Overturned excavator in Bumbálský stream

Reconstruction of the Staré Město stage on the Ostravice River

The overall costs, which were paid from the internal resources of the state-owned enterprise Povodí Odry, amounted to almost CZK 50 million. Part of the complete reconstruction is a new fish passage, the design of which was informed by experts in the field of ichthyology. The new construction modifications thus ensure not only migration permeability for aquatic animals, but also the correction of the unsatisfactory condition of the facility, including the stability of the Ostravice watercourse bed. The waterworks fulfil the water management purpose, and at the same time, the site is friendly to the public, which frequently visits the locality.

The project was prepared by AQUATIS, a.s., while the contractor of the reconstruction of the catchment stage was the association of the companies ZVÁNOVEC a.s. and Lesostavby Frýdek-Místek a.s.

At the same time, the newly reconstructed Staré Město stage was equipped with new security features installed by the state-owned enterprise Povodí Odry in cooperation with the Fire Rescue Service of the Moravian-Silesian Region. These are fixed rescue elements that can facilitate the possible rescue of drowning persons by the fire rescue service. Part of this security arrangement are also stands with information panels.

The reconstruction of the Staré Město stage on the Ostravice River, located near the restaurant U Splavu ('U Žida') lasted about 1.5 years.

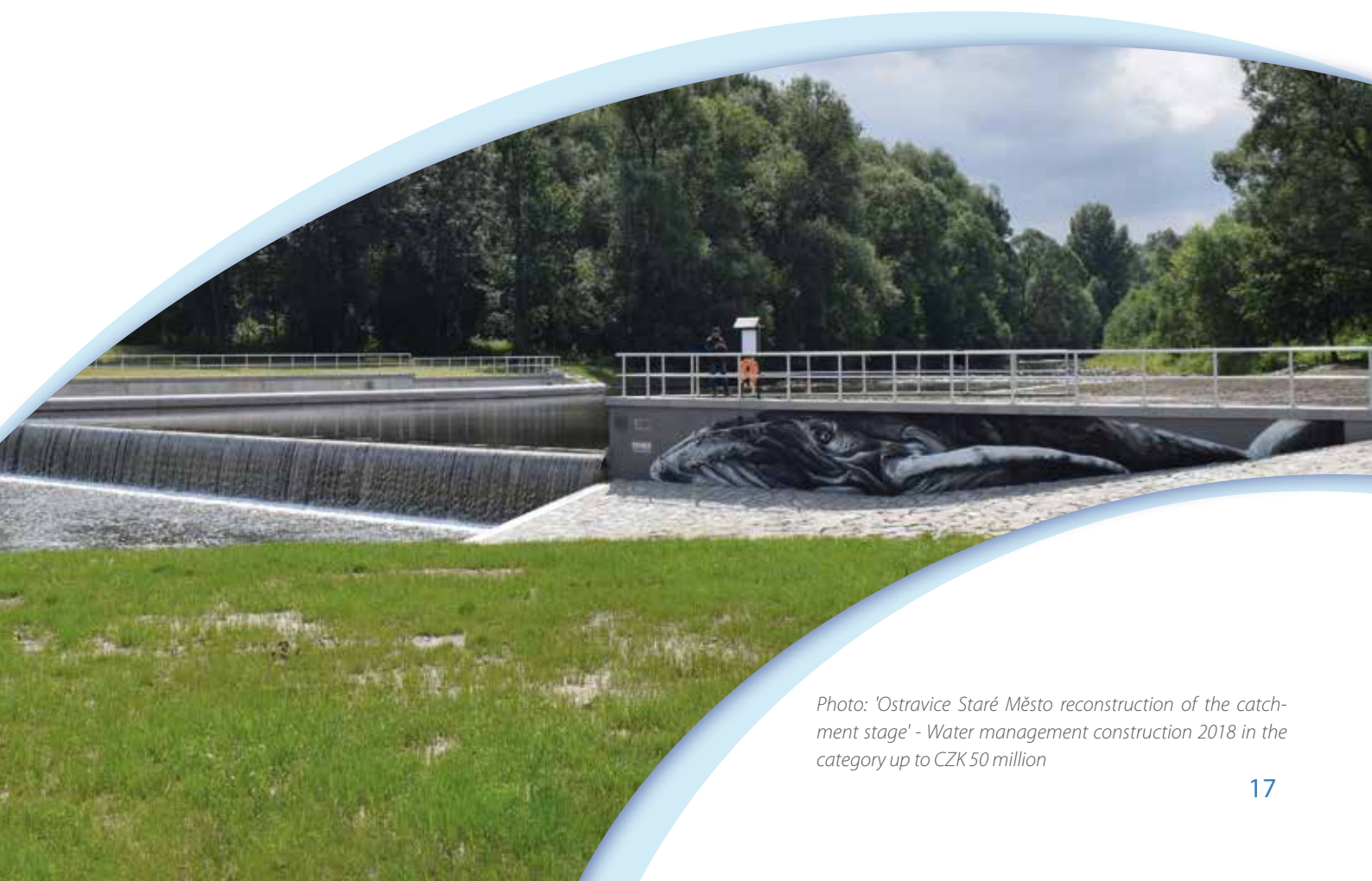


Photo: 'Ostravice Staré Město reconstruction of the catchment stage' - Water management construction 2018 in the category up to CZK 50 million

Reconstruction of the Šance water reservoir

The dam of the Šance waterworks on the Ostravice River, at a height of 65 metres, together with the dam of the Slezská Harta reservoir are the highest dams in our region and rank among the highest in the Czech Republic.

For the first time since its initial completion in 1969, the reservoir has undergone a complete renovation to ensure its safety and reliable operation. The construction activities represented a wide range of activities aimed at increasing the capacity of the facilities for the transfer of floods, increasing the crown and stability of the dam, sealing its subsoil, and monitoring the quantities necessary for the operation and evaluation of the state of the waterworks. An important part was the massive earthwork on the Řečica landslide, leading to its enhanced stability. The reconstruction started in September 2015, lasted 3 years, and cost almost half a billion crowns. The construction was funded by the Ministry of Agriculture under the grant programme 'Support for Flood Prevention III' and was also financed by funds from the state-owned enterprise Povodí Odry. The building of the above-mentioned structures necessitated further construction interventions and adaptations on these waterworks, which consisted of the construction of a new operating centre, including an information centre for visitors, and the modification of roads and bridges. The designer of the reconstruction was the joint-stock company AQUATIS, and the contractor of the construction activities was the joint-stock company OHL ŽS.

It was essential to build a new spillway, chute, and stilling basin to allow transfer through the dam profile even during an extreme (10,000-year) flood. The safety of the dam in critical situations was also strengthened by increasing and modifying the dam crown, including a new breakwater. It was very effective to combine the works on the dam with the enhancement of the stability of the Řečica landslide located above the reservoir. By adding some material from the upper part of the landslide to the dam, the stability of the dam has increased and this relief of the upper part of the landslide has also improved the stability of the landslide itself. The measuring equipment for monitoring the condition of the dam and the landslide, including the system of their transmission and evaluation, has also undergone modernisation.

The filling of the reservoir was carried out gradually under technical and safety supervision with the limitation of the rate of raising of the water surface by a maximum of 1 metre per week with breaks for stabilisation of the dam condition. During the reconstruction of the Šance waterworks, the safety of the dam was ensured in particular by reducing the water surface to half the volume. This created space for capturing potential floods. The operating rules were also modified so that water could be let out from the reservoir earlier and in greater quantities.

'The purpose of the reconstruction was to bring the Šance waterworks into compliance with stricter technical standards and to carry out other construction work so that the dam would continue to serve reliably as a significant source of drinking water in the future, protect the region from floods, and eliminate the negative effects of drought,' said the Governor of the Moravian-Silesian Region.



