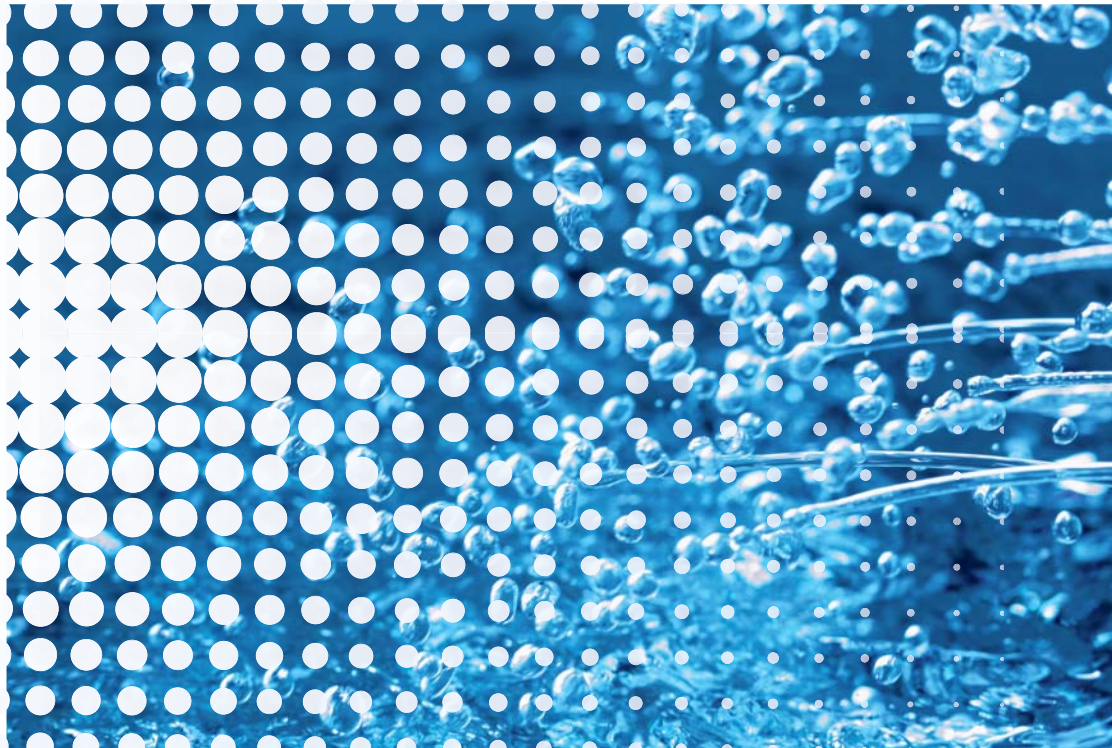




Povodí Odry
státní podnik

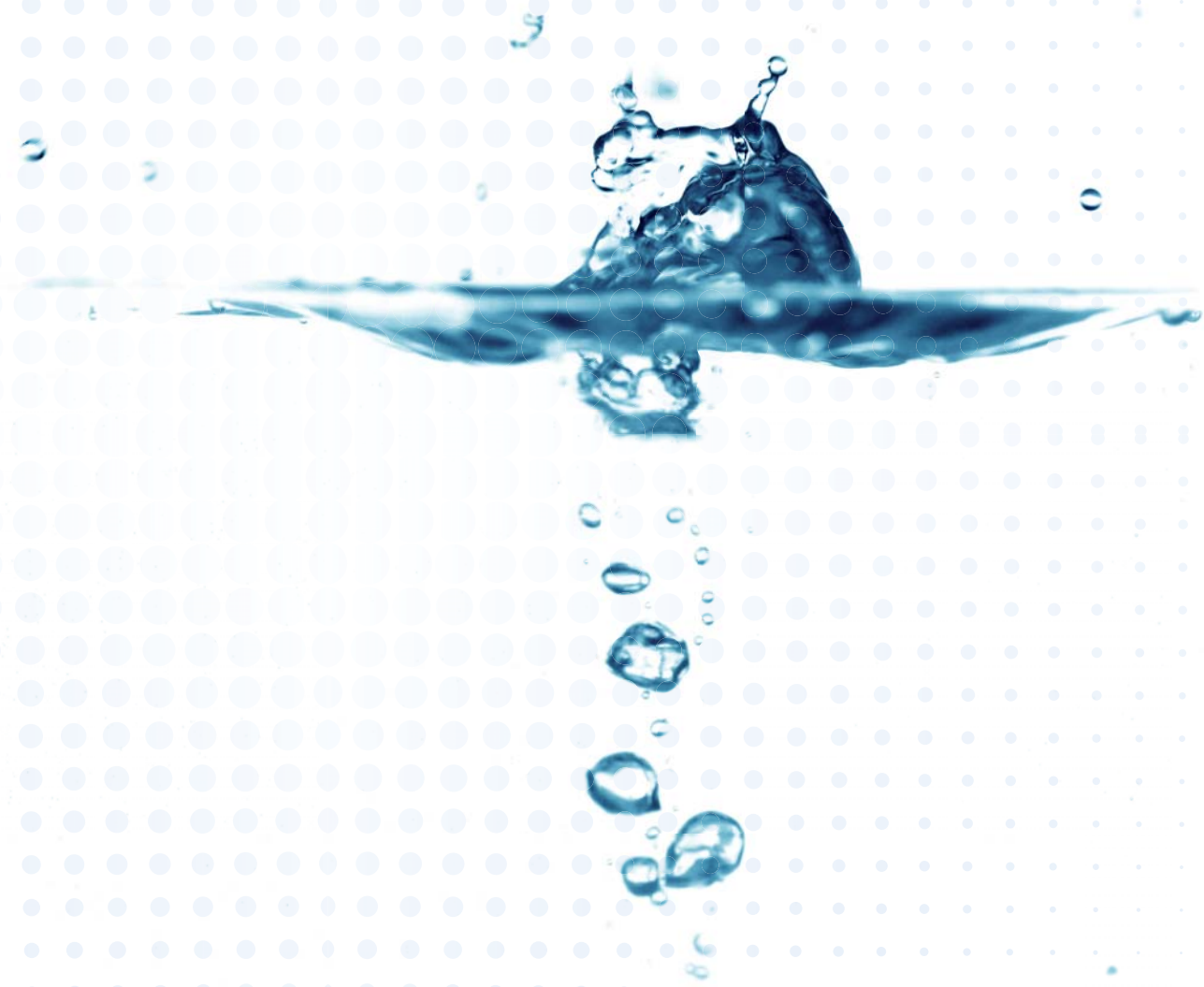
2013



INTRODUCTION	05
BASIC COMPANY DATA	06
COMPANY STRUCTURE	07
ADMINISTERED ASSETS	08
PERSONNEL	09
COOPERATION WITH LOCAL SELF-ADMINISTRATIONS IN THE AREA OF RIVER ODRA BASIN	12
WATER DELIVERIES	14
ELECTRIC POWER PRODUCTION	16
WATER QUALITY INSPECTIONS	19
WATER CLEANLINESS-RELATED ACCIDENTS	20
2ND STAGE OF FLOOD PREVENTING PROVISIONS HAS BEEN SUCCESSFULLY FINALISED BY THE STATE-OWNED COMPANY POVODÍ ODRY	24
ECONOMIC RESULTS	28
AUDITOR'S REPORT	30
FINAL ACCOUNTS	34
ATTACHMENT TO THE BALANCE SHEET	37
ACTIVITIES BY WATER MANAGEMENT LABORATORIES	46

BAŠKA





Dear readers,

As every year before the end of the first half-year, you find in front of you this Annual Report by the state-owned company Povodí Odry 2013. Before you start inspecting individual data provided by the Report, please, let me assess the last year as a whole, without details or specific numbers.

I can say that the year 2013 was quite difficult for the Company, but, in the end, it was successful. Our activities were not disrupted by any natural disaster during last twelve months. Quite the contrary, we had to manage the shortages of rains during the second half-year and that was made even worse by the mild winter without snow. However, it was just the second half-year when we experienced welcome increases - a turnaround in water deliveries, which had been declining for some time, and our economic results of the year thus became very positive as a result. Thanks to the weather, which was appreciated by the industry of construction - the construction season extended practically to the end of the year, and the finalisation of additional works was thus possible, something impossible under usual weather conditions. We could thus not only achieve our goals established in our financial plan for 2013 both in implemented investments, including purchases of machinery, and, especially, in the area of repairs where we significantly exceeded the planned volume of repairs.

The year 2013 was important for our company also because we finalised all constructions funded from within the 2nd stage of the flood preventing programme by the Ministry of Agriculture and, at the same time, we could start preparing the third stage. In addition to this programme, there were also progressing well constructions related to other programmes, especially revitalising works related to the Operational Programme Environment and the constructions funded from our own resources. I would like to specifically mention the construction works implemented in our reservoirs Šance, Morávka, Kružberk, and Žermanice. In 2013, there were also preparatory works started within our biggest investment event – “Provisions at the upper flow of River Opava” at the Nové Heřminovy reservoir.

All activities, including the listed ones, reflect in the results presented in this Annual Report. As usually, we have supplemented them with three additional accompanying texts. They deal with facts which do not make compulsory report attachments, but illustrate the Company activities from a broader perspective, including finalisation of the flood preventing provisions and constructions funded from this programme. I am convinced that the results achieved in 2013 will allow us to further progress in this new year during which we will have to solve new challenges in all areas of our activities.

Ing. Miroslav Krajčůek
General Director

FOUNDER

Ministry of Agriculture of the Czech Republic of the official address in Těšnov 65/17, Nové Město, 110 00 Praha 1

I.D. No. (IČ): 00020478

THE PERSON AUTHORISED TO ACT ON BEHIND THE FOUNDER AT THE 31ST OF DECEMBER 2013

Ing. Jaroslav Janáček

General Director of the Administrative Section in the Ministry of Agriculture of the Czech Republic

COMPANY NAME: Povodí Odry, státní podnik (River Odra Basin, state-owned company)

OFFICIAL ADDRESS: Varenská 3101/49, Ostrava - Moravská Ostrava, Post Code 701 26

FOUNDING DATE: 1st of January 2001, pursuant to the River Basins Act No. 305/2000 Coll.

ENTRY IN THE COMMERCIAL REGISTER: Regional Court in Ostrava, Part A XIV, File No. 584

ENTRY DATE: 26th of March 2001

LEGAL FORM: state-owned company

I.D. (IČ): 70890021

TAX FILE No. (DIČ): CZ70890021

STATUTORY BODY AT THE 31ST OF DECEMBER 2013

Ing. Miroslav Krajiček, General Director of Povodí Odry, státní podnik

SUPERVISORY BOARD

Miroslav Novák, Chairman

Ing. Aleš Kendík

JUDr. Jindřich Urfus

Ing. Michal Sirko

Mgr. Petr Procházka – till the 31st of January 2013

Ing. Lubomír Žmolík – from the 1st of February 2013

Zdeněk Havlík – till the 20th of August 2013

Mgr. Daniel Havlík – from the 22nd November 2013

Ing. Ivana Mojžíšková

Ing. Ivana Musálková

Ing. Jiří Tkáč – till the 15th of September 2013

Ing. Radek Pekař – from the 16th of October 2013

EXECUTIVE MANAGEMENT

Ing. Miroslav Krajiček, General Director

Ing. Petr Březina, Technical Director

Ing. Petr Kučera, Economy Director

Ing. Čestmír Vlček, Commercial Director

Mgr. Miroslav Janoviak, LL.M., Investment Director

Ing. Jiří Tkáč, Director of the Plant 1 in Opava

Ing. Jiří Šašek, Director of the Plant 2 in Frýdek-Místek

Activities by the state-owned company have been determined by the Founding Document and they are based on legal standards, especially the Waters Act No. 254/2001 Coll. as amended, the River Basins Act No. 305/2000 Coll., and the State-owned Company Act No. 77/1997 Coll. as amended. The activities relate mostly to the management and administration of important water flows, including border flows, water works and smaller water flows, management of which has been assigned to the Company in the area of River Odra Basin. Other Company activities include finding about and assessment of surface and underground water situations in the given area, investment activities in this area, including protective provisions organised against floods, remedy activities during and after water flow-related accidents, and at last, but not least, the planning activities pursuant to the relevant legal standards. Other complementary activities are also organised within the main activities like, for example, activities by accredited laboratories, fish management, constructions, engineering, and projecting and consulting activities related to water management. These activities take place both within the internal Company needs and for external customers.

ORGANISATION COMPANY STRUCTURE

- Section of General Director
- Section of Commercial Director
- Section of Technical Director
- Section of Economy Director
- Section of Investment Director
- Plant 1 in Opava
- Plant 2 in Frýdek-Místek

SECTION OF GENERAL DIRECTOR

Direct responsibilities of the General Director cover the Department of human resources treating not only personnel affairs, but also social issues, training, and health and safety at work.

SECTION OF COMMERCIAL DIRECTOR

This Section organises services in the area of trading and contract conclusions, legal and assets' issues, technology-

related activities and the development of the Company, but also public relations, internal audits and safety pursuant to special regulations, and the agenda of private data protection within the Company.

Section scheme

- Department of technological and organisational development
- Legal department
- Internal audits and safety
- Department of commercial contracts
- Property department

SECTION OF TECHNICAL DIRECTOR

This Section organises professional activities in the main areas within the water management system, water flows' management, management of water works, administration of water management facilities, energy management, and other activities. This Section of Technical Director is also responsible for activities undertaken by the Water Management Dispatching Office and water management laboratories.

The Section organises coordination of main trends in prognoses, conceptions and consulting. The organisation of planning activities related to water flows has a special place among other activities as established in the Waters Act.

Section scheme

- Department of operations
- Water Management Dispatching Office
- Department of water management-related conceptions and information
- Water management laboratories

SECTION OF ECONOMY DIRECTOR

This Section organises implementation of plans focussed on the achievement of effective economy management, especially in the areas of planning, funding, price creation, subsidies, accounting, statistics, analytical activities, and work economy. It also organises the support to information systems and the management administration.

Section scheme

- Department of finance
- Department of economic information
- Department of labour economy
- Department of informatics
- Department of management administration

SECTION OF INVESTMENT DIRECTOR

This Section organises activities related to preparations and investment implementations and engineering activities, especially the projecting and geodetic activities. It coordinates main directions of engineering services and participates in preparations of investment planning and repairs, including machinery and facilities having the technological character.

Section scheme

- Department of investments
- Projecting department

PLANTS

The Plants implement company plans and objectives within the determined areas of management, maintenance, repairs and investment activities taking place at water flows in connection with the main Company activities. The Plants' activities are geographically divided between Plant 1 in Opava and Plant 2 in Frýdek-Místek. The two Plants together cover the entire water basin area managed by the Company. Apart from the activities directly related to the management of water flows and water works, the Plants organise and coordinate operations and economic activities within their determined scopes.

