



Annual  
Report

2019



*Povodí Odry*  
*státní podnik*



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# Foreword by the General Director

The hydrological situation in the Oder River basin was satisfactory throughout the year, despite some weather fluctuations, when we recorded a drought in the summer period mainly in the area of the Opava region and the Slezská Harta and Kružberk reservoirs. It gradually ceased at the end of the summer and the accumulation of water in the reservoirs was sufficient at the end of 2019 to ensure the supply of potable and service water.

The most closely watched construction in 2019 was the repair of a part of the Žermanice feeder, where the construction completion date was crucial to renewing the transfer of water to the Žermanice waterworks and the timely replenishment of the reservoir before the winter. The builders met the deadline thanks to the good preparation of the construction and its thorough inspection.

The most important tasks performed by the state-owned enterprise Povodí Odry include the management of river basins and watercourses, operation and maintenance of hydraulic structures and preparation of new measures, in particular to mitigate the manifestations of emerging climate changes. As part of the commenting activity of our Company bodies regarding the events and activities that are being prepared and that affect the future development of our region, we have responded to approximately 10,000 requests from investors, administrative proceedings and requirements of the relevant authorities, towns and municipalities during the calendar year. About 700km of watercourse beds under our management are adapted, where we perform regular maintenance in the most near-natural possible manner.



In addition to securing water supplies for various purposes, the Company is intensively engaged in the construction of flood control measures. As part of these measures, a new Nové Heřminovy reservoir is being prepared in the upper reaches of the Opava River. It will complement the current water management system of the Oder River basin and, by its parameters, will effectively reduce flood extremes up to and including the city of Opava. At the same time, its discharge improvement effect (about 850 litres per second) will guarantee sufficient sanitary flow in the Opava River with the supply of water to potential users, in particular for the section of the Opava River between the cities of Krnov and Opava, where the lowest average annual precipitation has historically been recorded within the Oder River basin.

Despite the ever-decreasing trend in surface water off-take, the management of the Company is also on a good level thanks to the austerity measures that we primarily introduced following the extraordinary veterinary regulations on Petrův pond, where the carp were infected by the dangerous Koi herpesvirus disease.

In the area of property repair and maintenance, work was carried out in the amount of CZK 214 million, of which CZK 207 million came from the Company's own resources and CZK 7 million from subsidies for the repair and maintenance of small watercourses and small water reservoirs. The acquisition of fixed assets was carried out in the total amount of CZK 176 million, of which CZK 118 million came from the Company's own resources, CZK 38 million from subsidies for flood control measures and CZK 20 million in the form of gratuitous transfers.

In the course of 2019, there were personnel changes in the positions of the General Director and the Technical Director of the state-owned enterprise Povodí Odry. At the same time, the new director of Plant 1 Opava was put into office.

Ing. Jiří Tkáč  
General Director

# Basic information about the Company

## FOUNDER

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

## PERSON AUTHORISED TO ACT FOR THE FOUNDER AS AT 31 DECEMBER 2019

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

## NAME

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

## REGISTERED SEAT

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

## FOUNDING DATE

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

## ENTRY IN THE COMMERCIAL REGISTER

Regional Court in Ostrava  
File Ref. AX IV 584

## DATE OF REGISTRATION

26 March 2001

## LEGAL FORM

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

## STATUTORY BODY AS AT 31 DECEMBER 2019

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

## SUPERVISORY BOARD AS AT 31 DECEMBER 2019

Ing. Aleš Kendík, Chairman  
Ing. Pavel Schneider  
Ing. Michal Sirko  
Ing. Jiří Duda  
Ing. Jan Kocián  
Ing. Peter Suchý  
Ing. Ivana Mojžíšková  
Ing. Dagmar Šimková  
Ing. Radek Pekař

## EXECUTIVE MANAGEMENT AS AT 31 DECEMBER 2019

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

## AUDIT COMMITTEE AS AT 31 DECEMBER 2019

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

Kružberk waterworks



# Company structure

The business scope of the state-owned company is defined in the Memorandum of Association and is based on legal provisions, particularly Act No. 254/2001 Coll., on waters, as amended, Act No. 305/2000 Coll., on river basins, as amended, and Act No. 77/1997 Coll., on state-owned companies, as amended. The primary activity consists of the management and maintenance of significant watercourses, including boundary watercourses, waterworks, and small watercourses for which the Company was appointed as manager, all within the Oder basin territory. Further activities of the Company include determination and evaluation of the surface and ground water condition in the given territory, investment activities in this area including flood measures, management of accidents on the watercourses and, last but not least, also planning activities stipulated by the applicable legislation. The major activity of the Company is directly related to auxiliary activities, especially the activities of accredited laboratories, building, engineering, design and consulting activities in the field of water management, all for the requirements of the Company as well as external customers.