Photo: Waterworks Šance after reconstruction



Economic results

In 2018, in the area of the state-owned enterprise's economy, the intention of achieving high outperformance of the expected economic result was fulfilled with the aim of securing sources of financing for the relatively demanding period of 2019, when an expensive repair of the surface water feeder from Vyšní Lhoty to Žermanice will be implemented.

The profits for the year 2018 were reported in the amount of CZK 53,053 thousand, which was achieved mainly thanks to the favourable development in sales.

The actual revenues from surface water exceeded the planned values by CZK 27,160 thousand, and there was an increase of CZK 25,569 thousand year-on-year. This result was achieved due to the high consumption of surface water in the industry resulting from the extremely dry and hot weather in the summer months of 2018. On the other hand, the achieved revenues from electricity generation were lower by CZK 2,197 thousand against the annual planned value as a result of the regulatory measures introduced on the waterworks due to extreme weather conditions. Other items that contributed to the favourable values achieved in the area of income from operations were the sales of fish, sales of unneeded assets, and rental income. Other operating income also exceeded the planned values, mainly due to the unplanned one-off financial donation by Třinecké železárny a.s. in the amount of CZK 19,400 thousand provided for the project 'Stabilisation of the Right Bank of the Olše Watercourse', implemented in the urban area of Třinec. The overall reported revenues of the state-owned enterprise were also influenced by the operating subsidies received under the financing programme of the Ministry of Agriculture, which were used to fund the repairs of small watercourses and small water reservoirs totalling CZK 7,794 thousand.

In the area of costs not including repairs and maintenance, there were mostly savings compared to the planned values, especially in the consumption of materials, energy, fuel, and other services. Repairs in 2018 were carried out in a total volume of CZK 117,977 thousand, of which CZK 7,794 thousand were covered by subsidies and CZK 110,183 thousand from the company's own resources. The achieved level of repairs testifies to the fulfilment of the main objective of the state-owned enterprise, which is the administration and maintenance of the entrusted water management property, and at the same time to the effective use of the increased revenues achieved in 2018.

In the balance sheet part of the finances, there was an annual increase in fixed assets, especially in the area of unfinished tangible assets, due to the significant volume of investment projects in progress. In the area of acquisition of fixed assets, investments in 2018 totalled CZK 445,493 thousand, of which CZK 236,371 thousand were from subsidies, CZK 204,652 thousand from the company's own resources, and CZK 4,470 thousand were acquired by free of charge transfers. In the area of current assets, there was a year-on-year increase in funds due to the economic result achieved. This situation is the result of the economic management process in 2018 aimed at achieving the best possible basis to ensure the coverage of the high-deficit budget planned for 2019, which is due to the need to carry out almost twice the volume of repairs from the company's own resources as compared to 2018. In the area of liabilities, there was a rise in equity capital, mainly by virtue of the business result achieved.

It can be stated in conclusion that the achieved high outperformance of expectations in terms of the 2018 economic results forms a stable basis for the financially demanding year 2019, when it will be necessary to realise a significant amount of planned funds for the repairs of fixed assets.

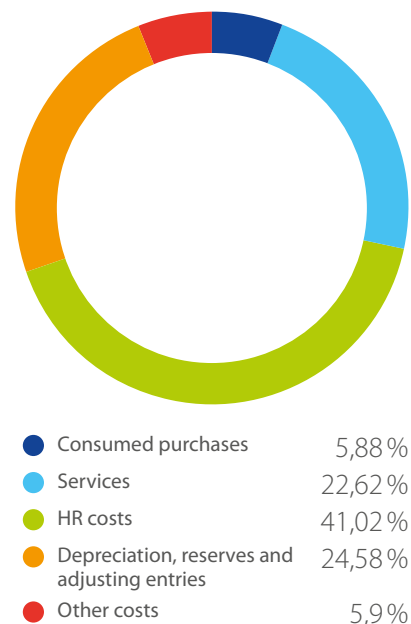
Costs (in thousands of CZK)

Consumed purchases	39,075
Purchased services	150,413
of which: Repairs and maintenance	117,977
Other services	32,436
HR costs	272,799
of which: Wage costs	187,235
Social security and health insurance	65,319
Other social costs	20,245
Taxes and fees	2,614
Other operating costs	18,646
Depreciation, reserves and adjusting entries	163,559
of which: Depreciation	156,814
Reserves and adjusting entries	6,745
Change to status of inventory	531
Capitalisation	-1,213
Financial costs	179
Deferred tax	18,470
Total costs	665,073

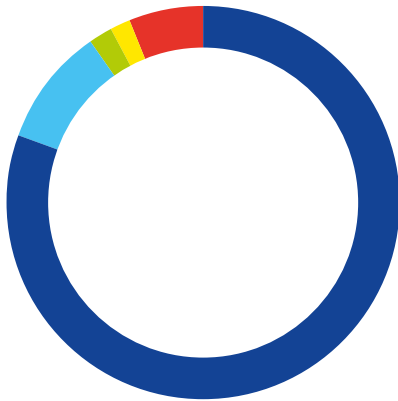
Structure of costs

Consumed purchases	5,88%	39,075
Services	22,62%	150,413
HR costs	41,02%	272,799
Depreciation, reserves and adjusting entries	24,58%	163,559
Other costs	5,9%	39,227
Total costs	100%	665,073

Structure of costs



Revenue structure



● Surface water sales	80,66 %
● Electricity sales	9,68 %
● Fish sales	1,91 %
● Sales of services and goods	1,88 %
● Other revenues	5,87 %

Revenues (in thousands of CZK)

Sales	675,995
Of that: for surface water	579,250
For electricity	69,487
For fish	13,750
For services and goods	13,508
Other operating revenues	41,250
Total financial revenues	881
Total revenues	718,126

Structure of costs

Surface water sales	80,66 %	579,250
Electricity sales	9,68 %	69,487
Fish sales	1,91 %	13,750
Sales of services and goods	1,88 %	13,508
Other revenues	5,87 %	42,131
Total revenues	100,00 %	718,126



Photo: Jelení dry reservoir

ZPRÁVA NEZÁVISLÉHO AUDITORA O AUDITU ROČNÍ ÚČETNÍ ZÁVĚRKY K 31. 12. 2018

Účetní jednotka, u níž byla provedena prověrka roční účetní závěrky:

Povodí Odry, státní podnik

Varenská 3101/49

Ostrava, Moravská Ostrava

PSČ 701 26

IČ: 708 90 021

Zapsaná v obchodním rejstříku vedeném u Krajského soudu v Ostravě
složka AXIV 584

Audit provedla společnost:

ABC.AUDIT, s. r. o.

Erbenova 783/29

703 00 Ostrava - Vítkovice

IČO: 258 99 007

Zapsaná v obchodním rejstříku vedeném u Krajského soudu v Ostravě
v oddílu C, vložce 24698

ZPRÁVA NEZÁVISLÉHO AUDITORA

určená zakladateli státního podniku
Povodí Odry, státní podnik

Výrok auditora

Provedli jsme audit přiložené účetní závěrky

Povodí Odry, státní podnik

se sídlem Varenská 3101/49, 702 00 Ostrava-Moravská Ostrava,

IČO: 708 90 021

zapsaný do obchodního rejstříku vedeného Krajským soudem v Ostravě, složka
AXIV 584,

kteřá se skládá z rozvahy k 31.12.2018, výkazu zisku a ztráty, přehledu o změnách vlastního kapitálu a přehledu o peněžních tocích za období od 1.1.2018 do 31.12.2018 a přílohy této účetní závěrky, která obsahuje popis použitých významných účetních metod a další vysvětlující informace. Údaje o Povodí Odry, státní podnik jsou uvedeny v bodě 1 přílohy této účetní závěrky.

Podle našeho názoru účetní závěrka podává věrný a poctivý obraz aktiv a pasiv Povodí Odry, státní podnik k 31.12.2018 a nákladů a výnosů a výsledku jejího hospodaření a peněžních toků za rok končící 31.12.2018 v souladu s českými účetními předpisy.

Výše uvedený odstavec prezentuje výrok bez výhrad.