Plant structures

- Section of Plant Director
- Section of operations
- Technology section
- Economy section
- Water management operations

LONG-TERM TANGIBLE ASSETS – CONSTRUCTIONS, INDEPENDENT TANGIBLE ASSETS AND SETS OF TANGIBLE ASSETS

The value of long-term tangible assets has increased by CZK 140.48 million, when compared with the situation in 2012. At the 31st of December 2013, the total acquisition value of the long-term tangible assets reached CZK 6 968.07 million.

The structure of selected long-term assets (without land, permanent growths, other long-term tangible assets, long-term tangible assets in progress, and provided deposits on long-term tangible assets) is as follows:

Buildings	CZK 354.91 million	5.09 %
Reservoirs and ponds	CZK 3 346.93 million	48.03 %
Water flows' adjustments	CZK 2 273.37 million	32.63 %
Weirs and steps	CZK 343.39 million	4.93 %
Other objects	CZK 164.93 million	2.37 %
Transport and other machinery	CZK 209.01 million	3.00 %
Energy machines and facilities	CZK 133.06 million	1.91 %
Instruments, special technological facilities and IT	CZK 134.41 million	1.93 %
Inventory	CZK 8.06 million	0.12 %
TOTAL LONG-TERM TANGIBLE ASSETS	CZK 6 968.07 million	



SELECTED LONG-TERM TANGIBLE ASSETS

	Buildings		Reservoirs and ponds		Water flows' adjustments		Weirs and steps		Other objects	
	in CZK million	%	in CZK million	%	in CZK million	%	in CZK million	%	in CZK million	%
TOTAL	354.91	100.00	3 346.93	100.0	2 273.37	100.0	343.39	100.0	164.93	100.0
Opava plant	112.59	31.72	2 326.33	69.5	1 185.03	52.1	136.64	39.8	42.49	25.8
F-M plant	107.93	30.41	1 020.60	30.5	1 088.27	47.9	206.75	60.2	114.44	69.4
Co. Management	134.39	37.87	0.00	0.0	0.07	0.0	0.00	0.0	8.00	4.9
	Transport and work machines		Energy machines and facilities		Instruments and special technological facilities		Inventory		TOTAL LONG-TERM TANGIBLE ASSETS	
	in CZK million	%	in CZK million	%	in CZK million	%	in CZK million	%	in CZK million	%
TOTAL	209.01	100.00	133.06	100.0	134.41	100.0	8.06	100.0	6 968.07	100.00
Opava plant	103.46	49.50	79.64	59.9	10.69	8.0	3.90	48.4	4 000.77	57.42
F-M plant	90.11	43.11	48.53	36.5	30.84	22.9	2.84	35.2	2 710.31	38.90
Co. Management	15.44	7.39	4.89	3.7	92.88	69.1	1.32	16.4	256.99	3.69

The Company tries for permanent improvements in the area of management and development of employees. It follows all work-related legal regulations, the valid collective agreement, the Work Code, and all internal regulations. For example, our employees also received monetary contributions – to additional age pension insurance, catering within the Company, and inoculations against ticks-related encephalitis and hepatitis. There were about CZK 150 thousand paid for the Company work-related medical care in 2013.

Within prevention activities in the area of work safety and health, there were noise and vibrations measured in workplaces within water management operations taking place in Frýdek-Místek and Knov. There was the total of 475 people employed, on the basis of employment contracts, in the state-owned company at the 31st of December 2013.

NUMBER OF EMPLOYEES

Number of employees	2011	2012	2013
Number of employees in a converted figure	464.29	463.53	467.08
Number of employees in natural persons	465	477	475
thereof: white collars	242	249	247
blue collars	223	228	228
- State enterprise administration	170	173	174
- Plant in Opava	128	133	131
- Plant in Frýdek-Místek	167	171	170

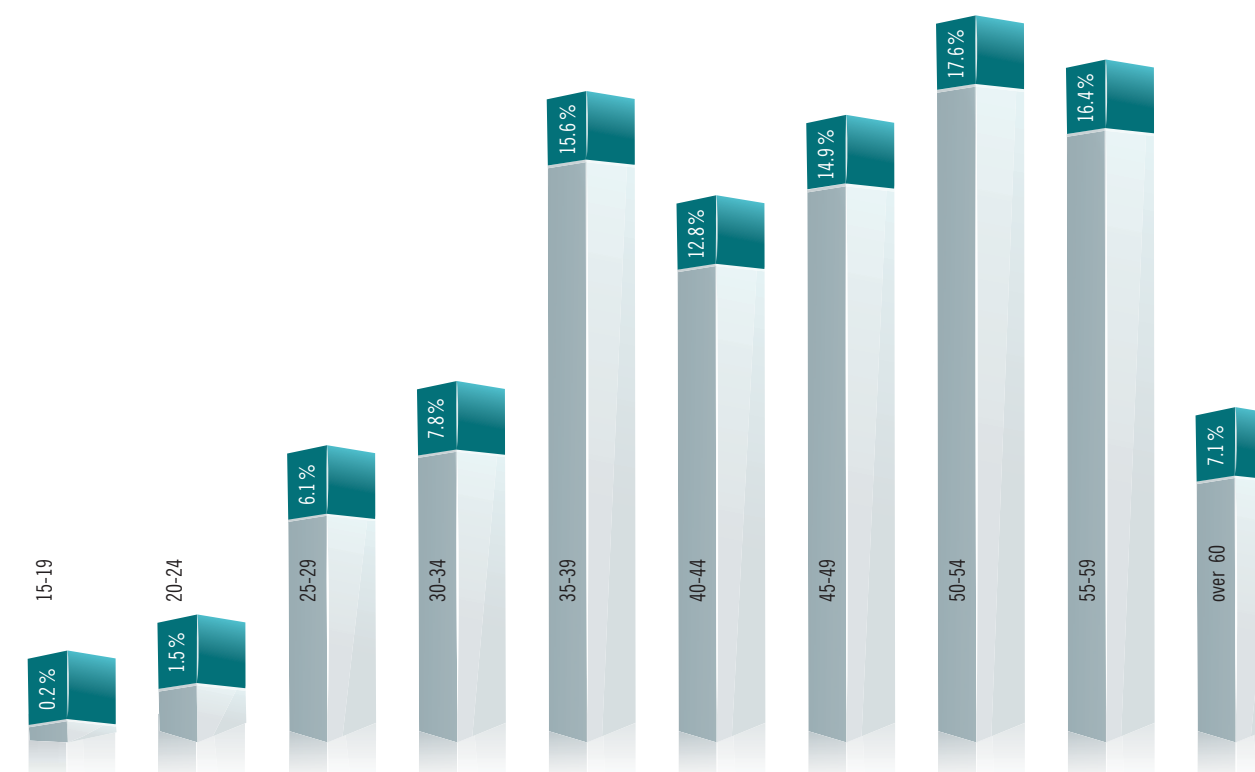
EMPLOYEES BY THEIR WORKPLACE LOCATION

District	2011	2012	2013
Jeseník	13	13	13
Bruntál	32	32	32
Frýdek-Místek	112	114	113
Karviná	25	32	25
Nový Jičín	27	26	30
Opava	64	67	64
Ostrava	191	192	197
Šumperk	1	1	1

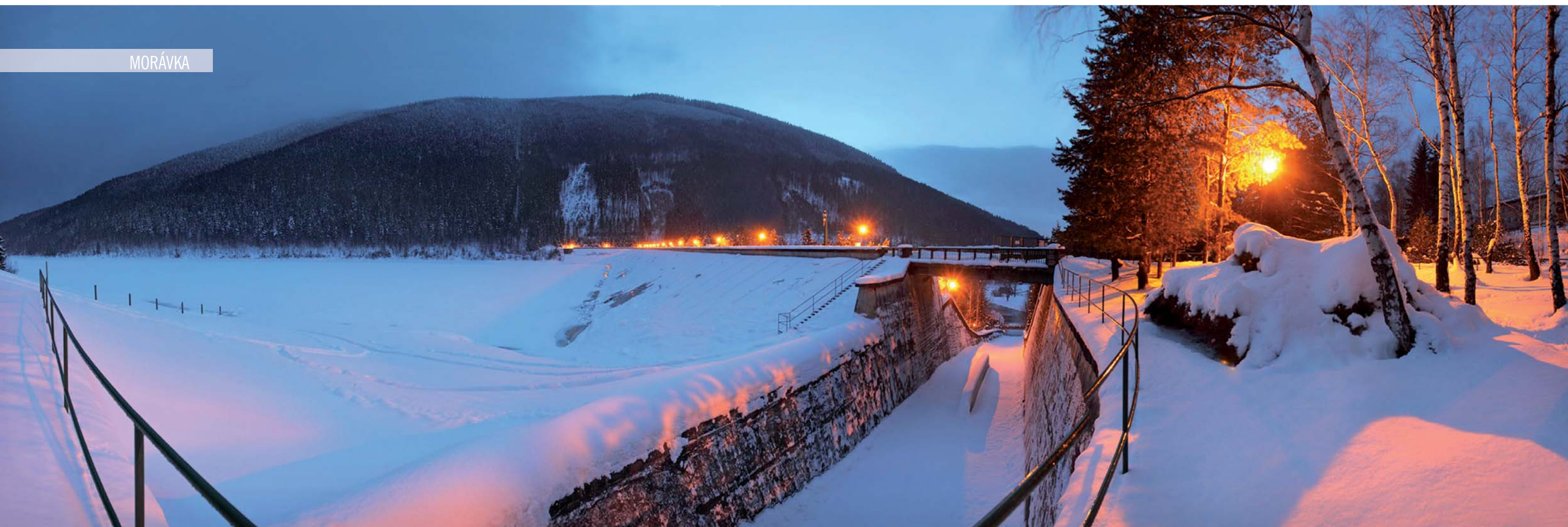
COMPARISON BY THE HIGHEST ACHIEVED EDUCATION

The highest achieved education	2011	2012	2013
University	106	113	115
Completed secondary education	169	168	170
Secondary – apprenticeship	167	171	166
Elementary education	23	25	24

AGE STRUCTURE



MORÁVKA



STATUTORY CITY OF OSTRAVA

The long-term cooperation between the state-owned company Povodí Odry with the Statutory City of Ostrava continued in increasing protection of built up areas against floods in the area of the city also in 2013. There has been an agreement "Contract on the provision of a purpose-oriented subsidy from the budget of the Statutory City of Ostrava" for the period 2013 – 2014 executed in April this year. The subsidy serves for the preparation of the project "Provision against floods at the built-up area of Polanka nad Odrou". Specifically, it covers the organisation of geodetic surveys, geological examinations, determination of land lots' boundaries, preparation of the documentation necessary for the decision-making in regard to building permits, and other possible related costs. There was the sum of CZK 750 thousand, out of the total agreed subsidy of CZK 2 million, provided in 2013. The construction preparations as well as the mentioned cooperation will continue also in the next year.

REGION OF OLOMOUC

The state-owned company Povodí Odry cooperates, pursuant to the Waters Act No. 254/2001 Coll., with the relevant regional offices, the Central Water Management Office and self-administered localities in the area of planning related to waters. Similarly as during the previous year, the Region of Olomouc participated in these activities with the subsidy of CZK 220 thousand determined for the year 2013. The purpose behind this subsidy was the updating of the "Plan for the partial water basin of Upper Odra – the preparation of exploratory monitoring of the water body HOD 0930 – Golden Creek, from its source to the state border, verifying the trends of microbial contamination, identifying the sources of the priority substance and assessing the situation in water bodies for the preparation of a draft of provisions suggested for the partial water basin Upper Odra in the Region of Olomouc". Both contractual partners thus successfully extended in 2013 their similar cooperation taking place in previous years.

MORAVIAN-SILESIAN REGION

Within its activities, the state-owned company Povodí Odry cooperates with the Moravian-Silesian Region when implementing selected projects. In 2013, there was the construction "Adjustments of Sedlnice section Km 6.470 – Km 7.601" finalised. It has increased the protection of the Municipality of Sedlnice against floods. According to the agreement executed by both parties, the Moravian-Silesian Region provided, in 2013, the purpose-oriented investment subsidy worth CZK 3 million. The construction was finished in 2013 and the total investment costs reached about CZK 39 million. In addition to the subsidy by the Moravian-Silesian Region, the works were co-funded partly from the programme of the Ministry of Agriculture of the Czech Republic "Flood prevention – the 2nd stage" and partly from own resources of the investor, i.e. the state-owned company Povodí Odry. The cooperation with the Moravian-Silesian Region in the area of protection against floods extended, thanks to this construction, the similar cooperation which took place in previous years and also other constructions implemented in this region.



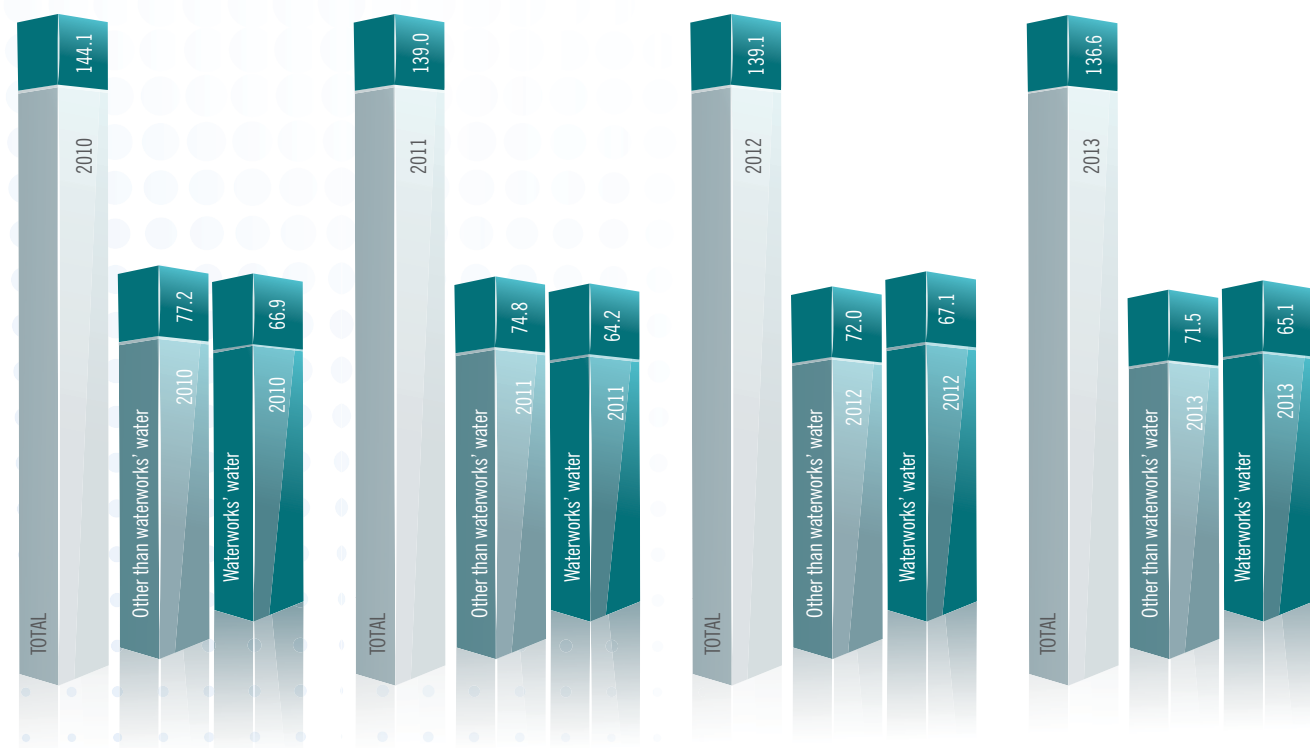

SURFACE WATER CONSUMPTION

In 2013, the consumption of surface water from sources managed by the state-owned company Povodí Odry decreased, after the previous stagnation. We supplied our clients with 136.6 million cubic metres (it was 139.1 million cubic metres in 2012). In the case of deliveries to industrial entities, the year-on-year decrease was minimal (less than 1%). To the contrary, the deliveries in the case of waterworks' consumption decreased by 2 million cubic metres, down to 65.1 cubic metres after increases occurring in 2012. This was the year-on-year decrease in drinking water deliveries by 3%.