## ORGANISATIONAL PICTURE OF THE COMPANY

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

## OFFICE OF THE GENERAL DIRECTOR

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

### Structure of the division

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

## OFFICE OF THE TECHNICAL DIRECTOR

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

### Structure of the division

- Operations Department
- Water Management Dispatch
- Water Management Concepts and Information Department
- Water Management Laboratory

## OFFICE OF THE FINANCE DIRECTOR

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

### Structure of the division

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



## OFFICE OF THE INVESTMENT DIRECTOR

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

### Structure of the division

- Investment Department
- Design Department
- Asset Management Department

## PLANTS

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

### Classification of the plants

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

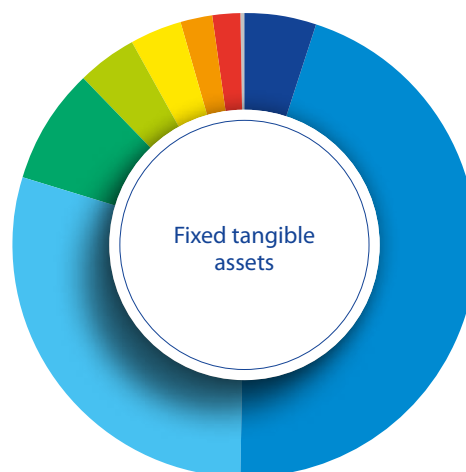
# Managed assets

## OVERALL STRUCTURE OF TANGIBLE FIXED ASSETS

The volume of tangible fixed assets in the category of structures and tangible movables increased by CZK 169.14 million compared to 2018. As at 31 December 2019, the total amount of these tangible fixed assets at their acquisition price was CZK 7,559.45 million.

### Structure of fixed assets in the category of structures and tangible movables:

Buildings	5.26 %	CZK 397.39 million
Reservoirs and fish ponds	45.04 %	CZK 3,404.76 million
Adaptation of watercourses	28.08 %	CZK 2,122.80 million
Weirs and stages	8.98 %	CZK 678.92 million
Other objects	4.51 %	CZK 340.92 million
Transport and working machinery	3.51 %	CZK 265.62 million
Energy machinery and equipment	2.12 %	CZK 160.10 million
Devices, special technical equipment, VT	2.37 %	CZK 179.38 million
Inventory	0.13 %	CZK 9.56 million
<b>Total small tangible fixed assets</b>	<b>100.00 %</b>	<b>CZK 7,559.45 million</b>



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Inventory	0.13 %

### Tangible fixed assets by facilities

	Buildings		Reservoirs and fish ponds		Adaptation of watercourses		Weirs and stages		Other objects	
	CZK mil.	%	CZK mil.	%	CZK mil.	%	CZK mil.	%	CZK mil.	%
<b>S.p. total</b>	397.39	100.0	3,404.76	100.0	2,122.80	100.0	678.92	100.0	340.92	100.0
<b>Plant 1 Opava</b>	128.45	32.32	2,294.20	67.4	1,145.91	54.0	188.88	27.8	185.65	54.5
<b>Plant 2 FM</b>	131.09	32.99	1,110.56	32.6	976.89	46.0	490.04	72.2	144.29	42.3
<b>Management of the state-owned company</b>	137.85	34.69	0.00	0.0	0.00	0.0	0.00	0.0	10.98	3.2

	Transport and working machinery		Energy machinery and equipment		Devices, special technical equipment		Inventory		Total small tangible fixed assets	
	CZK mil.	%	CZK mil.	%	CZK mil.	%	CZK mil.	%	CZK mil.	%
<b>S.p. total</b>	265.62	100.0	160.10	100.0	179.38	100.0	9.56	100.0	7,559.45	100.00
<b>Plant 1 Opava</b>	131.76	49.60	95.36	59.6	18.61	10.4	3.95	41.3	4,192.77	55.46
<b>Plant 2 FM</b>	117.26	44.15	59.43	37.1	53.64	29.9	2.80	29.3	3,086.00	40.82
<b>Management of the state-owned company</b>	16.60	6.25	5.31	3.3	107.13	59.7	2.81	29.4	280.68	3.71