Základ pro výrok

Audit jsme provedli v souladu se zákonem o auditorech a standardy Komory auditorů České republiky pro audit, kterými jsou mezinárodní standardy pro audit (ISA), případně doplněné a upravené souvisejícími aplikačními doložkami. Naše odpovědnost stanovená těmito předpisy je podrobněji popsána v oddílu Odpovědnost auditora za audit účetní závěrky. V souladu se zákonem o auditorech a Etickým kodexem přijatým Komorou auditorů České republiky jsme na státním podniku nezávislí a splnili jsme i další etické povinnosti vyplývající z uvedených předpisů. Domníváme se, že důkazní informace, které jsme shromáždili, poskytují dostatečný a vhodný základ pro vyjádření našeho výroku.

Zdůraznění skutečnosti

Upozorňujeme na skutečnosti uvedené v příloze v kapitole 4. dlouhodobý majetek a vybrané položky nákladů a výnosů, ze kterých vyplývá, že Povodí Odry, státní podnik je při své činnosti do značné míry závislý na přijatých dotacích, když v roce 2018 se přijaté investiční dotace podílely na financování nově pořízeného dlouhodobého majetku rozhodující měrou.

Ostatní informace uvedené ve výroční zprávě

Ostatními informacemi jsou v souladu s § 2 písm. b) zákona o auditorech informace uvedené ve výroční zprávě mimo účetní závěrku a naši zprávu auditora. Za ostatní informace odpovídá statutární orgán státního podniku.

Náš výrok k účetní závěrce se k ostatním informacím nevztahuje. Přesto je však součástí našich povinností souvisejících s auditem účetní závěrky seznámení se s ostatními informacemi a posouzení, zda ostatní informace nejsou ve významném (materiálním) nesouladu s účetní závěrkou či s našimi znalostmi o účetní jednotce získanými během provádění auditu nebo zda se jinak tyto informace nejeví jako významně (materiálně) nesprávné. Také posuzujeme, zda ostatní informace byly ve všech významných (materiálních) ohledech vypracovány v souladu s příslušnými právními předpisy. Tímto posouzením se rozumí, zda ostatní informace splňují požadavky právních předpisů na formální náležitosti a postup vypracování ostatních informací v kontextu významnosti (materiality), tj. zda případné nedodržení uvedených požadavků by bylo způsobitelné ovlivnit úsudek činěný na základě ostatních informací.

Na základě provedených postupů, do míry, již dokážeme posoudit, uvádíme, že

- ostatní informace, které popisují skutečnosti, jež jsou též předmětem zobrazení v účetní závěrce, jsou ve všech významných (materiálních) ohledech v souladu s účetní závěrkou a
- ostatní informace byly vypracovány v souladu s právními předpisy.

Dále jsme povinni uvést, zda na základě poznatků a povědomí o státním podniku, k nimž jsme dospěli při provádění auditu, ostatní informace neobsahují významné (materiální) věcné nesprávnosti. V rámci uvedených postupů jsme v obdržovaných ostatních informacích žádné významné (materiální) věcné nesprávnosti nezjistili.

Odpovědnost statutárního orgánu, dozorčí rady a výboru pro audit státního podniku za účetní závěrku

Statutární orgán státního podniku odpovídá za sestavení účetní závěrky podávající věrný a poctivý obraz v souladu s českými účetními předpisy,



a za takový vnitřní kontrolní systém, který považuje za nezbytný pro sestavení účetní závěrky tak, aby neobsahovala významné (materiální) nesprávnosti způsobené podvodem nebo chybou.

Při sestavování účetní závěrky je statutární orgán státního podniku povinen posoudit, zda je státní podnik schopen nepřetržitě trvat, a pokud je to relevantní, popsat v příloze účetní závěrky záležitosti týkající se jejího nepřetržitého trvání a použití předpokladu nepřetržitého trvání při sestavení účetní závěrky, s výjimkou případů, kdy statutární podnik plánuje zrušení státního podniku nebo ukončení jeho činnosti, resp. kdy nemá jinou reálnou možnost než tak učinit.

Za dohled nad procesem účetního výkaznictví ve státním podniku odpovídá dozorčí rada a výbor pro audit.

Odpovědnost auditora za audit účetní závěrky

Naším cílem je získat přiměřenou jistotu, že účetní závěrka jako celek neobsahuje významnou (materiální) nesprávnost způsobenou podvodem nebo chybou a vydat zprávu auditora obsahující náš výrok. Přiměřená míra jistoty je velká míra jistoty, nicméně není zárukou, že audit provedený v souladu s výše uvedenými předpisy ve všech případech v účetní závěrce odhalí případnou existující významnou (materiální) nesprávnost. Nesprávnosti mohou vznikat v důsledku podvodů nebo chyb a považují se za významné (materiální), pokud lze reálně předpokládat, že by jednotlivě nebo v souhrnu mohly ovlivnit ekonomická rozhodnutí, která uživatelé účetní závěrky na jejím základě přijmou.

Při provádění auditu v souladu s výše uvedenými předpisy je naší povinností uplatňovat během celého auditu odborný úsudek a zachovávat profesní skepticismus. Dále je naší povinností:

- Identifikovat a vyhodnotit rizika významné (materiální) nesprávnosti účetní závěrky způsobené podvodem nebo chybou, navrhnout a provést auditorské postupy reagující na tato rizika a získat dostatečné a vhodné důkazní informace, abychom na jejich základě mohli vyjádřit výrok. Riziko, že neodhalíme významnou (materiální) nesprávnost, k níž došlo v důsledku podvodu, je větší než riziko neodhalení významné (materiální) nesprávnosti způsobené chybou, protože součástí podvodu mohou být tajné dohody (koluze), falšování, úmyslná opomenutí, nepravdivá prohlášení nebo obcházení vnitřních kontrol.
- Seznámit se s vnitřním kontrolním systémem státního podniku relevantním pro audit v takovém rozsahu, abychom mohli navrhnout auditorské postupy vhodné s ohledem na dané okolnosti, nikoli abychom mohli vyjádřit názor na účinnost jejího vnitřního kontrolního systému.



- Posoudit vhodnost použitých účetních pravidel, přiměřenost provedených účetních odhadů a informace, které v této souvislosti statutární orgán státního podniku uvedl v příloze účetní závěrky.
- Posoudit vhodnost použití předpokladu nepřetržitosti trvání při sestavení účetní závěrky statutárním orgánem a to, zda s ohledem na shromážděné důkazní informace existuje významná (materiální) nejistota vyplývající z událostí nebo podmínek, které mohou významně zpochybnit schopnost státního podniku nepřetržitě trvat. Jestliže dojdeme k závěru, že taková významná (materiální) nejistota existuje, je naší povinností upozornit v naší zprávě na informace uvedené v této souvislosti v příloze účetní závěrky, a pokud tyto informace nejsou dostatečné, vyjádřit modifikovaný výrok. Naše závěry týkající se schopnosti státního podniku nepřetržitě trvat vycházejí z důkazních informací, které jsme získali do data naší zprávy. Nicméně budoucí události nebo podmínky mohou vést k tomu, že státní podnik ztratí schopnost nepřetržitě trvat.
- Vyhodnotit celkovou prezentaci, členění a obsah účetní závěrky, včetně přílohy, a dále to, zda účetní závěrka zobrazuje podkladové transakce a události způsobem, který vede k věrnému zobrazení.

Naší povinností je informovat statutární orgán, dozorčí radu a výbor pro audit mimo jiné o plánovaném rozsahu a načasování auditu a o významných zjištěních, která jsme v jeho průběhu učinili, včetně zjištěných významných nedostatků ve vnitřním kontrolním systému.

V Ostravě dne 20. března 2019

ABC.AUDIT, s. r. o.