SURFACE WATER CONSUMPTION (in million m³)

Year	2010	2011	2012	2013
Waterworks' consumption	66.9	64.2	67.1	65.1
Other than waterworks' consumption	77.2	74.8	72.0	71.5
TOTAL	144.1	139.0	139.1	136.6

SURFACE WATER (in million m³)



UNDERGROUND WATER CONSUMPTION

In 2013, there were slight increases in the consumption of underground water, when compared with the previous year. There was the total of 20.9 million m³ of water delivered (it was 20.5 million m³ in 2012). In the case of deliveries of underground water to other than waterworks' purposes, they stagnated (1.64 million m³ in 2012 and 1.65 million m³ in 2013). To the contrary, the deliveries for waterworks' purposes making up more than 90% of the total volume of consumed underground water, there was the increase by 2% in the area of the Upper River Odra basin.

UNDERGROUND WATER CONSUMPTION (in million m³)

Year	2010	2011	2012	2013
Waterworks' consumption	18.8	18.9	18.9	19.2
Other than waterworks' consumption	1.9	1.7	1.6	1.7
TOTAL	20.7	20.6	20.5	20.9

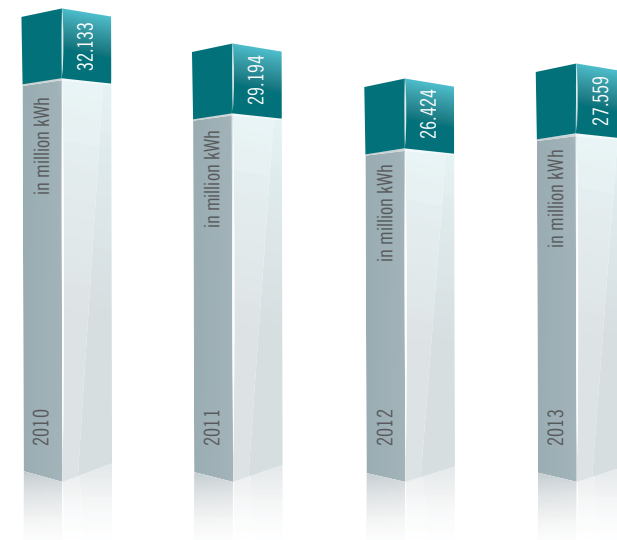
UNDERGROUND WATER (in million m³)



Facilities of the state-owned company Povodí Odry produced the average amount of electric power in 2013 and the production was not equally distributed throughout the year. Thanks to the unfavourable hydrological situation in the second half of the year, only a low amount of electric power was produced in that period. That amount equalled 30% of the total production in 2013, the minimum occurred in August. The above-average monthly values were achieved in the first half year when the reservoirs were full filled thanks to snow thaws. In the total, the 9 small water power stations of the state-owned company Povodí Odry produced 27.2 million kWh of electric power. That is the year-on-year increase by a little bit less than 5%, when compared with 2012. The biggest share in the total production (62%) belongs to the water power station at the reservoir Slezská (Silesian) Harta in River Moravice.

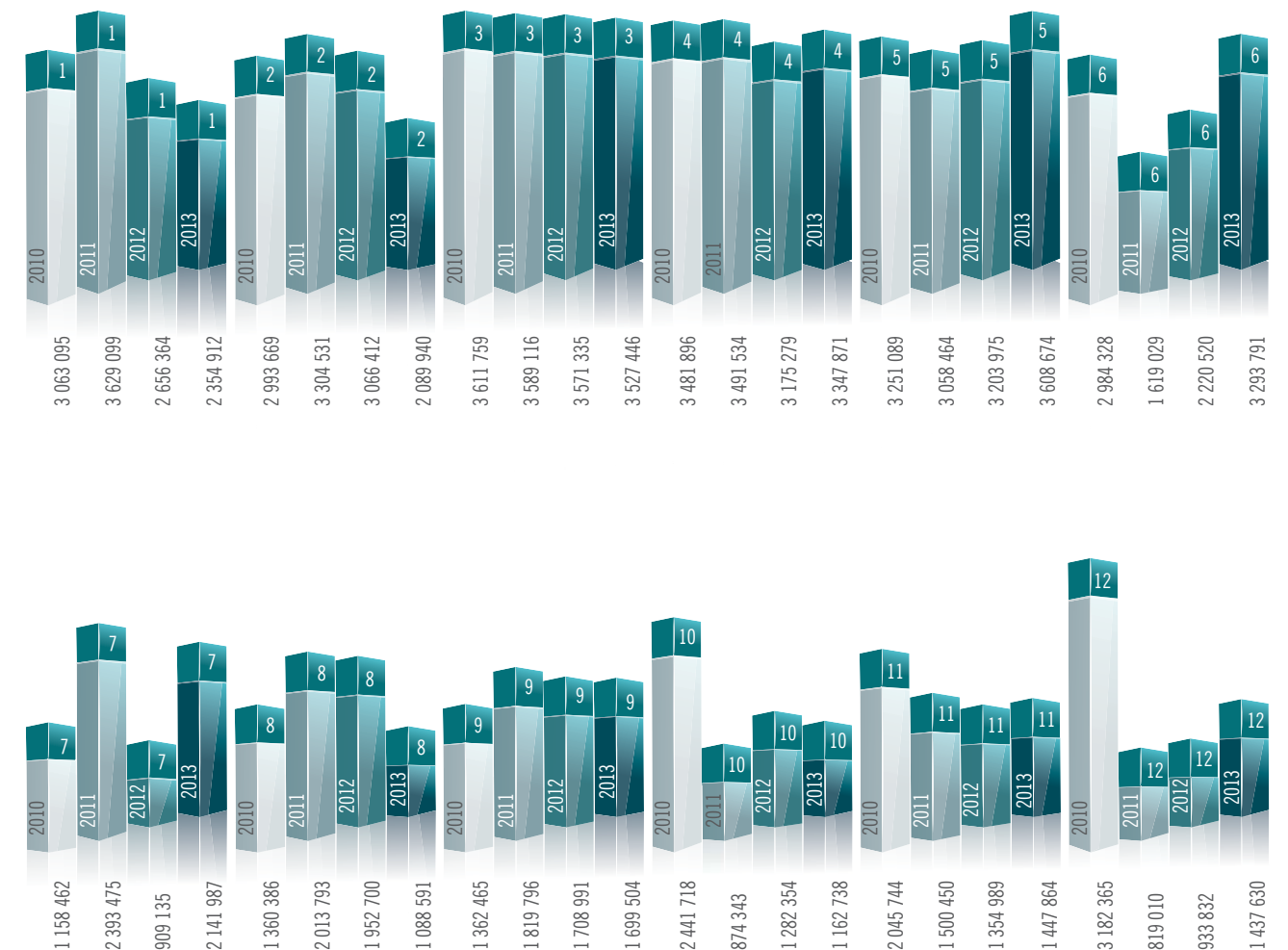
ELECTRIC POWER PRODUCTION BY FACILITIES OF THE STATE-OWNED COMPANY POVODÍ ODRY (in million kWh)

Year	2010	2011	2012	2013
Reservoir Šance	7.123	5.497	4.328	3.107
Reservoir Kružberk	2.934	2.401	2.609	2.702
Reservoir Silesian Harta	16.377	16.334	15.480	17.053
Reservoir Žermanice	0.834	0.659	0.467	0.545
Weir in Studénka	0.136	0.135	0.119	0.143
Reservoir Morávka	1.031	0.899	0.737	0.876
Weir in Podhradí	0.766	0.505	0.305	0.555
Reservoir Těrlicko	0.309	0.305	0.301	0.300
Weir in Lhotka	2.623	2.459	2.077	2.278
TOTAL	32.133	29.194	26.424	27.559



ELECTRIC POWER PRODUCTION - DELIVERIES (in kWh)

Month	2010	2011	2012	2013
January	3 063 095	3 629 099	2 656 364	2 354 912
February	2 993 669	3 304 531	3 066 412	2 089 940
March	3 611 759	3 589 116	3 571 335	3 527 446
April	3 481 896	3 491 534	3 175 279	3 347 871
May	3 251 089	3 058 464	3 203 975	3 608 674
June	2 984 328	1 619 029	2 220 520	3 293 791
July	1 158 462	2 393 475	909 135	2 141 987
August	1 360 386	2 013 793	1 952 700	1 088 591
September	1 362 465	1 819 796	1 708 991	1 699 504
October	2 441 718	874 343	1 282 354	1 162 738
November	2 045 744	1 500 450	1 354 989	1 447 864
December	3 182 365	819 010	933 832	1 437 630





Pursuant to the Waters Act, our state-owned company is responsible for finding out about and the assessment of surface water quality. They have been long-term systematically executed activities in the area of waters monitoring related to both flowing waters (rivers and creeks) and stagnant waters (waterworks' and recreational reservoirs). Measured results serve for a number of activities related to water protection against contamination and that becomes more and more important in line with the implementation of European requirements within the Czech legislature. The objective is the achievement of the so-called good water quality as generally defined in the Framework Water Instruction covering not only physical-chemical parameters, but also heavy metals, pesticides, and a broad range of pollutants from the area of specific organic substances occurring as the result of human activities in many manufacturing processes. Big attention is paid also to the monitoring of biological parts as, for example, fish populations, macrozoobenthos, phytoplankton, phytobentos, and others. The so-called hydro morphological monitoring also makes an inseparable part of water flows' assessment as it indicates disturbed development conditions necessary for aquatic organisms mostly by constructional activities or by other anthropogenic interventions in flow beds. Results of the monitoring conducted in this way make the basic material serving for water quality protection and for suggested provisions related to the systematic improvements of waters within the planning process. They present the most important information for activities by the state-owned company, for the presentation of opinions and information on any water handling when the river basin administrators prepare professional background for water management bodies and assess, case by case, activities by contamination sources, if their waste waters do not exceed the requirements demanded by the legislature on the target water quality situation. The water basin administrators conduct these activities free of charge and they are responsible for the preparation and provision of their opinions. In 2013, the Department of water quality care issued about 2.6 thousand written opinions.

Systematically executed water quality analyses are annually assessed and they serve not only for the state administration purposes, but also as information for both professionals and laics. They make the basic material for the preparation of the water management balance sheet and serve also when negotiations within bilateral treaties and for the activities by the International Commission looking after the River Odra protection take place.

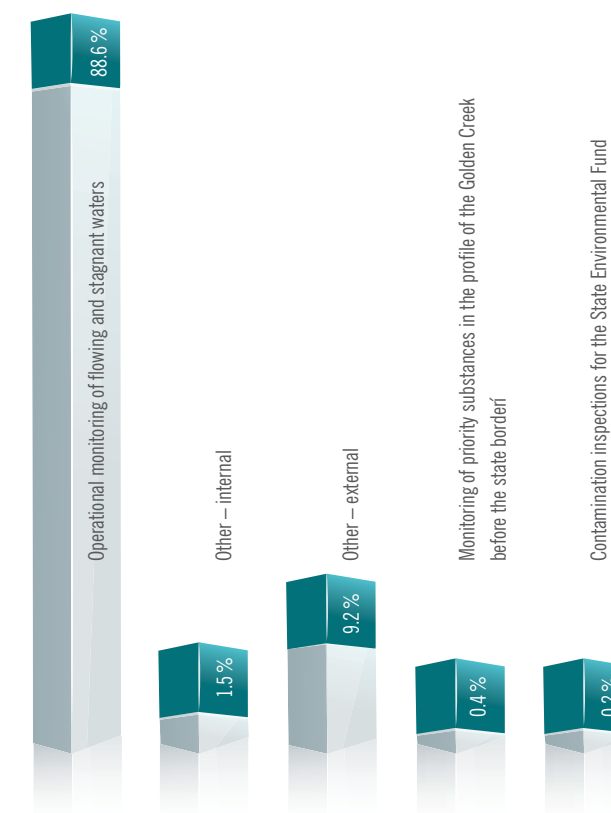
The water sampling, laboratory analyses covering chemical, radio chemical, hydro biological, and microbiological analyses and hydro metrical measurements are organised by water management laboratories. The Department of water management conceptions and information conducts the hydro morphological monitoring and processes and assesses all gained data.

In 2013, the water quality monitoring was again organised in accordance with the annually prepared plan, as required by the existing legislature and as needed by our state-owned company. Within the operational monitoring, there were 144 profiles of water flows monitored. The frequencies were 12 samples a year and 15 profiles were monitored 6 times in the year. Small

water reservoirs and border flows were also monitored. Scopes of analysed parameters were optimised in such a way that individual profiles were monitored for the relevant substances and groups of those substances as well as for other quality indicators necessary for the assessment of the situation or the ecological potential in water bodies. The monitoring of water quality in our dams and recreation reservoirs included also the "zone" sampling along several vertical lines in given reservoirs (3 to 7, usually 5) with the frequency of 6 samples taken during the year. The basic monitoring was conducted also in small water reservoirs transferred under the administration by our state-owned company from the former Agricultural Water Management Administration, and at some outlets of contamination sources.

The total volume of water management laboratories (including the internal ones) reached CZK 18.83 million in 2013. The percentage share of individual monitoring types in all activities is presented in the following graph:

OUTPUT BY THE WATER MANAGEMENT LABORATORY IN 2013 (in %)



In 2013, there was the total of 99 accidents worsening or threatening the quality of surface or underground waters confirmed. Generally, they were mostly diesel fuel-related accidents, and thereof 70% belonged to car accidents.