# Human resources

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

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

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

<b>Number of employees</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
Number of full-time equivalent employees	463.15	464.16	458.21
Average number of natural person employees	468	470	463.50
of which: White collar employees	246	252	248.41
Blue collar employees	222	218	215.09
Management of the state-owned company	174	178	173.96
Plant 1 Opava	128	129	126.50
Plant 2 Frýdek-Místek	166	163	163.04

Employees according to working location

<b>District</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
Opava	64	64	62
Bruntál	30	30	32
Šumperk	1	1	1
Nový Jičín	30	29	29
Karviná	25	24	24
Frýdek-Místek	111	111	110
Ostrava	195	198	190
Jeseník	12	13	13

# Provision of information

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

## ACTIVITIES IN THIS AREA FOR 2019 ARE SUMMARISED BELOW:

- **Number of filed requests for information and the number of issued decisions to reject requests** – In 2019, five requests for information were delivered to the state enterprise and no decisions to reject requests were issued.
- **Number of appeals against decisions** – No appeals were submitted in 2019.
- **Copy of the relevant parts of each of the court verdicts in the matter of examination of the legality of the decisions of the statutory body regarding rejection of a request for the provision of information and an overview of all expenditure incurred in connection with judicial proceedings on the rights and obligations under Act No. 106/1999 Coll.** – No lawsuits were filed and no costs were incurred for such purpose in 2019.
- **List of provided exclusive licences** – No exclusive licences were provided in 2019.
- **Number of complaints filed pursuant to Section 16a of Act No.106/1999 Coll.** – No complaints were filed in 2019.
- **Additional information relating to the implementation of this law** – For all requests, information was provided within the statutory limit of 15 days from receipt of the request.



Šance waterworks Information Centre in the Beskydy Mountains

# Water consumption

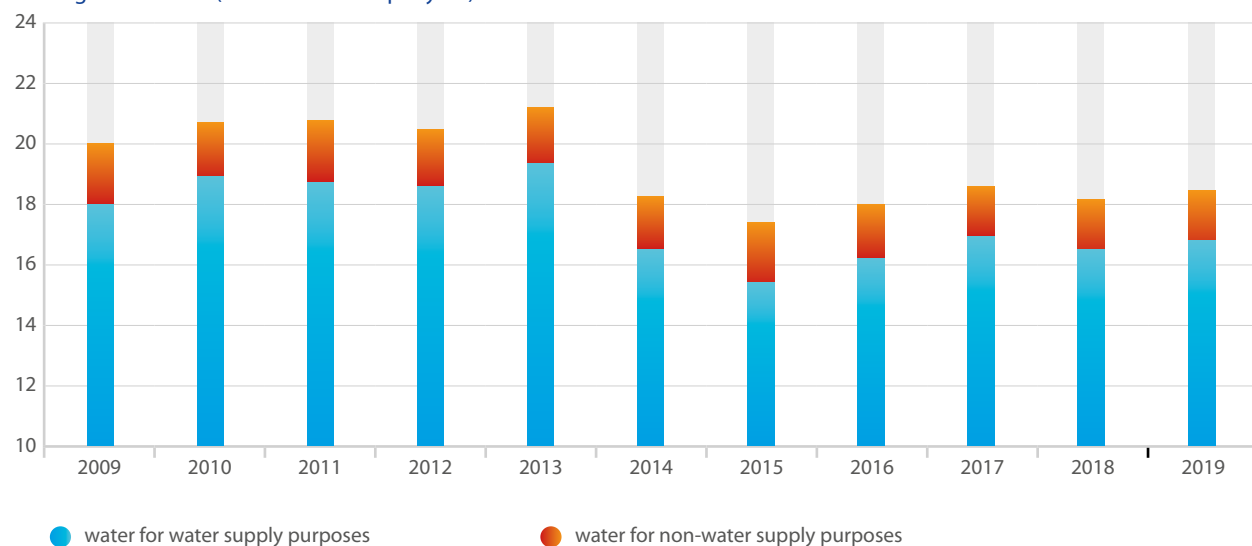
## UNDERGROUND WATER OFF-TAKE

As regards groundwater off-take, the year 2019 saw a year-on-year increase in water consumption: the total take-off was 18.3 million cubic metres of water compared to 18.0 million in 2018. In the case of consumption for water management, there was a slight increase in the Horní Odra River sub-basin in the monitored year from 16.4 to 16.5 million cubic metres. However, underground water consumption for purposes other than water management increased significantly year-on-year, reaching 1.8 million cubic metres compared to 1.6 million cubic metres, which represents a more than 10% increase caused by new customers.