Erbenova 783/29, 703 00 Ostrava-Vítkovice
auditorská společnost
auditorské oprávnění č. 387
zastoupená:



jednatel a odpovědným auditorem
auditorské oprávnění č. 1817
Ing. Radislavem Tkáčem

ABC.AUDIT, s. r. o.

skláň: Erbenova 783/29, 703 00 Ostrava-Vítkovice tel: +420 599 526 782, fax: +420 599 526 783, e-mail: abc@abc-audit.com
IČ: 25889007, DIČ: CZ25889007, společnost zapsaná v OR, vedeném KS v Ostravě, oddíl C, vložka 24698



Balance Sheet

Unbridged balance sheet as at 31 December 2018 (in thousands of CZK)

POVODÍ ODŘY, state-owned enterprise
Varenská 3101/49, Moravská Ostrava
702 00 Ostrava
Organisation ID No.: 70890021
Registered in the Commercial Register
of the Regional Court in Ostrava,
File Ref. AXIV584

Label	Item content	Current period			Prior period
		Gross	Correction	Net	
	TOTAL ASSETS	8,783,508	-3,781,032	5,002,476	4,939,299
B.	Fixed assets	8,311,073	-3,779,756	4,531,317	4,491,820
B.I.	Long-term intangible assets	142,727	-133,068	9,659	9,390
B.I.1.	Intangible results of research and development	13,948	-13,948	0	0
B.I.2.	Valuable rights	58,121	-55,524	2,597	2,527
B.I.2.1.	Software	58,121	-55,524	2,597	2,527
B.I.4.	Miscellaneous long-term intangible assets	68,024	-63,596	4,428	4,758
B.I.5.	Advance payments for intangible fixed assets and incomplete intangible fixed assets	2,634	0	2,634	2,105
B.I.5.1.	Provided advances for long-term intangible assets	0	0	0	983
B.I.5.2.	Incomplete intangible fixed assets	2,634	0	2,634	1,122
B.II.	Fixed tangible assets	8,168,346	-3,646,688	4,521,658	4,482,430
B.II.1.	Land and structures	7,272,197	-3,180,166	4,092,031	4,110,714
B.II.1.1.	Land	483,396	0	483,396	463,083
B.II.1.2.	Buildings and structures (constructions)	6,788,801	-3,180,166	3,608,635	3,647,631
B.II.2.	Tangible movables and sets thereof	601,505	-466,254	135,251	146,119
B.II.4.	Other tangible fixed assets	867	-268	599	519
B.II.4.1.	Orchards and vineyards	189	-189	0	0
B.II.4.3.	Other tangible fixed assets	678	-79	599	519
B.II.5.	Advance payments for tangible fixed assets and tangible fixed assets under construction	293,777	0	293,777	225,078
B.II.5.1.	Provided advances for long-term tangible assets	145	0	145	38
B.II.5.2.	Incomplete tangible fixed assets	293,632	0	293,632	225,040
C.	Current assets	471,813	-1,276	470,537	446,879
C.I.	Inventory	10,465	0	10,465	10,722
C.I.1.	Materials	2,578	0	2,578	2,536
C.I.4.	Young and miscellaneous animals and groups thereof	7,887	0	7,887	8,186
C.II.	Accounts receivable	128,551	-1,276	127,275	118,196
C.II.1.	Long term receivables	261	0	261	29
C.II.1.1.	Receivables from business relationships	232	0	232	0
C.II.1.5.	Receivables – others	29	0	29	29
C.II.1.5.2.	Long-term provided advances	12	0	12	12
C.II.1.5.4.	Other receivables	17	0	17	17
C.II.2.	Short-term receivables	128,290	-1,276	127,014	118,167
C.II.2.1.	Receivables from business relationships	118,408	-1,268	117,140	107,978
C.II.2.4.	Receivables – others	9,882	-8	9,874	10,189
C.II.2.4.3.	State – tax claims	0	0	0	1,468
C.II.2.4.4.	Short-term advance payments made	1,112	0	1,112	1,171
C.II.2.4.5.	Contingent asset accounts	124	0	124	78
C.II.2.4.6.	Other receivables	8,646	-8	8,638	7,472
C.IV.	Monetary funds	332,797	0	332,797	317,961
C.IV.1.	Available cash	547	0	547	607
C.IV.2.	Funds in accounts	332,250	0	332,250	317,354
D.	Asset accruals and deferrals	622	0	622	600
D.1.	Costs for subsequent periods	572	0	572	545
D.3.	Accrued revenues	50	0	50	55

Label	Item content	Current period	Prior period
	TOTAL LIABILITIES	5,002,476	4,939,299
A.	Equity	4,496,021	4,456,107
A.I.	Registered capital	1,565,444	1,519,186
A.I.1.	Registered capital	1,565,444	1,519,186
A.II.	Share premium and capital funds	2,669,396	2,668,743
A.II.2.	Capital funds	2,669,396	2,668,743
A.II.2.1.	Other capital funds	2,669,396	2,668,743
A.III.	Funds from profit	208,128	245,887
A.III.1.	Other reserve funds	151,919	151,919
A.III.2.	Statutory and miscellaneous funds	56,209	93,968
A.V.	Profit/loss for the current accounting period	53,053	22,291
B. + C.	External resources	506,339	483,132
B.	Reserves	239,790	235,499
B.4.	Other reserves	239,790	235,499
C.	Liabilities	266,549	247,633
C.I.	Long-term accounts payable	235,728	216,868
C.I.8.	Deferred tax liability	233,648	215,177
C.I.9.	Other liabilities	2,080	1,691
C.I.9.3.	Other liabilities	2,080	1,691
C.II.	Short-term liabilities	30,821	30765
C.II.3.	Short-term received advances	58	74
C.II.4.	Liabilities from business relationships	4,693	4,806
C.II.8.	Other liabilities	26,070	25,885
C.II.8.3.	Obligations towards employees	11,949	11,843
C.II.8.4.	Social security and health insurance dues	6,915	6,960
C.II.8.5.	State - tax liabilities and subsidies	3,638	1,967
C.II.8.6.	Contingent liability accounts	687	679
C.II.8.7.	Other liabilities	2,881	4,436
D.	Accrued liabilities	116	60
D.1.	Expenses for subsequent periods	15	16
D.2.	Revenues for subsequent periods	101	44

Prepared on 14 March 2019

Signature of the statutory body
Ing. Jiří Pagáč



Profit and Loss Statement

classification by elements in full format for the period from 1 January 2018 to 31 December 2018 (in thousands of CZK)

POVODÍ ODŘY, state-owned enterprise
Varenská 3101/49, Moravská Ostrava
702 00 Ostrava
Organisation ID No.: 70890021
Registered in the Commercial Register
of the Regional Court in Ostrava,
File Ref. AXIV584

Label	Item content	Current period	Prior period
I.	Revenues from sale of products and services	675,995	641,928
A.	Output consumption	189,488	239,543
A.2.	Consumption of materials and energy	39,075	38,595
A.3.	Services	150,413	200,948
B.	Change to balance of reserves from internal activities (+/-)	531	-420
C.	Activation (-)	-1,213	-1,205
D.	HR costs	272,799	257,116
D.1.	Wage costs	187,235	178,140
D.2.	Social security, health insurance and miscellaneous costs	85,564	78,976
D.2.1.	Costs for social security and health insurance	65,319	61,947
D.2.2.	Other costs	20,245	17,029
E.	Value adjustments related to operations	159,268	147,941
E.1.	Adjustment of values of long-term intangible and tangible assets	159,517	151,912
E.1.1.	Adjustment of values of long-term intangible and tangible assets – permanent	156,814	151,912
E.1.2.	Adjustment of values of long-term intangible and tangible assets – temporary	2,704	
E.3.	Adjustment of receivable values	-250	-3,971
III.	Other operating income	41,250	54,050
III.1.	Revenues from the sale of long-term assets	6,051	5,539
III.2.	Revenue from sale of materials	17	5
III.3.	Other operating revenues	35,181	48,506
F.	Other operating costs	25,551	25,134
F.1.	Net book value of fixed assets sold	4,448	630
F.3.	Taxes and fees	2,614	1,114
F.4.	Position of operating reserves and complex accrued costs	4,291	7,971
F.5.	Other operating costs	14,197	15,419
*	Operating profit/loss (+/-)	70,821	27,869
VI.	Revenue interest and similar returns	834	708
VI.2.	Miscellaneous revenue interest and similar returns	834	708
VII.	Other financial income	47	55
K.	Miscellaneous financial costs	179	219
*	Financial profit/loss (+/-)	702	544
**	Profit/loss before taxation (+/-)	71,524	28,413
L.	Income tax	18,470	6,122
L.2.	Deferred income tax Income tax (+/-)	18,470	6,122
**	Economic result after taxation (+/-)	53,053	22,291
***	Profit/loss for the accounting period (+/-)	53,053	22,291
*	Net turnover for the accounting period	718,126	696,741