MORE IMPORTANT ACCIDENTS

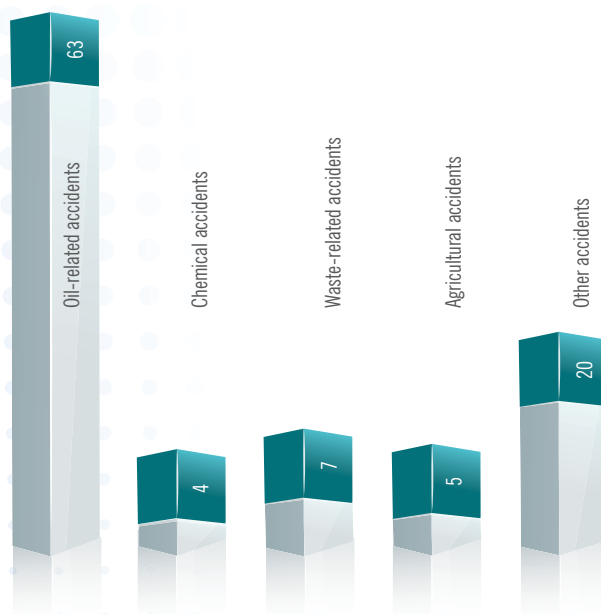
10 October 2013 There were about 200 – 300 litres of heating oil leaking from the area of a farm in Bravantice to the draining system under their hall and to the rain sewer and the Sezina flow.

Fire-fighters conducted the emergency works blocking the rain water sewer outlet and installed submerged walls in the flow. The final liquidation of the contamination was done by Ekoqua ochrana vod (water protection) Ltd. and the originator.

5 November 2013 The Olešná flow in Paskov was contaminated by pollutants flowing from the draining channel of the sawmill Mayr Meinhof Holz Ltd. A similar situation repeated itself on the 24th of November 2013, when fire-fighters had to install submerged walls in Olešná flow in Paskov to catch crude oil substances. In both cases, they were washes after rains from the area of the sawmill Mayr Meinhof Holz Ltd. The sawmill owner is supposed to organise corrective measures, but their effectiveness will be verified only in future development.

DIVISION OF THE CONFIRMED ACCIDENTS BY CONTAMINATION KIND

Kind	Number
Oil-related accidents	63
Chemical accidents	4
Waste-related accidents	7
Agricultural accidents	5
Other accidents	20
TOTAL	99

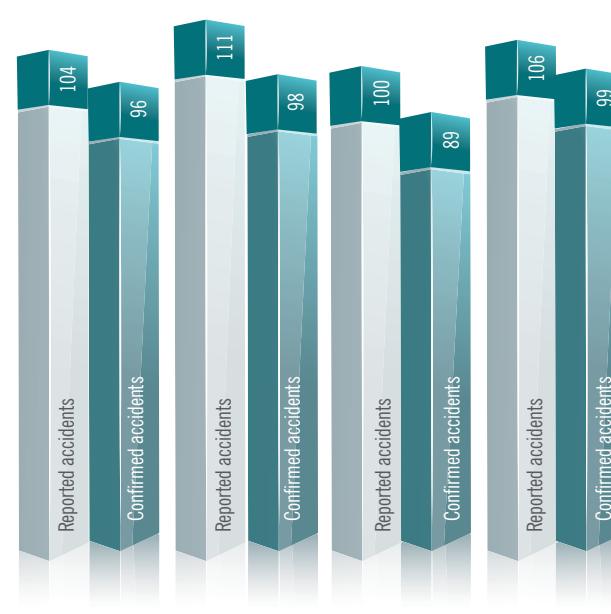


ACCIDENTS IN 2013

TOTAL REPORTED ACCIDENTS	106
Thereof: Confirmed accidents	99
- Confirmed leaking into a flow	58
- Confirmed threats to a flow	41
Thereof: Not confirmed accidents	7

TREND IN THE OCCURRENCE OF REPORTED AND CONFIRMED ACCIDENTS

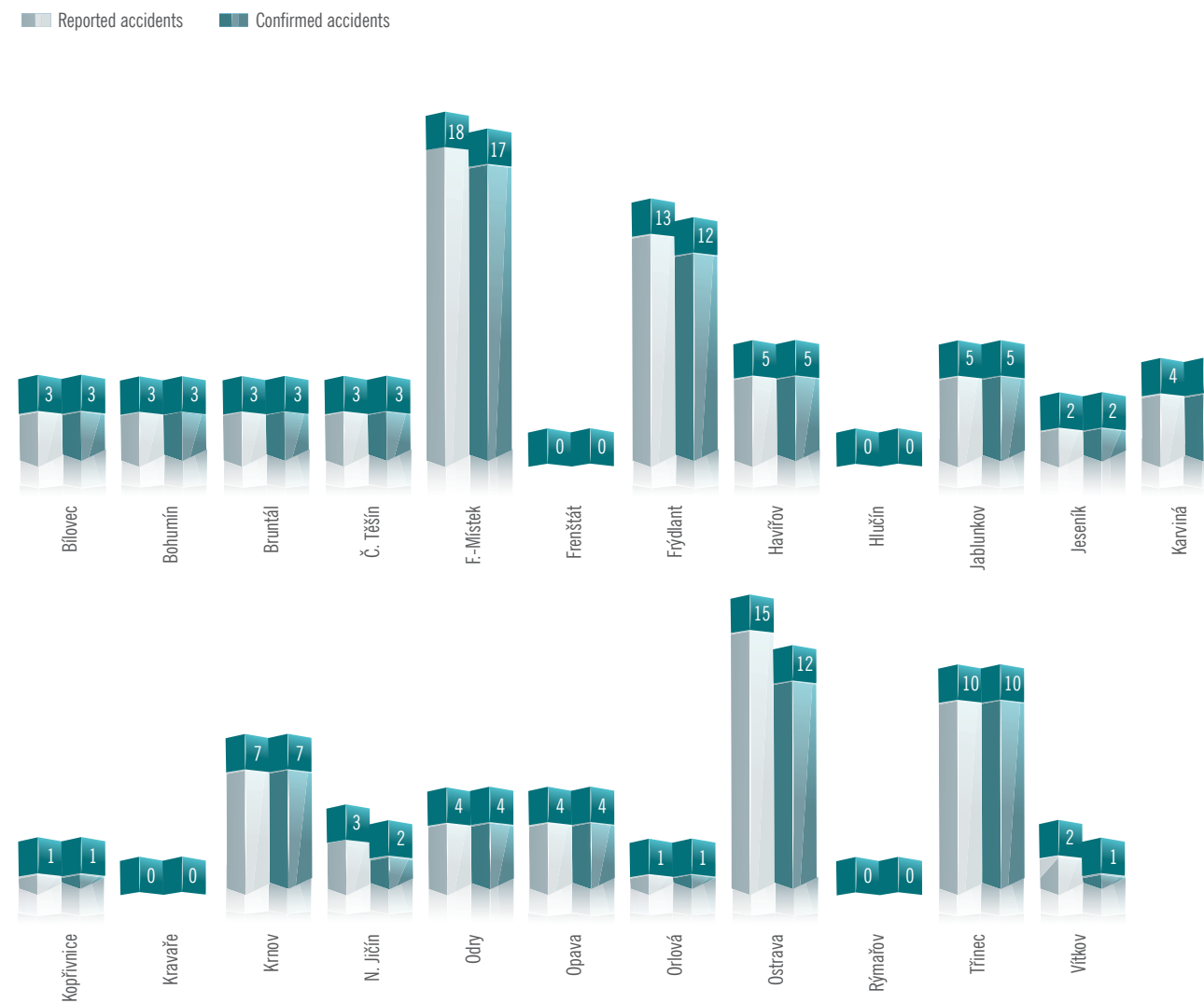
Year	2010	2011	2012	2013
Reported accidents	104	111	100	106
Confirmed accidents	96	98	89	99



DIVISION OF REPORTED AND CONFIRMED ACCIDENTS BY OCCURRENCE IN INDIVIDUAL MUNICIPALITIES HAVING EXTENDED AUTHORITIES

District	Bilovec	Bohumín	Bruntál	Č. Těšín	F.-Místek	Frenštát	Frydlant	Havířov	Hlučín	Jablunkov	Jeseník	Karviná	Kopřivnice	Kravaře	Krnov	N. Jičín	Odry	Opava	Orlová	Ostrava	Rýmařov	Třinec	Vřitkov	TOTAL
Reported accidents	3	3	3	3	18	0	13	5	0	5	2	4	1	0	7	3	4	4	1	15	0	10	2	106
Confirmed accidents	3	3	3	3	17	0	12	5	0	5	2	4	1	0	7	2	4	4	1	12	0	10	1	99

ACCIDENTS IN THE AREA OF INDIVIDUAL MUNICIPALITIES HAVING EXTENDED AUTHORITIES



ŽERMANICE



The Government Resolution No. 496 of the 10th of May 2006 approved of the programme documentation 129 120 "Support of floods prevention II". Based on this fact, this programme has become a part of the complex design for the protection against floods in the Czech Republic.

The programme itself includes a broad spectrum of competences and its individual provisions have been thus divided into four sub programmes, according to their characteristics:

Sub programme 129 122 "Support of provisions featuring retention and protecting against floods". Its objective is to create new retention volumes and adjustments of existing reservoirs having the retention effect for better protection of land.

Sub programme 129 123 "Support of provisions protecting against floods along water flows". It is focussed on increased capacities of water flow beds and the beds' stabilisation by construction of protective dams.

Sub programme 129 124 "Support of safety improvements in water works". This sub programme solves the reconstruction

issues related to existing water works and its purpose is to improve safety of their operations during floods and their better handling characteristics during operating flood management.

Sub programme 129 125 "Support of the identification of flooded areas and studies of draining situations". Its objective is to collect trustworthy information and materials for the design of relevant provisions.

Strategic experts have prepared a methodology assessing individual provisions from the provisions' effectiveness point of view, by the method of the risk analysis. This methodology has been used for the assessment and the consequent assignment of individual provisions against floods, when suggested by administrators of important water flows, into this programme. The basis of the methodology was the assessment of damages caused by n-year rates of flow as the material for the assessment of flood-related risks. This has allowed consideration of both costs of provision implementation, when compared with the value of protected assets, and the probability

of flood-related damage as well as the level of the required protection. The calculation of a flood-related risk includes the time factor with the assistance of the discounted interest rate. In this connection, we should say that any provision included into the programme has to be also assessed in relation to its impact on the environment by the environmental assessment.

The state-owned company Povodí Odry utilised funds from this subsidy programme in the period 2007 to 2013 and implemented, within its investment activities, 32 events related to this subsidy programme. The used subsidies reached CZK 1 billion.

The state-owned company participated in the implementation of these events with its own resources at the level of CZK 110 million. We should also mention that the Moravian-Silesian region, the Statutory City of Ostrava, and other affected towns and municipalities also significantly participated in funding of these events. The total volume of other funds reached CZK 40 million.



Inlet of the Baštica Creek after the reservoir draining



Reservoir Baška – Excavation of sediments



Porubka Creek – The finished section of the strengthened berm



Porubka Creek – The new ogge weir



Reservoir Šance – Draining gallery / slope nailing above the construction pit



Reservoir Šance – Draining gallery



Reservoir Těrlicko – Construction of a new chute



Reservoir Těrlicko – Taking over the construction by the management

CONSTRUCTION EVENTS

- River Odra, Municipality of Ostrava-Přivoz, a protective levee at Km 15.570 – 16.818
- River Odra, Municipality of Ostrava-Hrušov, a protective levee at Km 12.700 – 14.950
- River Bělá, City of Jeseník, Km 19.788 – 20.590
- Adjustment of the River Bílovka, Municipality of Velké Albrechtice, Km 6.900 – 8.600
- Adjustment of the River Moravice, Municipality of Břidličná, Km 76.786 – 76.939
- Adjustment of the River Odra, City of Bohumín, Construction 4, the dike Kališčík, 2nd stage
- Adjustment of the Hrabinka Creek, City of Český Těšín, Km 0.200 – 0.400
- River Opava, Km 33.600 – 34.700
- River Opava, City of Krnov to Kostelec, SO-2, Km 73.930 – 74.300
- Left-hand side levee at the River Odra, City of Ostrava – Antošovice, Km 9.200 – 12.000
- Adjustment of the Tichávka Creek, Municipality of Tichá, Km 3.100 – 5.900
- Adjustment of the Hvozdnice Creek, Municipality of Otice, Km 2.310 – 2.970
- Adjustment of the Ondřejnice Creek, Municipality of Stará Ves n. O., Km 2.300 – 6.500
- Adjustment of the Porubka Creek, Municipality of Ostrava-Svinov, Km 0.900 – 7.200
- Right-hand side levee Černý příkop, Municipality of Ostrava-Přivoz, Km 1.450 – 2.900
- Floodway branch in Ščučí, Municipality of Ostrava-Hrabová, Km 3.977
- Levee at the Petřůvka Creek, Municipality of Petrovice u Karviné, Km 9.900 – 11.500, 1st stage

Water works Těrlicko, the transfer of extreme floods

Adjustment of the river Moravice, Municipality of Velká Štáhle, Km 79,015 – 80.285

Water works Baška, the excavation of sediments

Adjustment of the Sedlnice Creek, Municipality of Sedlnice, Km 6.470 – 8.600

Left-hand side levee at the Orlovská streamlet, City of Bohumín

Water works Šance, the draining gallery

Adjustment of the Sedlnice Creek, Municipality of Závěšice, Km 11.800 – 13.750

ZKT Jaktarka I (DVT Velká), Km 0.600 – 1.860

SN Lutyňka

SN Hlinský

Adjustment of the Husí Creek, Municipality of Jerlochovice, Km 11.000 – 12.000

ZKT Bečva

PROJECTING EVENTS

Provisions at the Upper Opava River, the action preparations 2008 – 2010

VHKI (water management development study)

Water works Šance, the transfer of extreme floods



Reservoir Baška – General view over the area for the excavation of sediments before the start of the event

RESERVOIR BAŠKA – EXCAVATION OF SEDIMENTS

The subject of this event was the excavation of sediments from the South-Eastern part of the Baška reservoir, from the area of about 33 400 sq. metres and in the volume of 14 111 cu. metres. These works have renewed the accumulation space of the reservoir. At the same time, the maximum dimension of the reservoir storage level was changed after the excavation and that has increased the retention volume, which, together with the renewed space, contributed to better protection of land in municipalities Baška and Staré Město and along the Baštica flow under the reservoir, from the value Q_{20} to Q_{100} . The removal of sediments has improved also other functions of the reservoir – the better minimal flow and the general conditions in the reservoir. Within this construction, the outlet of Baštica flow into the reservoir was also adjusted (among other improvements, a new boulder chute was implemented). In regard to individual construction works, there was a new nine metres wide and a half metre deep outlet ditch constructed below the inlet of Baštica with the embankments' angle 1:2 which served for draining of sediments in the course of the construction. The sediments were excavated progressively and the depth of the excavated sediments' layer was adjusted to local conditions within the scope of the excavated area. The excavated sediments were stored at the banks of the reservoir and the drained soil was then transported for further storage. When the excavation finished, we conducted cutting and we removed growths from the revealed bottom of the partially drained reservoir. The bottom was adjusted with layers of gravel sand along the concrete area, close



Reservoir Baška – Excavation of the draining river bed

of few sections, the basic cross profile of the new bed got the shape of a simple trapezoid with bank angles 1:1.5 and the bottom width of 6 metres. The bottom of the flow itself is created of the permanently flooded part and a berm that is higher by 0.6 metres. The flooded part serves for usual flows and allows for life conditions necessary for living creatures (its flow capacity is about Q_{30} – in a day), while the berm allows the administrator an access to the flow for purposes of maintenance. The slope footings and the flooded part have been strengthened by inbuilt stony footing, gravel and a levelled front. The berm has been strengthened with macadam and the banks with levelled stones and paving (around bridges). Deviations from the basic profile occur in places where we had to additionally resolve either the flow bed capacity, because of the existing low banks, or because of not approving opinions by people owning the adjacent land lots. The deviations related mostly to the banks' angle 1:1, the narrower flooded part, the removal or lowering of the berm or, in critical places, to the installation of gabion walls. The reconstruction of a weir, making it the weir with moving structure, made a part of this water flow adjustments. This event was implemented in the period from June 2009 to June 2011 and it



Porubka Creek – Slope adjustments

to entries into water. This event was implemented in the period from March 2012 to May 2013 and it had been included in the sub programme 129 122 "Support of flood preventing provisions with retention". The total costs reached CZK 8 million. We should also stress the complexity of negotiations related to the implementation of this plan. It had to be negotiated and approved of by the Baška Municipal Council, the Regional Office of the Moravian-Silesian Region and the Statutory City of Frýdek-Místek Council had to be informed about the excavation as well as the Czech Angling Union, water consumers, and other entities, while all their comments and initiatives had to be taken into consideration within this project as much as possible.