### Underground water consumption (millions of m<sup>3</sup>)

Years	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Water for water supply purposes	18.5	18.8	18.9	18.9	19.2	16.1	15.6	16.2	17.1	16.4	16.5
Water for non-water supply purposes	1.7	1.9	1.7	1.6	1.7	1.6	1.7	1.5	1.6	1.6	1.8
<b>Total underground water</b>	<b>20.2</b>	<b>20.7</b>	<b>20.6</b>	<b>20.5</b>	<b>20.9</b>	<b>17.7</b>	<b>17.3</b>	<b>17.7</b>	<b>18.7</b>	<b>18.0</b>	<b>18.3</b>

### Underground water (in millions of m<sup>3</sup> per year)



Slezská Harta reservoir

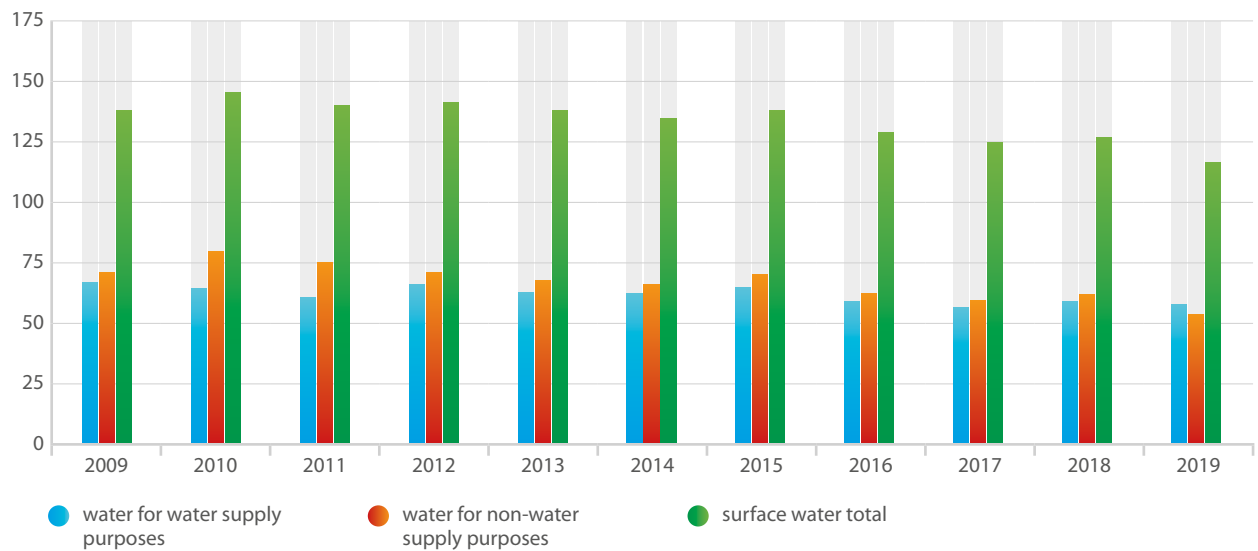
## SURFACE WATER OFF-TAKE

The year 2019 was marked by a significant year-on-year decrease in surface water consumption. A total of only 115.7 million cubic metres of water from sources managed by the state-owned enterprise Povodí Odry was consumed by customers, which was a year-on-year decline of almost 8%. There was a slight decrease in off-take for the supply of potable residential water (from 60.9 to 60.2 million cubic metres), while the consumption of industrial facilities declined significantly (from 64.5 million to 55.5 million cubic metres). The main reasons were the reduction of mining operations in the Ostrava-Karviná mines, the ownership change in the metallurgical company (ArcelorMittal Ostrava a.s. x Liberty Ostrava a.s.) and the production shut-down at the Dětmárovice Power Plant.