Prepared on 14 March 2019

Signature of the statutory body
Ing. Jiří Pagáč



Cash flow statement

for the period ending 31 December 2018 (in thousands of CZK)

POVODÍ ODŘY, state-owned enterprise
Varenská 3101/49, Moravská Ostrava
702 00 Ostrava
Organisation ID No.: 70890021
Registered in the Commercial Register
of the Regional Court in Ostrava,
File Ref. AXIV584

	Current accounting period	Previous accounting period
P. Initial balance of cash and cash equivalents at the beginning of the accounting period	317,961	355,351
Cash flow from the main profitable activity (operations)		
Z. Profit/loss before taxation (+/-)	71,524	28,413
A. 1. Adjustment by non-monetary operations	161,871	151,032
A. 1. 1. Depreciation of fixed assets (+) excluding the net book value of fixed assets sold and amortisation of the valuation difference to acquired assets and goodwill (+/-)	157,565	152,801
A. 1. 2. Change in adjustments, reserves, and contingent accounts	6,742	3,848
A. 1. 3. Profit (loss) from sale of fixed assets (-/+)	-1,602	-4,909
A. 1. 4. Revenues from shares of the profit (-)	0	0
A. 1. 5. Clearance of interest receivable (+) excluding interest included in fixed assets valuation and clearance of interest receivable (-)	-834	-708
A. 1. 6. Potential adjustment by other non-monetary operations	0	0
A * Net cash flow from operations before tax and changes in working capital	233,395	179,445
A. 2. Change in the non-monetary elements of working capital	-7,830	-5,107
A. 2. 1. Changes in the position of receivables from operations (+/-)	-7,134	8,684
A. 2. 2. Changes in the position of short-term receivables from operations (+/-)	-953	-13,380
A. 2. 3. Changes in inventory (+/-)	257	-411
A. 2. 4. Change of the position of short-term financial assets that are not in the category of cash and its equivalents	0	0
A ** Net cash flow from operations before tax	225,565	174,338
A. 3. Interest paid excluding interest included in fixed assets valuation (-)	0	0
A. 4. Interest received (+)	834	708
A. 5. Income tax paid and supplementary taxes for previous periods (-)	0	0
A. 7. Shares of the profit received (+)	0	0
A *** Net cash flow from operations	226,399	175,046
Cash flows from investment activities		
B. 1. Expenses associated with acquisition of fixed assets	-204,652	-201,499
B. 2. Revenue from sale of fixed assets	6,051	5,539
B. 3. Change in investment advance payments, re-billing of investments	1,093	-336
B *** Net cash flow related to investment activities	-197,508	-196,296
Cash flows from financial activity		
C. 1. Influence of changes in long-term payables or potentially such short-term payables that fall into the financial activity category (e.g. some operating loans) on cash and its equivalents	-262	-180
C. 2. Effect of equity changes on cash and its equivalents	-13,793	-15,960
C. 2. 1. Increase in cash and its equivalents caused by an increase in registered capital, issue premium, or funds from profit including deposits made for such an increase (+)	0	0
C. 2. 2. Payment of equity shares to partners (-)	0	0
C. 2. 3. Other cash contributions from partners and shareholders (+)	0	0
C. 2. 4. Compensation of losses by partners (+)	0	0
C. 2. 5. Direct payments from funds (-)	-13,793	-15,960
C. 2. 6. Shares of the profit paid including the withholding tax paid in relation to such entitlements including financial settlement with partners in general partnerships and general partners in limited partnerships (-)	0	0
C *** Net cash flow related to financial activities	-14,055	-16,140
F. Net increase/decrease of cash	14,836	-37,390
R. Balance of cash and cash equivalents at end of the accounting period	332,797	317,961

Prepared on 14 March 2019

Name and signature of the statutory body
Ing. Jiří Pagáč, General Director



Statement of Equity Changes

as at 31 December 2018 (in thousands of CZK)

POVODÍ ODRY, state-owned enterprise
Varenská 3101/49, Moravská Ostrava
702 00 Ostrava
Organisation ID No.: 70890021
Registered in the Commercial Register
of the Regional Court in Ostrava,
File Ref. AXIV584

Item	2016				2017				2018			
	Balance as at 1/1	Increase (+)	Decrease (-)	Balance as at 31/12	Balance as at 1/1	Increase (+)	Decrease (-)	Balance as at 31/12	Balance as at 1/1	Increase (+)	Decrease (-)	Balance as at 31/12
Registered capital – ordinary stock (account 411)	1,519,186	0	0	1,519,186	1,519,186	0	0	1,519,186	1,519,186	46,258	0	1,565,444
Capital funds (account 413)	2,666,743	4,114	2,489	2,668,368	2,668,368	2,380	2,005	2,668,743	2,668,743	720	67	2,669,396
Reserve funds, other funds from profit	242,033	13,268	14,299	241,002	241,002	21,471	16,586	245,887	245,887	22,782	60,541	208,128
Statutory reserve fund (account 421)	151,919	0	0	151,919	151,919	0	0	151,919	151,919	0	0	151,919
Total statutory and other funds, of which:	90,114	13,268	14,299	89,083	89,083	21,471	16,586	93,968	93,968	22,782	60,541	56,209
Investment fund (account 427 AE)	46,258	0	0	46,258	46,258	0	0	46,258	46,258	0	46,258	0
Cultural and social welfare fund (account 423)	22,801	6,528	7,444	21,885	21,885	11,471	9,528	23,828	23,828	12,602	6,800	29,630
Bonus fund (account 427 AE)	20,195	6,600	6,825	19,970	19,970	9,970	6,848	23,092	23,092	9,970	7,333	25,729
Social fund (account 427 AE)	860	140	30	970	970	30	210	790	790	210	150	850
Profit/loss for the current accounting period	12,495	20,845	12,495	20,845	20,845	22,291	20,845	22,291	22,291	53,053	22,291	53,053
TOTAL EQUITY	4,440,457	38,227	29,283	4,449,401	4,449,401	46,142	39,436	4,456,107	4,456,107	122,813	82,899	4,496,021

Prepared on 14 March 2019

Name and signature of the statutory body
Ing. Jiří Pagáč, General Director



Notes on the Financial Statements

as at 31 December 2018

1. Company Profile

Business Name: Povodí Odry, státní podnik

Corporate Office: Varenská 3101/49, Moravská Ostrava, 702 00 Ostrava, delivery number: 701 26

Legal status: state enterprise

Identification number (Company Registration Number): 70 89 00 21

Main line of business:

Management of river basins, which means management of significant watercourses and determined small watercourses, activities related to the determination and evaluation of the condition of surface and ground water in the territorial powers of the state-owned company Povodí Odry, and other activities performed by river basin managers pursuant to Act No. 254/2001 Coll., on waters and on amendment to some acts (the Water Act), as amended, Act No. 305/2000 Coll., on river basins, and related legal regulations.

Activities according to the trade licences and the decision on awarding of licence:

Generation of electricity, building project design, building construction, modification and demolition, road motor transport, production, trade and services not specified in Annexes 1 to 3 of the Trade Licensing Act.

Establishment of the Company: under Act No. 305/2000 Coll., on river basins.