Porubka Creek – Levelling

ADJUSTMENTS IN PORUBKA FLOW IN OSTRAVA-SVINOV

The objective of this event was to ensure the protection of built-up areas situated in the low laying localities along the River Porubka against floods. The locality is between the bridge in Františka a Anny Ryšových Street, at the Km 0.900, and the natural swimming pool in Ostrava-Poruba, at Km 7.200. This is a locality utilised for peaceful housing and recreation. The construction works were to increase the flow bed capacity up to $Q = 30 \text{ m}^3/\text{s}$. This has been achieved by widening the existing bed and by cleaning it to its theoretical level. With the exception

was included in the sub programme 129 122 "Support of flood preventing provisions with retention". The total costs reached CZK 107 million. We wish to say that it was a construction prepared for a long time. The main issues related to requirements by legal ownership settlements (or disapprovals) by individual land owners affected by this construction, or comments by the relevant nature protecting authorities. It resulted in a compromised adjustment providing for many variable elements ensuring the required flow bed capacity $Q = 30 \text{ m}^3/\text{s}$.



Reservoir Šance – Draining gallery / the construction pit – the micro stillt cover

RESERVOIR ŠANCE - THE DRAINING GALLERY

The objective of this event was to reduce intakes of underground waters into the space on the airy side of the left-bank branch of the injection corridor of the water work Šance. The seizing and draining of underground water resulted in a significant reduction of the risk of damage to the connection between the sealing core and the injection corridor in this water work. A new draining gallery has become the effective draining element. It has been supplemented with draining drilling, depending on the found conditions of mineral layers. The newly implemented draining gallery has strengthened the seizing function of the gallery, with the exception of a section with the gallery passage through broken slope stones. An additional purpose of



Reservoir Šance – The additional left-hand side sealing and joining / the injecting of the drilling

the proposed draining elements (especially of the draining gallery) has been the seizing of slope waters and a partial reduction of effects of rain waters on the underground water level in the reservoir sub layers. The seepage waters are led into a pipe under the dam, which extends to the draining gallery in the dam. The draining gallery itself is 147.5 m long and it is extended with a 27 m long vertical draining gallery and finished with a linking gallery 21.0 m long. The cross profile (opening) of the draining gallery has got the shape of a horse shoe having the width of 2.22 m at the floor level, the maximal width of 2.60 m, and the height of 2.70 m. The gallery walls have been made of sprayed concrete strengthened with non metallic materials. The additional sealing of the dam sub layers, within the scope determined by the assessment of effectiveness and the required life span of the injection screen, makes an important part of this

construction. The measuring system and TBD observation as well as a new duct for the operational centre of the Šance reservoir have been upgraded. Also, there were new power installations and lights installed in the draining gallery, including the connection with the central water work security system. This event took place in the period from November 2012 to October 2013 and it was included in the sub programme 129 122 "Support of flood preventing provisions with retention". The total costs reached CZK 55 million. We wish to say that it was an interesting construction which had been permitted within a different mode that other provisions protecting against floods. The Czech Mining Authority played an important role as it was the affected body in the state administration and it presented its opinions on the excavating and mining activities. Interesting information relates to the naming of the draining gallery – Cecilka, and the fact that it hides a manually carved statue of St. Barbora who has been the patroness of miners and other professions threatened by risks.

RESERVOIR TĚRLICKO – TRANSFER OF EXTREME FLOODS

The main purpose of this event related to the implementation of provisions ensuring the safety of the water work Těrlicko dam and the safe transfer of a transformed ten-year flood (about $160 \text{ m}^3/\text{s}$) as well as other related and resulting activities and construction adjustments ensuring the safe and reliable operations of the reservoir in future. Because of these reasons, the main works focussed on the reconstruction of the safety overflow and chute, the adjustments

of the upper part of the middle sealing dam core and the related adjustments of the dam top. The reconstruction of two bridges over the chute (the lower bridge) and the object of the safety overflow (the upper bridge) made also parts of these works. The first part of the construction works related to the progressive demolition of the complete original chute. Consequently, there was a new chute body constructed block by block after the adjustment of the foundation joint and its coverage with foundation concrete. A special attention was paid to the suggested composition of the concrete mixture because it must fulfil the requirements of the strength, water tightness, frost resistance, and non absorbability. At the same time, the reconstruction of the safety overflow took place. It meant the demolition of the front of the weather-worn concrete structure having the thickness of about 25 cm (the bottom and the wall) and its replacing by new concrete. Within the above-mentioned reconstruction works, the two new bridges were also built. The sealing inside the reservoir embankment was improved and it was connected with a new breakwater supplemented



Reservoir Těrlicko – The overflow repairs

with handrails and new lights during the second stage of the construction works. Consequently, there has been a new road constructed on the top of the dam which has been supplemented with a pedestrian path. This event took place in the period from September 2010 to May 2013 and it was included into the sub programme 129124 – "Support of increased water works' safety". The total costs reached CZK 125 million. We should also say that it was a very complicated construction both because of required permits and because of the implementation. We should realise that the main functions of the reservoir were significantly reduced in the course of the reconstruction – including the protection against floods.



Reservoir Těrlicko – Laying of hydro-insulating sheets

In 2013, we achieved profit worth CZK 16,603 thousand and that presents the year-on-year increases by CZK 1,356 thousand. The total yields of the state-owned company in 2013 reached CZK 657,236 thousand and that was by CZK 46,245 less, when compared with 2012. This year-on-year decrease was caused by the fact that practically all construction events related to flood damages occurring in 2009 and 2010 finished and they were funded (within the programme funding by the Ministry of Agriculture of the Czech Republic) from subsidy means and from the coverage by insurance. In spite of this factor, the year-on-year decreasing total yields of the state-owned company were compensated especially by increased revenue related to surface water deliveries and the production of electric power.

The revenue related to surface water deliveries achieved at the level of CZK 545,091 thousand increased year-on-year by CZK 16,419 thousand and the revenue from the production of power was worth CZK 72,506 thousand was higher by CZK 6,506 thousand, when compared with 2012. Other yield components and revenues also contributed to the reported profit, especially the increased revenue from fish sales, from leases, and from sales of not needed assets.

The total costs of the state-owned company were CZK 640,633 thousand in 2013 and that presents the year-on-year decreases by CZK 47,601 thousand. The decisive cost item relates to repairs and maintenance as they decreased significantly in 2013 because of the finalisation of the removal of flood-related damages.

Because of this reason, the state-owned company could focus on higher implementation of usual repairs and maintenance of the consigned water management assets in 2013. In the total, there was CZK 136,007 thousand used for repairs and maintenance of the water management assets. These costs were funded exclusively from our own resources, while their year-on-year increase was CZK 9,944 thousand. At the same time, there were year-on-year savings achieved also in some other cost items, especially in the material consumption and in other services. Similarly as in previous years, the costs include reserves and possible future risks. They are mainly the reserve on floods and the reserve on reproduction of assets acquired thanks to investment subsidies. Since 2013, the state-owned company has started creating other reserves especially on big in volume or financially intensive repairs of water works which will be

implemented in future years because of their age and the related technological state.

In the area of assets' management, we have acquired long-term assets of the total volume of CZK 435,369 thousand in 2013, thereof CZK 291,651 thousand originated in investment subsidies, assets worth CZK 6,634 thousand were acquired in the form of free of charge transfers, and CZK 137,084 thousand was funded from own resources of the state-owned company.

In 2013, there were investment subsidies utilised within the programme funding by the Ministry of Agriculture of the Czech Republic focussed on the implementation of provisions against floods at the level of CZK 199,223 thousand and also in the form of a direct subsidy from the state budget determined for purchases of land and constructions related to the implementation of nature-close provisions against floods at the Upper Opava worth CZK 50,000 thousand.

The state-owned company received subsidies from the operating programme Environment. The subsidy worth CZK 16,488 thousand was for the revitalising of water flows. The subsidy of CZK 3,892 thousand focussed on studies of flood-related risk prevention, and the subsidy of CZK 12,158 thousand was for the upgrading of the flood-related alarm system. The regional self-governments also provided subsidies for provisions against floods to the state-owned company Povodí Odry in 2013. They were worth the total of CZK 9,670 thousand and CZK 220 thousand for the preparation of updating the Plan of the partial River Odra Basin.

The value of receivables after the due date was stabilised at the end of the year. Their level was minimal considering the total turnover of the state-owned company and it related mostly to receivables from debtors in bankruptcy or settlement proceedings. The state-owned company did not report any payables after the due date at the end of the year.

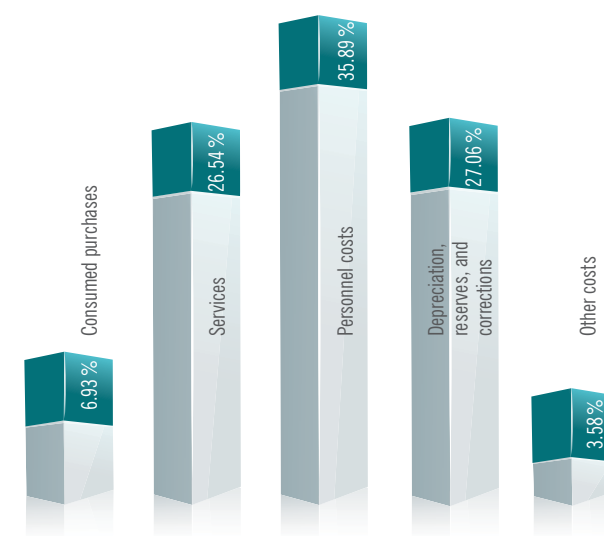
Based on the reported economic results in 2013, we can say that the resources created by the state-owned company in the form of the achieved economic result were efficiently utilised, especially for the increased implementations of repairs paid from our own resources. The created economic result also allowed us to create reserves for future years, especially for risks and needs which can occur to the state-owned company in future in the area of flood situations and when implementing financially intensive large repairs of administered water management assets.

COSTS (in thousand CZK)

Consumed purchases	44 407
Purchased services	170 032
thereof: Repairs and maintenance	136 007
Other services	34 025
Personnel costs	229 924
thereof: Wages	160 056
Health insurance and social security	69 847
Other social costs	21
Taxes and fees	2 713
Other operational costs	12 126
Depreciation, corrections and reserves	173 359
thereof: Depreciation	142 319
Corrections and reserves	31 040
Total operating costs	632 561
Total financial costs	190
thereof: Paid interest	0
Other	190
Deferred tax	7 882
TOTAL COSTS	640 633

COSTS STRUCTURE (in %)

Consumed purchases	6.93
Services	26.54
Personnel costs	35.89
Depreciation, reserves, and corrections	27.06
Other costs	3.58
TOTAL COSTS	100.00

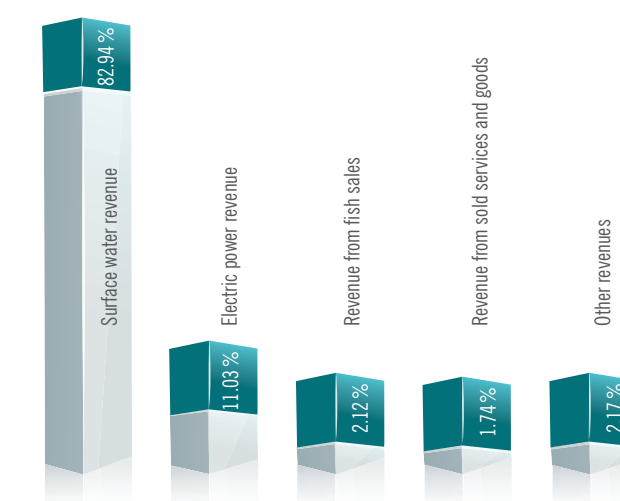


YIELDS (in thousand CZK)

Revenue	642 979
thereof: Surface water	545 091
Electric power	72 506
Fish	13 927
Services and goods	11 455
Change in own produced inventory	662
Activation	1 791
Other operating revenue	9 985
Total operating revenue	655 417
Total financial revenue	1 819
thereof: Received interest	1 763
Other	56
TOTAL YIELD	657 236

YIELD STRUCTURE (in %)

Surface water revenue	82.94
Electric power revenue	11.03
Revenue from fish sales	2.12
Revenue from sold services and goods	1.74
Other revenues	2.17
TOTAL REVENUE	100.00



ECONOMIC RESULTS (in thousand CZK)

After the deferred tax profit	16 603
Value-added	430 993

**REPORT BY AN INDEPENDENT AUDITOR
for the founder of the state-owned company POVODÍ ODRY**

Report on the Final Accounts

On the basis of an audit executed on the 10th of March 2014, we have issued the following Report on the Final Accounts that makes a part of the Annual Report:

“We have executed an audit of the enclosed Final Accounts of the state-owned company Povodí Odry, which consist of the Balance Sheet prepared at the 31st of December 2013, the Profit/Loss Account of the period from the 1st of January 2013 to the 31st of December 2013, the Cash-Flow Review of the period from the 1st of January 2013 to the 31st of December 2013, and the Attachment to the Final Accounts, which includes the description of important used accounting methods and other explanatory information. The data related to Povodí Odry, state-owned company, are presented on Page 1 of the Attachment to these Final Accounts.