### Surface water off-take (mil. m<sup>3</sup>)

Years	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Water for water supply purposes	68.2	66.9	64.2	67.1	65.1	64.9	65.0	62.3	60.6	60.9	60.2
Water for non-water supply purposes	70.8	77.2	74.8	72.0	71.5	70.2	71.8	65.7	63.5	64.5	55.5
<b>Surface water total</b>	<b>139.0</b>	<b>144.1</b>	<b>139.0</b>	<b>139.1</b>	<b>136.6</b>	<b>135.1</b>	<b>136.8</b>	<b>128.0</b>	<b>124.1</b>	<b>125.4</b>	<b>115.7</b>

### Surface water (millions of m<sup>3</sup> per year)

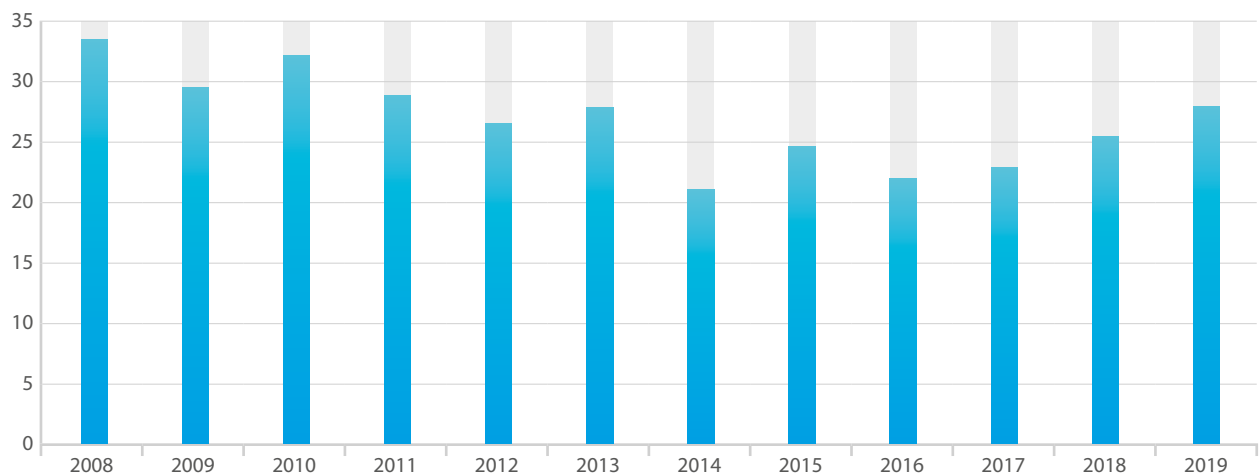


# Electricity generation

The operation of hydroelectric power plants of the state-owned enterprise Povodí Odry recorded the already third year-on-year increase in a row. Good hydrological conditions allowed the production of above-average monthly quantities throughout the first half of the year, reaching a record monthly production of 3.83 million kWh in March. The second half of the year saw the manifestations of hydrological drought and below-average quantities were produced with an annual low of 1.0 million kWh in October. A total of 27.8 million kWh of electricity was produced, of which almost 55% came from the largest hydroelectric power plant at the Slezská Harta waterworks on the Moravice River.

Regular annual maintenance was carried out in all power plants and all repairs were scheduled for periods with lower flow rates. The year 2019 was characterised by considerable reliability of the operation of all small hydroelectric power plants.

Annual production of electric power in millions of kWh



Olešná waterworks (source: Moravian-Silesian region)