Date of establishment of the Company (date of force of Act No. 305/2000 Coll.): 1 March 2001

Founder: Ministry of Agriculture

Legal predecessor of the state-owned company: Povodí Odry, joint stock company

Changes and amendments to the Commercial Register made during the accounting period:

In 2018, the following changes were entered in the Commercial Register maintained by the Regional Court in Ostrava:

- On 26 April 2018, a resolution on an amendment to the Memorandum of Association was issued concerning the entry of the person authorised to act on behalf of the founder (deletion of Ing. Jiřina Vorlová, entry of Ing. Aleš Kendík) – the resolution took legal force on 15 May 2018.
- On 22 October 2018, a resolution on an amendment to the Memorandum of Association was issued concerning a change in the amount of the owners' capital – the resolution took legal force on 8 November 2018.

Statutory body of the state-owned enterprise (as at 31 December 2018):

Ing. Jiří Pagáč, General Director

Deputies of the statutory body of the state-owned company – General Director:

- First Deputy: Ing. Petr Březina, Technical Director,

- Second Deputy: Ing. Petr Kučera, Finance Director,

- Third Deputy: Mgr. Miroslav Janoviak, LL.M., Investment Director

Supervisory Board (as at 31 December 2018):

Ing. Aleš Kendík

Ing. Zdeněk Macoszek

Ing. Michal Sírko

Ing. Peter Suchý

Miroslav Novák

Ing. Ivana Mojžíšková

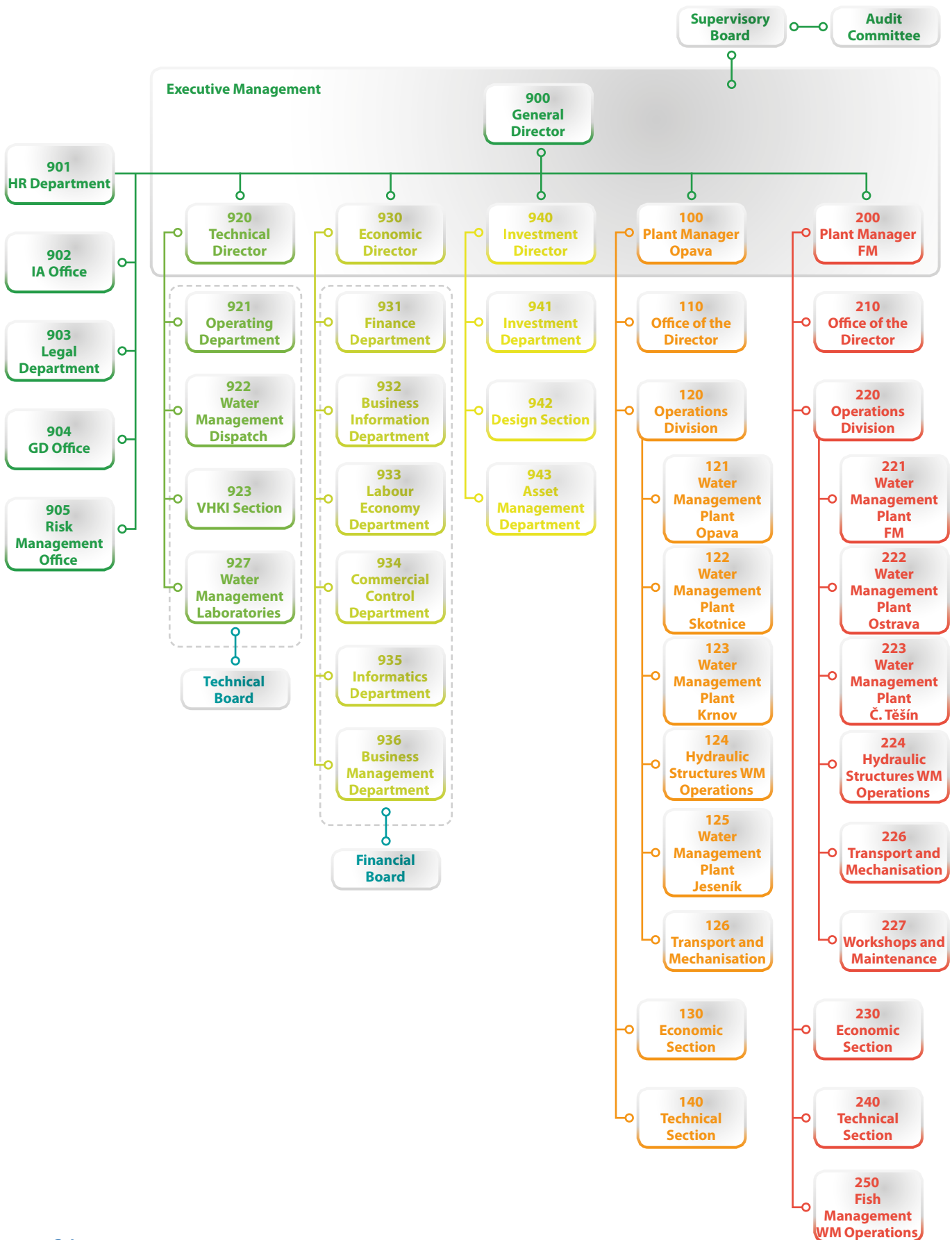
Ing. Dagmar Šimková

Ing. Radek Pekař

Changes in the organisational structure during the accounting period:

The organisational structure of the state-owned enterprise did not change during 2018.

Organisational Chart



2. Basis for preparation of the financial statements

Balance sheet date: 31 March 2018

Date of preparation of the financial statements: 14 March 2019

Legal framework for keeping accounts and preparation of financial statements

The financial statements have been prepared in compliance with Act No. 563/1991 Coll., on accounting, as amended, and Decree No. 500/2002 Coll., implementing certain provisions of Act No. 563/1991 Coll., on accounting, for accounting units – entrepreneurs keeping their accounts using the double-entry bookkeeping system. The state-owned company Povodí Odry keeps accounts in compliance with the Czech Accounting Standards.

The state-owned company Povodí Odry is a big accounting unit and since 2016 it has been included in the partial consolidation unit of the Czech Republic.

3. General accounting principles and methods

When applying the accounting and reporting methods, the main specifics of the line of business are taken into account, where the state-owned company manages a large volume of fixed assets of the nature of hydraulic structures that are subject to the risk of incidental climatic events in the form of floods and generate significant costs for repairs and maintenance of the waterwork assets.

Valuation methods:

- purchased fixed assets – purchase price,
- fixed assets of own production (capitalisation) – own expenses,
- fixed assets acquired without consideration – replacement cost,
- fixed assets acquired without consideration from state-owned organisations – book prices,
- purchased inventory – acquisition prices,
- inventory created by own activities (including increases in fish volumes) – own costs,
- decline in inventory (apart from fish) – FIFO,
- decline in fish volumes – weighted arithmetic average method,
- cash, valuables – nominal value,
- receivables, payables – nominal value.

Long-term assets

Fixed intangible assets especially include intangible results of research and development, software, and other intangible assets (studies, audiovisual works, plans in the area of water basins) valued over CZK 60,000. Assets with a lower value are accounted as costs and from the value of CZK 2,000 the assets are recorded in off-balance sheet accounts.

Tangible fixed assets comprise mainly buildings, land, perennial crops, other tangible fixed assets (rights of users), and tangible movables and sets of movables worth over CZK 40,000. Tangible movables worth up to CZK 40,000 are accounted as costs and from the value of CZK 2,000 the items are recorded in off-balance sheet accounts.

The value of fixed assets is lowered by the value of grants received for acquisition of fixed assets, which are credited to the unfinished fixed assets account. The value of the grants is given in the note in the fixed asset card. Fully subsidised assets are recorded in off-balance sheet accounts.