Responsibilities of the Accounting Unit’s Statutory Body for the Final Accounts

The Statutory Body of the state-owned company Povodí Odry is responsible for the preparation of Final Accounts, which provide truthful and honest description in accordance with the Czech accounting regulations, and for the internal control system, which is considered necessary for the preparation of the Final Accounts and which prevents the occurrence of any significant (material) shortcomings caused by deceit or mistake.

The auditor’s responsibility

Our responsibility is to issue a verdict on these Final Accounts on the basis of an executed audit. We did the audit in accordance with the Auditors Act and the International Auditors’ Standards and relevant application clauses by the Chamber of Auditors of the Czech Republic. In accordance with these regulations, we are obliged to maintain ethical standards and plan and execute the audit in such way that we become adequately assured that the Final Accounts do not contain any significant (factual) inaccuracies.

The audit includes the execution of auditing processes the goal of which is to gain proving information on sums and data presented in the Final Accounts. The selection of auditing processes depends on the auditor’s judgments, including the assessment of risks that the Final Accounts contain important (material) inaccuracies caused by a deceit or mistake. When considering these risks, the auditor takes into the account any internal controls which are relevant for the preparation of a truthful description given by these Final Accounts. The objective behind the assessment of internal controls is to suggest suitable auditing processes, but not to present an opinion on the internal controls’ effectiveness. The audit also contains the assessment of the suitability of accounting methods, the appropriateness of accounting estimates made by the management and the assessment of the general presentation of the Final Accounts.

We believe that the proving information which we gained has made a satisfactory and suitable base for the presentation of our verdict.

The auditor’s verdict

In our opinion, the Final Accounts provide for the truthful and honest presentation of assets and liabilities of the state-owned company Povodí Odry as at the 31st of December 2013 as well as of costs, revenues, economic results, and cash-flows in the period from the 1st of January 2013 to the 31st of December 2013, according to the Czech accounting regulations.

The above-presented paragraph presents the “Verdict without reservations”.

Report on the Annual Report

We have verified the correspondence of the Annual Report with the Final Accounts, which make a part of this Annual Report by the state-owned company Povodí Odry and which was prepared at the 31st of December 2013.

The Statutory Body of the company is responsible for the correctness of the Annual Report. Our task is to issue a verdict on the correspondence of the Annual Report with the Final Accounts on the basis of an executed verification.

We have executed the verification in accordance with the International Auditing Standards and relevant application clauses by the Chamber of Auditors of the Czech Republic. These standards require from auditors planning and execution of the audit in such way that an appropriate assurance could be achieved that the information presented in the Annual Report, taken over from the Final Accounts, correspond, in all important facts, with these Final Accounts. We believe that the executed verification provides the appropriate base for the presentation of the auditor’s verdict.

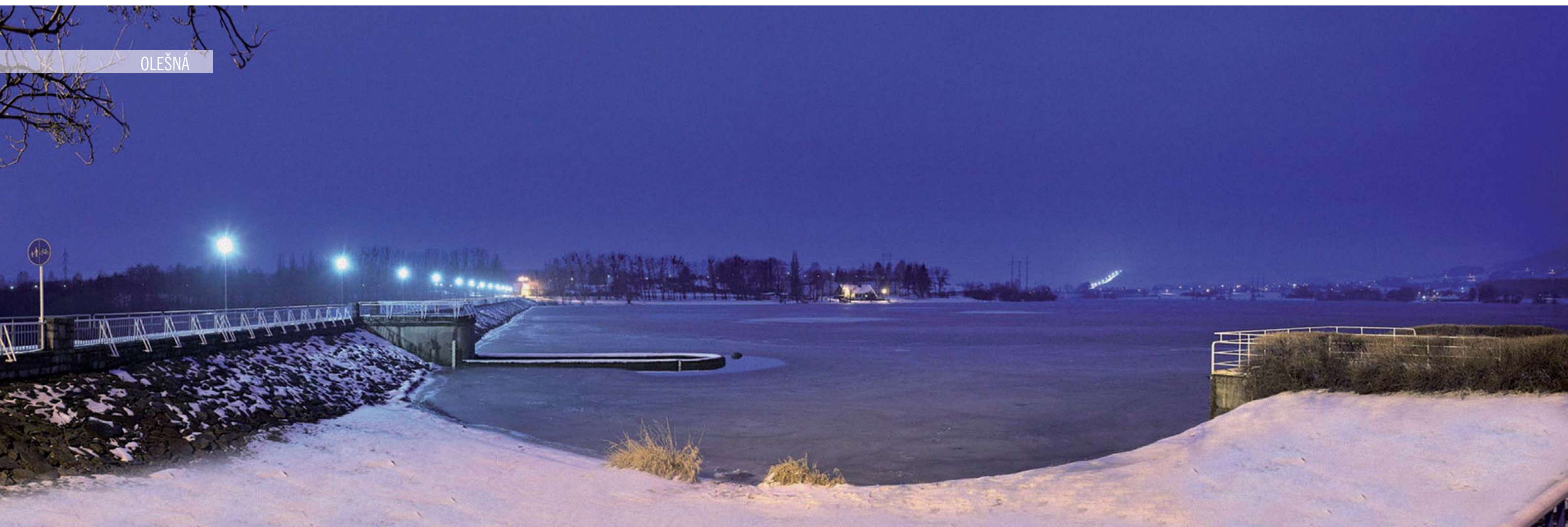
In our opinion, the information presented in the Annual Report by the state-owned company Povodí Odry, prepared at the 31st of December 2013, corresponds in all important facts with the above-mentioned Final Accounts.

In Ostrava on the 14th of April 2014

FINECO audit spol. s r.o.
Ke Kamenině 453/18, Ostrava, Hrušov
Certificate KA ČR No. 243

On behalf of the Auditing company:
Ing. Ivo Knopp,
Auditor, Certificate No. 1537
Company Statutory Representative

OLEŠNÁ



BALANCE SHEET in full prepared at the 31st of December 2013 (in thousand CZK)

Class a	ASSETS b	Line. c	Current Accounting Period			Previous period 4
			Gross 1	Adjustment 2	Net 3	
	TOTAL ASSETS	001	8 000 482	-3 197 268	4 803 214	4 752 549
B.	Long-term Assets	003	7 561 313	-3 179 718	4 381 595	4 387 394
B.I.	Long-term Intangible Assets	004	110 276	-100 520	9 756	12 890
B.I.2.	Intangible Research and Development	006	13 948	-13 948	0	0
B.I.3.	Software	007	43 028	-41 536	1 492	1 567
B.I.6.	Other Intangible Long-term Assets	010	47 158	-45 036	2 122	5 455
B.I.7.	Intangible Long-term Assets in Progress	011	5 511	0	5 511	5 237
B.I.8.	Provided long-term intangible assets-related deposits	012	631	0	631	631
B.II.	Long-term Tangible Assets	013	7 451 037	-3 079 198	4 371 839	4 374 504
B.II.1.	Land	014	387 239	0	387 239	370 108
B.II.2.	Building Structures	015	6 483 527	-2 734 367	3 749 160	3 741 417
B.II.3.	Independent Items and Sets of Items	016	484 541	-344 418	140 123	124 120
B.II.4.	Permanent Growths	017	413	-413	0	0
B.II.6.	Other Long-term Tangible Assets	019	314	0	314	314
B.II.7.	Long-term Tangible Assets in Progress	020	94 949	0	94 949	138 255
B.II.8.	Provided long-term tangible assets-related deposits	021	54	0	54	290
C.	Current Assets	031	437 954	-17 550	420 404	362 788
C.I.	Inventory	032	11 154	0	11 154	10 962
C.I.1.	Materials	033	3 667	0	3 667	4 223
C.I.4.	Animal Stock	036	7 477	0	7 477	6 552
C.I.5.	Goods	037	10	0	10	26
C.I.6.	Provided deposits on inventory	038	0	0	0	161
C.II.	Long-term Receivables	039	30	0	30	333
C.II.5.	Long-term Advance Payments	044	13	0	13	174
C.II.7.	Other Receivables	046	17	0	17	159
C.III.	Short-term Receivables	048	140 465	-17 550	122 915	128 670
C.III.1.	Trade Receivables	049	114 691	-796	113 895	107 028
C.III.6.	State - Taxation Receivables	054	282	0	282	44
C.III.7.	Short-term Prepayments	055	796	0	796	1 534
C.III.8.	Estimated Receivables	056	184	0	184	19 489
C.III.9.	Other Receivables	057	24 512	-16 754	7 758	575
C.IV.	Short-term Financial Assets	058	286 305	0	286 305	222 823
C.IV.1.	Cash in Hand	059	313	0	313	371
C.IV.2.	Cash in Banks	060	285 992	0	285 992	222 452
D.I.	Accruals	063	1 215	0	1 215	2 367
D.I.1.	Deferred Expenditures	064	1 159	0	1 159	2 310
D.I.3.	Deferred Income	066	56	0	56	57
	Control Number	998	32 000 713	-12 789 072	19 211 641	19 007 829

Class. a	LIABILITIES b	Line c	Current Accounting Period 5	Previous Accounting Period 6
A.	Equity	068	4 437 417	4 430 813
A.I.	Registered Capital	069	1 519 186	1 519 186
A.I.1.	Registered Capital	070	1 519 186	1 519 186
A.II.	Capital Funds	073	2 661 884	2 658 329
A.II.2.	Other Capital Funds	075	2 661 884	2 658 329
A.III.	Profit Funds	078	239 744	238 051
A.III.1.	Legal Reserve/Indivisible Fund	079	151 919	151 919
A.III.2.	Statutory and Other Funds	080	87 825	86 132
A.V.	Profit/Loss of the Current Accounting Period	084	16 603	15 247
B.	Foreign Resources	085	364 377	321 691
B.I.	Reserves	086	148 640	117 619
B.I.4.	Other Reserves	090	148 640	117 619
B.II.	Long-term Liabilities	091	183 404	172 622
B.II.9.	Other Liabilities	100	3 265	365
B.II.10.	Deferred Tax Payable	101	180 139	172 257
B.III.	Short-term Liabilities	102	32 333	31 450
B.III.1.	Trade Payables	103	8 263	6 198
B.III.5.	Employee Related Liabilities	107	11 886	11 249
B.III.6.	Social Security and Health Insurance Liabilities	108	7 384	7 066
B.III.7.	State - Taxation Liabilities and Subsidies	109	2 297	2 057
B.III.8.	Short-term Accepted Deposits	110	179	128
B.III.10.	Estimated Payables	112	312	1 731
B.III.11.	Other Liabilities	113	2 012	3 021
C.I.	Accruals	118	1 420	45
C.I.1.	Accrued Expenses	119	1 251	4
C.I.2.	Deferred Revenue	120	169	41
	Control Number	999	19 194 833	18 994 904

PROFIT / LOSS ACCOUNT in full in kind structure related to the period from the 1st of January 2013 to the 31st of December 2013 (in thousand CZK)

Class a	Text b	Line c	Result in the Accounting Period	
			Current 1	Previous 2
I.	Revenues from Sold Goods	001	8	0
A.	Costs of Sold Goods	002	9	1
+	Gross Margin	003	-1	-1
II.	Production	004	645 424	618 463
II.1.	Revenues from Sales of Own Products and Services	005	642 971	617 594
II.2.	Change in Own Produced Stock	006	662	-487
II.3.	Capitalisation	007	1 791	1 356
B.	Production Consumption	008	214 430	276 209
B.1.	Materials, Light and Power	009	44 398	50 509
B.2.	Services	010	170 032	225 700
+	Value Added	011	430 993	342 253
C.	Personnel Expenses	012	229 925	225 426
C.1.	Wages	013	160 057	155 396
C.3.	Social Security and Health Insurance Costs	015	55 474	54 940
C.4.	Fringe Benefits	016	14 394	15 090
D.	Fees and Taxes	017	2 713	2 517
E.	Long-term Tangible and Intangible Assets Depreciation	018	142 319	142 958
III.	Revenue from Sales of Long-term Assets and Materials	019	5 418	1 712
III.1.	Revenue from Sales of Long-term Assets	020	5 413	1 712
III.2.	Revenue from Sales of Materials	021	5	0
F.	Net Book Value of Sold Long-term Assets and Materials	022	731	248
F.1.	Net Book Value of Sold Long-term Assets	023	731	248
G.	Reserves and Deferred Income in Operating Revenue	025	31 040	12 246
IV.	Other Operating Revenues	026	4 567	80 851
H.	Other Operating Expenses	027	11 396	11 387
*	Operating Profit/Loss	030	22 854	30 034
X.	Interest Received	042	1 763	2 237
XI.	Other Financial Revenue	044	57	219
O.	Other Financial Expenses	045	189	208
*	Profit/Loss from Financial Operations	048	1 631	2 248
Q.	Income Tax on Ordinary Activities	049	7 882	17 035
Q.2.	- Deferred Tax	051	7 882	17 035
**	Profit/Loss from Ordinary Activities	052	16 603	15 247
***	Profit/Loss of the Accounting Period	060	16 603	15 247
****	Profit/Loss before Tax	061	24 485	32 282
	Control Number	999	2 914 849	2 968 120

GENERAL DATA

Commercial name: Povodí Odry, státní podnik (state-owned company River Odra Basin)

Official address: Varenská 3101/49, Ostrava - Moravská Ostrava, Post Code 701 26

Legal form: state-owned company

Identification number: 70890021

Main business activities: River basin administration meaning the management of important water flows, activities related to the finding about and assessment of the situation of surface and underground waters in the area of River Odra basin and other activities executed by river basin administrators in accordance with the Water Act No. 254/2001 Coll. and changes in some other laws (Waters Act) as amended and the Water Basins Act No. 305/2000 Coll. and related legal regulations, including the management of lesser water flows in the given area of the water basin the management of which has been assigned to the company, and other activities registered in the Commercial Register.

Activities in accordance with the trade certificate and the decision on the grant of a licence:

Execution of administration, Production of electric power, Projecting activities for constructions, Road transport, Hostelry trade, Construction implementations, Construction changes and removals, Manufacturing, trade and services not classified in attachments 1– in the Trade Act.

Legal founding: River Basin Act No. 305/2000 Coll.