Depreciation plans – method of compilation and depreciation methods applied

The depreciation method applied to fixed assets is determined by the depreciation schedule on the basis of the acquisition price and assumed service life of the given assets. Tangible fixed assets are depreciated at annual rates stipulated for the individual asset groups. Intangible fixed assets are depreciated at an annual depreciation rate of 25%. The book depreciation of tangible and intangible fixed assets is accounted at the rate of 1/12 of total annual depreciation within the monthly closings, beginning in the month of their activation.

The accounting entity does not apply the component depreciation method.

Inventory

Inventory consists of materials regarding stock and young other animals, especially fish.

Short-term financial assets and cash

The item includes cash in hand, valuables, and cash in bank accounts. The funds to cover reserves are earmarked in separate bank accounts. The overview of changes in the cash flow is contained in a separate Cash Flow Statement.

Method applied to conversion of foreign currency figures to Czech crowns

For conversion of foreign currency, the daily exchange rates announced by the Czech National Bank applicable to the transaction date are applied.

Short-term receivables

The item includes trade receivables, namely receivables from sales of surface water and electricity.

Adjusting entries

- to fixed assets

- created if the book value of fixed assets is declining due to temporary non-use, damage, when making a decision to sell if the assumed selling price is lower than the book value, etc.,

- to inventory

- created for slow-moving, outdated, or otherwise temporarily degraded inventory on the basis of individual assessment,

- to receivables

- created for difficult-to-recover receivables on the basis of individual assessment of individual debtors and the age structure of receivables, so that the valuation of these receivables at the balance sheet date corresponds to their realisation value. Statutory adjusting entries are created pursuant to Act No. 586/1992 Coll., on income taxes, as amended, and Act No. 593/1992 Coll., on provisions for determining the tax base, as amended. The accounting adjusting entries are created above their framework.

Equity

Registered capital is reported in the amount stipulated in the Memorandum of Association filed in the collection of documents of the Commercial Register, or in the amount set by the founder in the event that the change was not made in the Commercial Register by the balance sheet date.

As regards **other capital funds**, subsidies for capital equipment from previous periods and gratuitous transfers of the right to manage the state property of the Czech Republic are recorded.

As regards **funds from profit**, a reserve fund, a cultural and social welfare fund, a remuneration fund, and a social fund are reported as at the balance sheet date. Based on the founder's decision, the balance of the investment fund was transferred to the registered capital in the accounting period 2018.

Allocation of funds takes place based on the founder's decision on the distribution of profit for the accounting period. The creation and use of funds is governed by internal regulations, and in the case of the cultural and social welfare fund by the collective agreement.

The breakdown of changes in equity for the accounting period 2018 is presented in a separate Statement of Equity Changes.

Reserves

The state-owned company uses reserves to express and cover risks arising out of the company's specific subject of business activity. The reserves are intended to cover liabilities or costs the nature of which are clearly defined and which will probably or certainly occur by the balance sheet date, but the amount or moment of occurrence of which is not certain. As at the balance sheet date, the reserve represents the best estimate of future probable costs. In compliance with these conditions, the following reserves are recognised in the state-owned company as at the balance sheet date:

- reserve for flood risk,
- reserve for major repairs of the water management assets,
- reserve for repair of assets acquired from grants,
- reserve for litigation and other risks,
- reserve for the medium-term element of wages.

Reserves are created in compliance with applicable internal rules based on other primary documents, which include in particular the Risks Map, an expert opinion of the Czech Technical University in Prague on the determination of the amount of the flood reserve, the Medium-Term Conception of the Company's Development, etc.

The reserves created are covered by funds kept separately in current accounts and their amounts are specified according to the reality at the beginning of the following accounting period.

Long-term liabilities

The item includes, in particular, bank guarantees received from construction contractors for the duration of the warranty period and deferred tax liability.

Deferred tax liability

Deferred tax liability reflects the tax impact of temporary differences between the net book values of assets and liabilities from the accounting point of view and determination of the income tax base while taking into account the time of payment. Further, assessment is done according to the principle of conservatism in relation to Section 26(3) of the Accounting Act, and if it is not clear that an adequate tax base will be achieved, it is not included in the calculation of the item relating to deferred tax claims. This is based on the implementation of the principle that, in accordance with the principle of prudence, the realised profit is not reported if it is not adequately and demonstrably ascertained that such profit has been earned.

The major title for the deferred tax obligation is the temporary difference between the book and tax value of the fixed assets.

The major title for the deferred tax claim comprises tax losses and reserves. With regard to the fundamental specifics of the subject of the state-owned company's business activity, there is no assurance of achieving future profits in an adequate volume for realisation of these items for the reason of potential future losses that cannot be influenced and or require a substantially shorter realisation time.

Short-term liabilities

The item includes mainly trade payables arising from unfinished construction projects of investment and operational natures.

Grants

Grants are posted to the accounts upon receipt or unquestionable entitlement to receipt. Based on the experience with administration of the subsidy agenda, the state-owned company adopted the assumption that the conditions of unquestionable entitlement are fulfilled at the moment of accounting for the liability (after approval of correctness in rem and compliance of the claim with the conditions for award of the grant), which is to be covered by the grant unless stipulated otherwise in a specific case. A grant received to cover costs is posted to operational or financial revenues. A grant received for acquisition of fixed assets, including technical improvements and the payment of interest included in the acquisition price of the assets, reduces the acquisition price or the company's own acquisition costs.

Revenues and costs

The decisive part of the revenues is generated by surface water sales, which are subject to price regulation. It is possible in the calculation of the regulated prices of surface water to include only the economically justified costs and reasonable profit; specified unrecognisable costs are excluded.

Revenues and expenses are recognised on an accrual basis.

Subsequent events

The impact of events that occurred between the balance sheet date and the date of the financial statements is to be reflected in the financial statements if such events provide additional information about the facts that existed at the balance sheet date. If any significant events occurred in the period between the balance sheet date and the date of the financial statements, which affect the facts that occurred after the balance sheet date, the consequences of such facts are recorded in the Notes to the Financial Statements.

Mutual settlements

They do not occur in the accounting period 2018.

Changes to accounting methods as compared to the preceding reporting period

Deviations from the accounting methods

They do not occur in the accounting period 2018.

Correction of errors from previous years

They do not occur in the accounting period 2018.

4. Additional information to the items in the financial statements

Long-term assets

The list of fixed assets – acquisition values (in thousands of CZK)

Account group	Name	Balance as at 1/1/2018	Increase	Decrease	Balance as at 31/12/2018
01	Fixed intangible assets	134,394	5,698	-	140,092
02	Fixed tangible assets	7,312,612	107,778	29,524	7,390,866
03	Non-depreciated tangible fixed assets	463,391	33,404	13,091	483,704
04	Unfinished intangible and tangible fixed assets	226,162	445,494	375,390	296,266
05	Advance payments for intangible and tangible fixed assets	1,021	281	1,157	145
Total		8,137,580	592,655	419,162	8,311,073

An important item is the reconstruction of the Šance waterworks, recorded as at 31 December 2018 as an unfinished tangible fixed asset. The inclusion in tangible fixed assets will occur in the following accounting period.

Adjustments to fixed assets (in thousands of CZK)

Account group	Name	Balance as at 1/1/2018	Increase	Decrease	Balance as at 31/12/2018
07	Adjustments to intangible fixed assets	127,109	5,959	-	133,068
08	Adjustments to tangible fixed assets	3,518,651	154,856	29,523	3,643,984
Total		3,645,760	160,815	29,523	3,777,052

Adjusting entries to tangible fixed assets (in thousands of CZK)

Account group	Name	Balance as at 1/1/2018	Increase	Decrease	Balance as at 31/12/2018
09	Adjusting entries to tangible fixed assets	-	2,704	-	2,704
Total		-	2,704	-	2,704

The conditionality of the accounting records by legal force of the registration in the Land Register (in thousands of CZK)

Land	as at 31/12/2017	as at 31/12/2018
- classification submitted for registration in the Land Register (not registered as at 31 December)	3,168	7,435
- retirement submitted for registration in the Land Register (not registered at 31 December)	156	205

Grant for acquisition of fixed assets (in thousands of CZK)

Purpose of grant / source	as at 31/12/2017	as at 31/12/2018
Flood prevention / state budget	241,574	224,912
Flood prevention / local government budgets	4,109	3,891
Measures on the Upper Opava – acquisitions / state budget	-	821
Support for small watercourses and small water reservoirs / state budget	3,657	6,747
Total	249,340	236,371

Assets acquired from grants for acquisition of fixed assets

The state-owned company records fixed assets acquired from grants for acquisition of fixed assets:

- in case of partially subsidised assets – by stating the value of the grant in the note on the asset record card,
- in case of fully subsidised assets – by stating the value of the grant on the given off-balance sheet account.

Subsidised assets	as at 31/12/2017	as at 31/12/2018
Partially subsidised assets	3,012,605	3,017,013
Fully subsidised assets	143,541	129,631

Povodí Odry, state-owned company, does not have pledged real estate or movables.

Current assets

Accounts receivable (in thousands of CZK)

Receivables (short-term and long-term)	as at 31/12/2017	as at 31/12/2018
Overdue receivables	1,993	2,233
of which: receivables that are more than 5 years overdue	813	763
Receivables with maturity longer than 5 years	-	-
Receivables covered by security in rem	-	-

Adjusting entries were created to unpaid receivables that were assessed as doubtful as at the balance sheet date.

Adjustment entries to receivables – Account 391 (in thousands of CZK) as at 31 December 2017

	as at 31/12/2017	as at 31/12/2018
Statutory	1,086	944
Accounting	439	331
Total	1,525	1,275

The amount of the advance payments, earnest payments, loans, and credit provided to members of the management and controlling or administrative bodies also including interest and other terms and conditions (stating of the provided, paid-up, for-given amounts, and security method)

The state-owned company did not provide any of the above deliveries to members of the management or controlling or administrative bodies.

Current profit/loss and its distribution (in thousands of CZK)

	Distribution of the profit 2017	Proposal of distribution of the profit 2018
Profit/loss	22,291	53,053
- allocation to the reserve fund	-	19,303
- allocation to the cultural and social welfare fund	12,111	16,100
- allocation to the bonus fund	9,970	17,500
- allocation to the social fund	210	150

External resources

Reserves

Other (accounting) reserves – Account 459 (in thousands of CZK)

Purpose	as at 31/12/2017	as at 31/12/2018
Reserve for floods	37,000	37,000
Reserves for major repairs to water management assets	74,421	79,332
Reserve for repairs to assets acquired from investment grants	98,979	98,045
Other reserves (medium-term component of wages, litigation, and other risks)	25,099	25,413
Total	235,499	239,790

Deferred tax liability – Account 481 (in thousands of CZK)

Item	as at 31/12/2017	as at 31/12/2018
Net book value of small assets (Book Value)	3,446,826	3,417,028
Tax residual value of small assets (Residual Value)	2,314,318	2,187,304
Difference between book and tax prices (Book Value – Residual Value)	1,132,508	1,229,724
19%	215,176	233,647
Unpaid interest on late payments	4	-
19%	1	-
Total deferred tax liability	215,177	233,647

Deferred tax liability	- balance of Account 481 at 31 December 2017	215,177
	- balance of Account 481 at 31 December 2018	233,647
Difference	- Account 592 Debit	18,470

Deferred tax receivables based on:

- tax losses in the amount of CZK 58,475 thousand,
 - reserves in the amount of CZK 239,790 thousand,
- are not recognised in compliance with the prudence principle.

Accounts payable (in thousands of CZK)

Short-term liabilities	as at 31/12/2017	as at 31/12/2018
Liabilities overdue	295	342
of which: liabilities that are more than 5 years overdue	295	295
liabilities with a maturity period longer than 5 years	-	-
Liabilities covered by security in rem	-	-

Overdue liabilities are related to the former agenda of payments for pollution of surface water and off-take ground water for the State Environmental Fund and apply to the unpaid claims of the entities whose bankruptcy proceedings are not yet completed.

Long-term liabilities	as at 31/12/2017	as at 31/12/2018
Liabilities overdue	-	-
of which: liabilities that are more than 5 years overdue	-	-
liabilities with a maturity period longer than 5 years	-	-
Liabilities covered by security in rem	-	-

Schedule of other long-term liabilities – Account 479 (in thousands of CZK)

Contents	as at 31/12/2017	as at 31/12/2018
Guarantees received	1,691	2,080

The liabilities relate to the bank guarantees received from construction contractors for the period of the warranty period and the long-term refundable bonds to ensure the protection of leased assets.

Povodí Odry, state-owned company, does not have any bank loans and financial assistance.

The state-owned company does not have any liabilities that would not be recorded in the balance sheet.

Selected items not reported in the balance sheet but recorded in the off-balance sheet accounts

Item	as at 31/12/2017	as at 31/12/2018
Fully subsidised assets	143,541	129,631
Low-value tangible and intangible assets	81,135	79,853
Documentary bank guarantees	145,906	199,413

Selected cost and revenue items

HR costs

Item	as at 31/12/2017	as at 31/12/2018
Average number of employees (adjusted)	463	464.16
of which: white-collar category	245	250.84
blue-collar category	218	213.32
Personnel costs incl. other personnel costs (in thousands of CZK)	176,651	185,485
Social security and health insurance costs (in thousands of CZK)	61,930	65,295
Remuneration for supervisory body members	1,488	1,750

Auditing services (in thousands of CZK)

Purpose	as at 31/12/2017	as at 31/12/2018
Remuneration charged by auditors – statutory audit of the financial statements	234	130
Remuneration charged by auditors – other audit services	-	-

Non-investment grants (in thousands of CZK)

Grant purpose / source	as at 31/12/2017	as at 31/12/2018
Flood prevention / state budget	27,976	-
Support for small watercourses and small water reservoirs / state budget	3,128	7,794
Total	31,104	7,794

Revenues from sale of goods, products and services according to type of activities – Account Group 60 (in thousands of CZK)

Type of activity	as at 31/12/2017	as at 31/12/2018
Surface water sales	553,682	579,250
Electricity sales	62,942	69,486
Fish sales	13,536	13,750
Rent revenue	4,687	4,910
Revenues from laboratory work	2,275	2,111
Other revenues	4,806	6,488
Total (all in the Czech market)	641,928	675,995

The state-owned company neither has nor reports any expenses or revenues.

The going concern principle

The state-owned company Povodí Odry, on the basis of the annual plan approved by the founder for the following accounting period, medium-term concept of the development of the company and other long-term targets, assumes the future continuation of its activities. The financial statements of the state-owned company Povodí Odry as at 31 December 2018 were prepared assuming the future continuation of its operations and do not include any arrangements arising from uncertainty regarding the continuous existence of the accounting entity.

Changes between the balance sheet date and the date of preparation of the financial statements:

Between the balance sheet date and the date of preparation of the financial statements, the state-owned company received a unified methodology of the founder on the accounting for reserves of the state-owned river basin enterprises. Based on this methodology, the balance of the reserve for non-depreciated assets acquired from investment subsidies in the amount of CZK 98,045 thousand will be transferred as at 1 January 2019 in the form of a method change to account 426 – Other economic results of previous years.

Between the balance sheet date and the date of preparation of the financial statements, the founder announced a tender procedure for the General Director of the state-owned company.

The facts and data prescribed in the content specification of the Notes on the Financial Statements pursuant to Decree No. 500/2002 Coll., implementing some provisions of Act No. 563/1991 Coll., on accounting, for accounting entities that are entrepreneurs keeping accounts using the double-entry bookkeeping system, as amended, which do not occur in the accounting entity Povodí Odry, state-owned company, are not presented in these Notes.



Ing. Jiří Pagáč
General Director

Ostrava, dated 14 March 2019

Photo: Small water reservoir Bílovec



POVODÍ ODRY, state-owned enterprise

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Photographs: archive of the state enterprise Povodí Odry