Date of founding (the date when the Act No. 305/2000 Coll. became effective):

1st of January 2001

Founder: Ministry of Agriculture

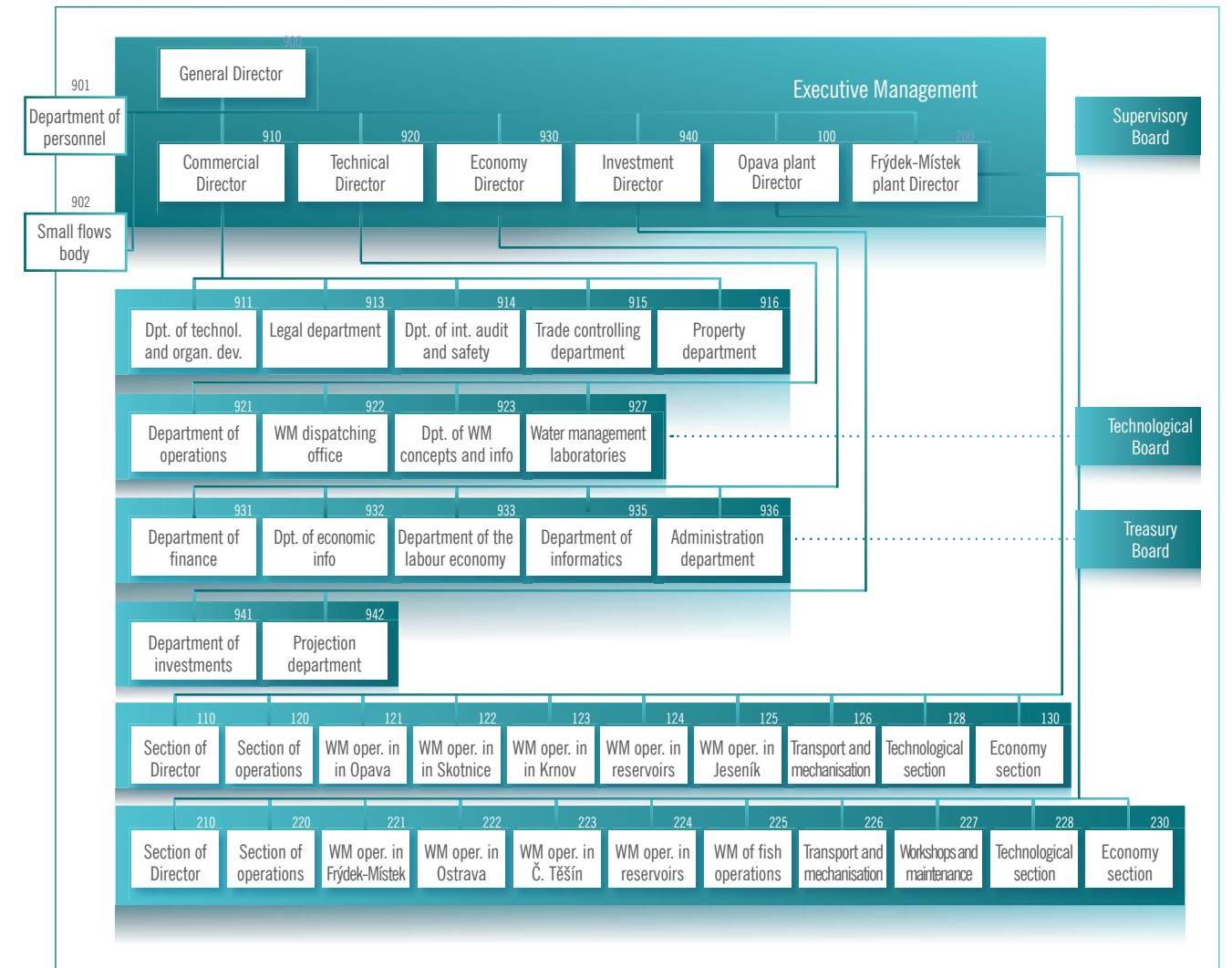
Predecessors of the state-owned company:

Povodí Odry, joint stock company

Balance Sheet Date: 31st of December 2013

Date of the Balance Sheet Preparation: 7th of March 2014

ORGANISATION CHART



CHANGES AND ADDITIONS EXECUTED IN THE COMMERCIAL REGISTER DURING THE ACCOUNTING PERIOD

The Regional Court in Ostrava, Commercial Register Department, has entered the following changes in 2013:

- **13th of May 2013** - There has been a Resolution issued which related to entry changes in names of members of the Supervisory Board (the recalling of Ing. Jakub Kulišek and the appointment of Ing. Lubomír Žmolík) and the entry of the updated value of determined assets - the legality of the Resolution occurred on the 17th of May 2013.
- **10th of September 2013** - There has been a Resolution issued which related to the change in the Founding Document – the entry change related to the person authorised to act on behalf the founder (the recalling of Ing. Jan Ludvík and the appointment of Mgr. Jaroslav Janáček) - the legality of the Resolution occurred on the 13th of September 2013).
- **16th of September 2013** - There has been a Resolution issued which related to the change in names of members of the Supervisory Board (the recalling of Zdeněk Havlík) - the legality of the Resolution occurred on the 18th of September 2013).

STATUTORY BODY OF THE STATE-OWNED COMPANY (as at the Balance Sheet date)

Ing. Miroslav Krajiček, General Director

Representatives of the Statutory Body of the state-owned company – the General Director:

- First Deputy: Ing. Petr Březina, Technical Director
- Second Deputy: Ing. Petr Kučera, Economy Director
- Third Deputy: Ing. Čestmír Vlček, Commercial Director

SUPERVISORY BOARD (as at the Balance Sheet date)

Miroslav Novák

JUDr. Jindřich Urfus

Ing. Aleš Kendík

Ing. Michal Sírko

Ing. Lubomír Žmolík (from the 1st of February 2013)

Mgr. Daniel Havlík (from the 22nd of November 2013)

Ing. Ivana Mojžíšková

Ing. Ivana Musálková

Ing. Radek Pekař (from the 15th of October 2013)

Mgr. Petr Procházka (till the 1st of February 2013), Zdeněk Havlík (till the 20th of August 2013)

and Ing. Jiří Tkáč (till the 15th of September 2013) have finished their participations in the Supervisory Board in the course of the accounting period.

CHANGES IN THE ORGANISATION STRUCTURE

There were no changes in the organisational structure of the state-owned company Povodí Odry in the course of the accounting period.

EMPLOYEES AND PERSONNEL COSTS

	31st of December 2012	31st of December 2013
Average number of employees (converted)	464	467
Wage costs, including Other personnel costs (in thousand CZK)	155 396	160 056
Costs of the social security and health insurance (in thousand CZK)	54 927	55 462

OTHER PAYMENTS TO PEOPLE WHO MAKE UP THE STATUTORY BODY OR WHO HAVE BEEN MEMBERS OF THE SUPERVISORY BOARD• **Statutory Body**

Free use of cars (there has been the sum at the level of 1% of the purchase price of the car added to the taxable income for each month of the use pursuant to § 6 (6) in the Income Tax Act).

• **Members of the Supervisory Board, who are the employees of the state-owned company Povodí Odry**

The contribution to the additional age pension insurance policy and life insurance – Ing. Ivana Mojžíšková, Ing. Ivana Musálková, Ing. Jiří Tkáč, and Ing. Radek Pekař got cars for their free use – Ing. Jiří Tkáč, Director of the Plant in Opava (there has been the sum at the level of 1% of the purchase price of the car added to the taxable income for each month of the use pursuant to § 6 (6) in the Income Tax Act).

VALUATION WAYS AND THE USED ACCOUNTING METHODS**THE VALUATION WAY**

- Purchased inventory - purchase prices,
- Own created inventory (including fish gains) - own costs,
- Lost inventory (with the exception of fish) – the FIFO method,
- Loss of fish – the method of the weighted arithmetical average,
- Long-term tangible and intangible assets created within own activities (activation) – own costs,
- Purchased long-term tangible and intangible assets – purchase prices,
- Long-term tangible and intangible assets gained free of charge – reproduction purchase prices,
- Long-term tangible and intangible assets gained free of charge from state-owned companies – accounted prices,
- Money, valuables, and receivables when occurring – nominal values.

DEPRECIATION PLANS - THE SET UP WAY AND THE USED DEPRECIATION METHODS

The depreciation way has been determined in a depreciation plan. Long-term tangible assets are depreciated by the annual depreciation rates determined for individual asset groups.

The depreciation rates correspond with the wear under usual operations existing within Povodí Odry Co. Intangible investment assets are depreciated by the annual depreciation rate of 25%.

Accounting depreciation of both long-term tangible and intangible assets takes place at the level of one twelfth of the total annual depreciation when books are closed monthly. That happens also in the month when assets are registered as the company assets.

THE WAY OF TRANSFERRING DATA IN FOREIGN CURRENCIES INTO THE CZECH CURRENCY

Foreign currencies are transferred with daily exchange rates valid on the foreign-exchange market announced by the Czech National Bank on the day of specific accounting events.

CORRECTIONS

There are corrections related to receivables created by the accounting unit. They are legal corrections created in accordance with the Income Tax Act and the Reserve Act. There are also accounting corrections related to receivables, which are 6 months after the due date, created at the level of 50%, or at the total level of 100% in the case of receivables more than one year after the due date.

ADDITIONAL INFORMATION ON THE BALANCE SHEET AND THE PROFIT/LOSS ACCOUNT**LONG-TERM ASSETS**

LIST OF CONSTRUCTIONS - Account 021 (in thousand CZK)

Class	At 31.12.2012		At 31.12.2013	
	Purchase price	Corrections	Purchase price	Corrections
Buildings, halls and structures	339 649	97 585	354 910	103 713
Other constructions	6 036 489	2 537 136	6 128 617	2 630 654
Total	6 376 138	2 634 721	6 483 527	2 734 367

LIST OF INDEPENDENT TANGIBLE ASSETS AND SETS OF TANGIBLE ASSETS

– Account 022 (in thousand CZK)

Class	At 31.12.2012		At 31.12.2013	
	Purchase price	Corrections	Purchase price	Corrections
Power-related and driving machinery	128 860	86 359	133 060	96 205
Work machines and facilities	85 684	54 732	94 888	52 405
Instruments and technological facilities	126 861	101 721	134 423	109 391
Transport equipment	105 088	81 021	114 119	82 700
Inventory	4 959	3 499	8 052	3 716
TOTAL	451 452	327 332	484 542	344 417

The state-owned company Povodí Odry does not have any pledged tangible or intangible assets.

ANIMALS REPORTED AS LONG-TERM ASSETS OR THE INVENTORY (in thousand CZK)

Animals	At 31.12.2012	At 31.12.2013
Reported as long-term assets	-	-
Reported as inventory	6 551	7 477

RECEIVABLES (in thousand CZK)

Receivables (both long and short-term)	At 31.12.2012	At 31.12.2013
Receivables after the due date (without receivables related to the court costs compensation)	2 896	3 425

CORRECTIONS RELATED TO RECEIVABLES - Account 391 (in thousand CZK)

	At 31.12.2012	At 31.12.2013
Legal	625	516
Accounting	16 906	17 034
TOTAL	17 531	17 550

LIABILITIES (in thousand CZK)

	At 31.12.2012	At 31.12.2013
Short-term liabilities		
Liabilities after due dates	1 674	1 674

The liabilities after the due date occurred in relation to collection of fees for contamination of surface waters and the consumption of underground waters. The state-owned company Povodí Odry managed this agenda by law till 2001 and sent the collected payments to the final receiver, i.e. the State Environmental Fund of the Czech Republic. The reported value of these liabilities towards the Fund exists, at the same level, in claims by the state-owned company Povodí Odry against individual contaminating parties and customers, who did not pay the prescribed payments and who are still parties to unfinished bankruptcies and insolvency procedures.

	At 31.12.2012	At 31.12.2013
Long-term liabilities		
Liabilities after due dates	-	-

The state-owned company Povodí Odry has not got any Bank loans or financial borrowings.

LEVEL OF THE DUE SOCIAL SECURITY PAYMENTS AND THE STATE EMPLOYMENT POLICY CONTRIBUTIONS (in thousand CZK)

	At 31.12.2012	At 31.12.2013
Account 336		
Social Security	4 915	5 094

LEVEL OF THE DUE HEALTH INSURANCE-RELATED LIABILITIES (in thousand CZK)

	At 31.12.2012	At 31.12.2013
Account 336		
Health insurance	2 151	2 290

The due liabilities were paid in January in the following accounting period.

LIST OF LONG-TERM LIABILITIES - ACCOUNT 479 (in thousand CZK)

	At 31.12.2012	At 31.12.2013
Contents		
Long-term accepted guarantees	365	3 265
Total	365	3 265

RESERVES

OTHER (ACCOUNTING) RESERVES – Account 459 (in thousand CZK)

PURPOSE	At 31.12.2012	At 31.12.2013
Reserve on not depreciated assets purchased with investment subsidies	76 719	85 040
Flood reserve	40 000	40 000
Large repairs	-	17 000
Other reserves	900	6 600
TOTAL	117 619	148 640

DEFERRED TAX - ACCOUNT 481 (in thousand CZK)

Item	At 31.12.2013
ACCOUNTING BALANCE PRICE DM (ÚZH)	3 505 799
TAXATION BALANCE PRICE DM (DZH)	2 557 750
Accounting and taxation price difference (ÚZH – DZH)	948 049
19%	180 129
Not paid interest on delay	52
19%	10
Total deferred tax liability	180 139
Deferred tax liability	
- Account 481 balance at 31.12.2012	172 257
- Account 481 balance at 31.12.2013	180 139
Difference – Account 592 Credit	7 882

The deferred tax has not been accounted for because of the carefulness principle.

ASSETS PURCHASED FROM INVESTMENT SUBSIDIES

Item	At 31.12.2013
Partially subsidised assets (the subsidy value decreasing the purchase prices of the assets)	2 659 900
Fully subsidised assets (the subsidy values as accounted for on sub accounts)	155 661

INVESTMENT SUBSIDIES (in thousand CZK)

Subsidy purpose/source	At 31.12.2012	At 31.12.2013
Removal of 2009 flood damage/state budget	55 617	-
Removal of 2010 flood damage/state budget	34 650	-
Flood prevention/state budget	105 732	199 223
Flood prevention/regional budgets	2 250	9 669
Provisions in the Upper River Opava – acquisitions /state budget	69 980	50 000
Study (flood-related risks, provisions against floods/Operating Programme by the Ministry of Environment	2 388	3 863
Modernising of the dispatching office/Operating Programme by the Ministry of Environment	5 247	12 158
Revival of water flows/Operating Programme by the Ministry of Environment	13 389	16 518
Planning in the water areas/regional budgets	1 080	220
TOTAL	290 333	291 651

OPERATIONS-RELATED SUBSIDIES (in thousand CZK)

Purpose/subsidy source	At 31.12.2012	At 31.12.2013
Removal of 2009 flood damage/state budget	17 592	-
Removal of 2010 flood damage/state budget	42 901	-
TOTAL	60 493	-

REVIEW OF CHANGES IN THE EQUITY IN THE PERIOD FROM THE 1ST OF JANUARY 2013 TO THE 31ST OF DECEMBER 2013 (in thousand CZK)

Balance Sheet line	Item (Account)	At k 1.1.	Increase	Decrease	At 31.12.
A.I	Equity - Owner's capital (Acc. 411)	1 519 186	-	-	1 519 186
A.II	Capital funds (Acc. 413)	2 658 329	6 634	3 079	2 661 884
A.III	Reserve funds, other profit funds	238 051	21 910	20 217	239 744
A.III.1	Legal reserve fund (Acc. 421)	151 919	-	-	151 919
A.III.2	Statutory and other funds	86 132	21 910	20 217	87 825
A.III.2	thereof: Investment fund (Acc. 427)	46 258	-	-	46 258
A.III.2	- Cultural and social fund (Acc. 423)	22 411	13 910	14 557	21 764
A.III.2	- Reward fund (Acc. 427)	17 463	7 000	5 630	18 833
A.III.2	- Social fund (Acc. 427)	-	1 000	30	970
A.V	Profit/Loss of the current period	15 247	16 603	15 247	16 603
	TOTAL EQUITY (A.I TO A.V.)	4 430 813	45 147	38 543	4 437 417

DESCRIPTION OF CHANGES

Capital funds (Account 413)

Increase: CZK 5 786 thousand to CZK 6 634 thousand – the free of charge taking over land.

Decrease: CZK 1 934 thousand – the free of charge land transfers.

Cultural and social fund (Account 423)

Increase: CZK 13 910 thousand (CZK 7 247 thousand – created from the 2012 profit,

CZK 6 663 thousand – loan instalments and other increases).

Decrease: CZK 14 557 thousand – the utilisation in accordance with the collective agreement and the relevant budget.

STATUTORY AUDITOR'S AWARD (IN THOUSAND CZK)

Purpose	At 31.12.2012	At 31.12.2013
Compulsory Balance Sheet audit Contracted costs (w/o VAT), as in the contract	160	160
Current year costs	160	160
Previous years' audit (the accounting finalisation)	80	80
Current year audit (the running audit)	80	80
Other auditing services	-	-

REVENUE FROM SALES OF GOODS, PRODUCTS AND SERVICES BY ACTIVITY KINDS - Accounting group 60 (in thousand CZK)

Activity kind	At 31.12.2012	At 31.12.2013
Revenue from sales of surface water	528 672	545 091
Revenue from the electric power production	66 000	72 506
Revenue from sold fish	13 489	13 927
Rent-related revenue	4 143	4 490
Revenue from sales of laboratory works	1 973	1 781
Revenue from sales of goods	-	8
Other revenue	3 317	5 176
TOTAL	617 594	642 979

CASH-FLOW REVIEW of the period from the 1st of January 2013 to the 31st of December 2013 (in thousand CZK)

Class a	T E X T b	Reality 1
P.	Situation in cash and cash equivalents at the beginning of the accounting period	222 824
Cash flow from main earning activities (operations)		
Z.	Accounting profit/loss from ordinary activities before tax	24 485
A.1.	Adjustments and non monetary operations	190 478
A.1.1.	Depreciation of fixed assets, receivables and correction amortisation related to acquisitioned assets	145 470
A.1.2.	Change in balances of corrections, reserves and transfer accounts for assets and liabilities with the exception of interests and differences from exchange rates	51 453
A.1.3.	Profit/Loss from sales of fixed assets (-/+)	-4 682
A.1.4.	Revenue from dividends and profit shares (-)	0
A.1.5.	Accounted paid interests (+) and received interests (-)	-1 763
A. *	Net cash-flow from operations before tax, changes in working capital and extraordinary items	214 963
A.2.	Change in working capital needs	-10 921
A.2.1.	Change in operations-related receivables (-/+)	-13 266
A.2.2.	Change in short-term operations-related liabilities (+/-)	2 538
A.2.3.	Change in the inventory situation (-/+)	-193
A. **	Net cash-flow from operations before tax and extraordinary items	204 042
A.3.	Interest-related expenditures with the exception of capitalised interests (-)	0
A.4.	Received interests with the exception of companies executing investment activities as their main business activity	1 763
A.5.	Paid income tax on ordinary activities and additional tax related to previous periods	0
A.6.	Income and expenditures from extraordinary accounting events	0
A. ***	Net cash-flow from operations	205 805
Cash-flow from investment activities		
B.1.	Fixed assets acquisition-related expenditures	-137 084
B.2.	Revenue from sales of fixed assets	5 413
B.3.	Loans and borrowings from/to connected persons (+/-)	0
B. ***	Net cash-flow related to investment activities	-131 671
Cash flow from financial activities		
C.1.	Change in long-term or short-tem liabilities balances	2 900
C.2.	Impacts of changes in the own capital on monetary means	-13 554
C.2.1.	Increases in monetary means and monetary equivalents because of the increased equity, including deposits	0
C.2.2.	Paid equity shares to partners (-)	0
C.2.3.	Monetary gifts and subsidies to own equity and other monetary deposits by partners and shareholders	0
C.2.4.	Coverage of a loss by partners (+)	0
C.2.5.	Direct debit payments from funds (-)	-13 554
C.2.6.	Paid dividends or profit shares, including the paid withholding tax (-)	0
C.3.	Received dividends and profit shares (+)	0
C. ***	Net cash-flow related to financial activities	-10 654
F.	Net increase or decrease in monetary means	63 480
R.	Monetary means and monetary equivalents' balance at the end of the period	286 305

ZERO ITEMS IN BOTH LAST AND CURRENT ACCOUNTING PERIODS, WHICH ARE NOT PRESENTED IN THE REPORTS**Balance Sheet**

Assets: A., B.I.1., B.I.4., B.I.5, B.II.5, B.II.9, B.III, B.III.1 – B.III.7, C.I.2, C.I.3, C.II.1 – C.II.4, C.II.6, C.II.8, C.III.2 – C.III.5, C.IV.3, and C.IV.4.

Liabilities: A.I.2, A.I.3, A.II.1, A.II.3, A.II.4, A.IV. A.IV.1, A.IV.2, B.I.1 – B.I.3, B.II.1 – B.II.8, B.III.2 – B.III. 4, B.III.9, and B.IV. - B.IV.3.

Profit/Loss Account

C.2., F.2, V, I, VI., J., VII., VII.1 – VII.3, VIII., K., IX, L., M., XII., P., Q.1, XIII., R, S., S.1, S.2, *, and T.

IMPORTANT FACTS RELATED TO THE ACCOUNTING PERIOD OF 2013 AND NOT ACCOUNTED FOR ON THE BALANCE SHEET OR PROFIT/LOSS ACCOUNTS**Court dispute - OSTRAMO, Vček a spol., s r. o. (Ltd.), later TRANSKOREKTA, s.r.o. (Ltd.), currently RETISE ENTERPRISES LIMITED.**

The court dispute started in 2000 by OSTRAMO, Vček a spol., s r.o. filing a suit related to damage compensation worth CZK 1,296,900,000 and accessories. The damage was supposed to be caused to the company by the River Odra floods in 1997. TRANSKOREKTA, s.r.o. (Ltd.) entered the proceedings in the following years as a new suitor and it has progressively increased the originally claimed sum to CZK 8,139,110,400. The proceedings were consequently entered, in the role of a new suitor, by RETISE ENTERPRISES LIMITED to which the claim has been assigned.

The court suit was progressively solved at the District Court in Ostrava and at the Regional Court in Ostrava. The Regional Court has confirmed the verdict by the District Court in 2011 rejecting the claim related to CZK 7,018,919,000 and 10% interest on the delay from the 1st of January 2001. It has also rejected the claim within the scope of CZK 1,120,191,400 with the 10% interest on the delay from the 1st of January 2001 to the date of payment.

The suitor has filed an appeal against the Regional Court's verdict to the High Court of the Czech Republic in the form of an extraordinary corrective measure.

The High Court of the Czech Republic has not made its verdict on the claim by the Balance Sheet date or by the date of preparation of the Final Accounts 2013.

The above-mentioned facts have not been accounted for in the Balance Sheet or in the Profit/Loss Account because the state-owned company Povodí Odry does not recognise the claim and considers it not justified. The Company thus do not envisage any outflow of resources because of a future verdict related to the mentioned court suit. Any insertion of these facts in the Balance Sheet would be considered as a distortion of the true and honest presentation of facts in the Balance Sheet.

CHANGES IN THE PERIOD BETWEEN THE BALANCE SHEET DATE AND THE DATE OF PREPARATION OF THE FINAL ACCOUNTS

There were no events between the Balance Sheet preparation date and the date of Final Accounts preparation which would influence the presentations by accounting reports.

The facts and data prescribed for the Attachment to the Final Accounts, according to the Accounting Act No. 563/1991 Coll. as amended and according to the Executive Bylaw No. 500/2002 Coll., but irrelevant to the accounting unit of the state-owned company Povodí Odry do not make a part of this Attachment.

SLEZSKÁ HARTA



Monitoring of the water amount and quality makes one of the activities performed by the state-owned company Povodí Odry. The monitoring of quality, including impacts inflicted by human activities, is conducted by the Section of water management laboratories, which closely cooperates with other company departments – especially with the Department of water management conceptions and information, the Water Management Dispatching Office, etc.

The monitoring of water quality in its modern understanding covers a broad spectrum of quality indicators, often within mutual relations. We may present a few numbers just to foreshadow the scope of this issue. The operational monitoring of surface waters, which is definitively the most important activity conducted by the laboratories, means the following up more than 250 quality indicators, mostly chemical substances and compositions, in roughly 220 collection places. That includes bodies of both flowing and stagnant water and selected waste water outlets. Sampling is conducted in profiles of each of these collection places several times a year. The typical number of sample collections is 12 or 6 in a year. All samples collected in this way are analysed within the required scope of indicators. Water samples from the most

important profiles are supplemented with samples of sediments. High attention is paid also to hydrobiological monitoring and its relation to physical-chemical indicators of water quality. The found results are continuously saved in laboratory databases and they consequently serve for the assessment, according to individual purposes of the monitoring. The laboratory within making operations more effective serves the updated, e.g. the emergency and long-term laboratory, needs of both internal and external clients. In the case of external clients, that is based on commercial relations.

All laboratory and testing processes must be properly verified to ensure that the data gained by the laboratory are of the necessary professional standard, especially when it comes to correctness and preciseness of results. The processes must be validated and continuously checked. This is ensured by intensive internal laboratory activities and by inter-laboratory comparisons, but also by supervision organised by an external organisation. In our situation, this is done by the national accreditation authority – the Czech Accreditation Institute. Our laboratory has been accredited since 1998 and, despite the permanently increasing demands and requirements, it had continuously, several times in

a row, defended its accreditation for the next five-year period at the end of 2013.

In this connection, the extension of the accreditation by two methods allowing monitoring of the occurrence of a large spectrum of organic contaminants has become one of the big successes at the beginning of 2013. The current legislature requires from us to monitor about 40 substances, mostly pesticides (a further extension with other contaminants, hazardous substances and indicators is currently under preparation). This success would be understandably impossible without the necessary instruments and technologies, which have been put into operations in the previous year.

And the future targets? It is definitively the preparation of the laboratory for the introduction of requirements present in directives by European Union into the national legislature and, consequently, changes in the scope of the monitoring. Also, we wish to maintain the high quality level of provided services and to pay maximal attention to the area of external revenues, to permanently try for increasing their share in improvements within the economic situation of our water management laboratories.



Collection of samples makes an inseparable (and often the most important) part of every laboratory determination. In the case of samples for chemical analyses, the laboratory can execute sampling of water, soil, sediments, or sludge. In the case of biological analyses, the collection of varied biological parts is often performed in addition to the "usual" water sampling. There are lower plants (algae, cyanobacteria, or diatoms) growing on the bottom in water, the so-called phytobentos, or creatures bound to water. These creatures are called macrobentos and they play an important role when we assess and evaluate the ecological situations of water bodies. Simply said, more original composition of macrobentos means the better ecological situation in the locality.

The collection of macrobentos (on the picture) is conducted by the "kick-sampling" method, when the biologist goes through a flowing section and disturbs the bottom with his foot, while catching the disturbed organisms, together with inorganic materials, with his net. Samples are then collected from the net, washed through, fixed, and determined by the laboratory consequently.



The water management laboratories of the state-owned company Povodí Odry perform a whole spectrum of determinations. One of them is the microbiological examination of surface potable or waste waters. Samples are collected into sterile pattern glasses, cooled down during transport and analysed in the laboratory within 24 hours from the time of collection. Individual determinations of various groups of microorganisms, according to the clients' requests, are conducted by workers in a special microbiological laboratory subjected to a strict code of sterility. This sterility is necessary because of possible contamination of samples by other microorganisms and the consequent distortion of results. The determination itself is done by filtration of a sample volume through sterile filters having the known porosity. These filters are consequently put down on bowls with varied selective agars (culture mediums) allowing the growth of only certain groups of microorganisms. The group makes the subject of the examination, while other groups are suppressed. The bowls are then left for the necessary time in a thermostat having the selected temperature (the value once again depends on the requested kind of determination). The grown up colonies of microorganisms on the bowls are calculated after the incubation, there are possible confirmation analyses performed, and the result is recorded in the LABSYS database, and transferred in the form of a protocol to the client.



The mass spectrometer ICP-MS with the inductive bound plasma is an instrument serving for the establishment of ultra metric amounts of individual elements in analysed samples. This technology allows for analysing almost any element from the Mendeleev Periodic Table of Elements, from lithium to uranium, with the sensitivity $\mu\text{g/l}$, or less. Its mass utilisation started about 10 years ago, when technical issues, related to the creation of a stabile vacuum and the maintenance of constant conditions in the argon plasma – the temperature about 8 000°K, had been resolved



The liquid chromatograph with the mass detection (LC/MS) has been the latest addition to the family of chromatographs at the disposal to the Department of special organic analyses within our laboratories. It serves for finding pesticides and other contaminating chemical substances. A good example could be glyphosate – the total wide spectrum herbicide that makes an important part of Roundup preparation used time by time by any gardener wishing to have the garden free of weeds. Increased contents of glyphosate are found in waters especially during spring months.

In addition, we monitor further about 40 other substances having varied levels of hazardous effects on humans or the environment generally with this instrument. The necessity of their monitoring is required by the European legislature and by its implementation in the legislature of the Czech Republic.



The accreditation is an official confirmation of independence, objectivity, and professional qualification of the entity to perform the defined activities and verifications of the trustworthiness of the maintenance of the necessary quality level of the provided services. The accreditation process itself is based on the standard ČSN EN ISO/IEC 17025 that specifies all requirements on the testing and calibrating laboratories when they wish to prove their quality management system as qualified and able for the achievement of technically valid results.

To allow the accredited laboratories – parts of larger organisations or offering also other services, operate the quality system in accordance with ISO 9001, all requirements in this standard important for the area of testing services have been included also into the norm ČSN EN ISO/IEC 17025.

We might thus say that the activities by an accredited laboratory are performed also in accordance with the standard ISO 9001. The accreditation is granted by the Czech Accreditation Institute, the only national accreditation authority.

Our laboratory has successfully entered this year into the 4th accreditation cycle (since 2001). The number of testing methods has increased since the beginning from the original 65 to the current 109 ones and the number of analysed indicators has increased from the original 120 to the current more than 400.

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