# Water quality control

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

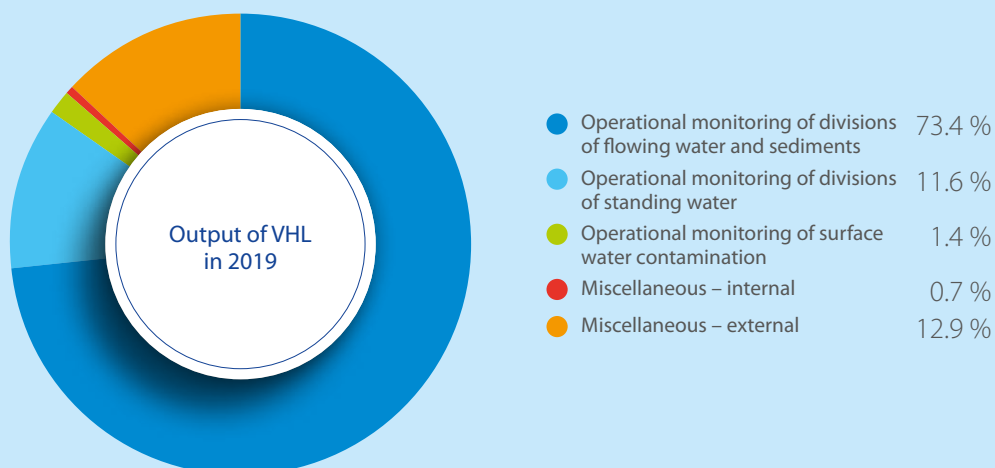
The measured results are used as the bases for all sorts of activities in the area of protecting water against pollution and are increasingly becoming more important in connection with implementation of European standards in Czech legislation. The objective is to achieve the so-called good water level, which is defined in the general Framework Agreement on Water and represents the fulfilment of many criteria and conditions in the aqueous environment. Monitoring water levels involves not only sampling basic physiochemical parameters, but also heavy metals, pesticides, and a broad spectrum of pollutants in the area of specific organic substances that are created by human activity in many production processes. Great emphasis is also placed on the monitoring of biological elements, for instance, fish population, macrozoobenthos, phytoplankton, phytobenthos, and others. An integral part of the evaluation of the watercourses is also hydro-morphological monitoring, which provides information about whether building constructions and other anthropogenic activities in the water channel have disrupted conditions for the development of aqueous organisms. The results of such monitoring processes are the basic condition for the protection of water quality and the design of measures for its continuous improvement within the scope of the planning processes for water use. They represent a major category of information for the communicative activities of the state enterprise, particularly the issue of opinions and conveyances on any handling of water because the managers of the basins create the professional base for the water management authorities and, on a case-by-case basis, assess whether polluters' release waste water violates the law in terms of the given requirements for the target quality condition of the water. The basin managers perform this activity free-of-charge and it is their duty to prepare and provide an opinion. In 2019, the water quality care department handled about 2,500 record items.

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

## WATER QUALITY CONTROL – VHL

The monitoring of water quality in 2019 was accomplished in compliance with the annual plan prepared according to the existing legislation and the needs of our state enterprise. Within the framework of monitoring, 155 profiles were monitored in flowing watercourses with a sampling frequency of 12 times per year, and 12 profiles with a sampling frequency of 6 times per year. This also includes the monitoring of small water reservoirs and border waters. The scopes of the analysed parameters were optimised in such a manner that the relevant substances and groups of these substances as well as other quality indicators necessary for evaluation of the condition or ecological potential in the water bodies were monitored in the individual profiles. Monitoring of the quality of the water in our valley water supply and recreation reservoirs included the "mixed" and "zonal" off-takes from several vertical reservoirs (3 to 7, usually 5) with the frequency ranging from 3 to 12 off-takes per year. Basic monitoring was also done at the selected discharges of the contaminants of surface water.

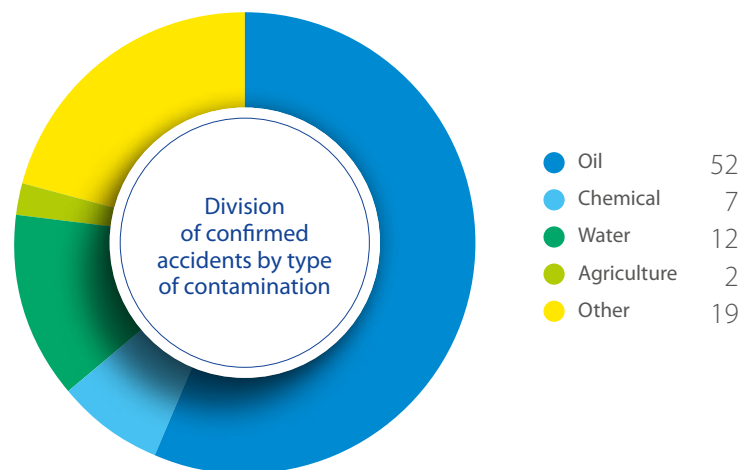
The total volume of the outputs of the water management laboratories in 2019 was approximately CZK 20.66 million. The percentage share of the individual types of analyses in the total outputs is given in the following graph:



# Water purity failure in 2019

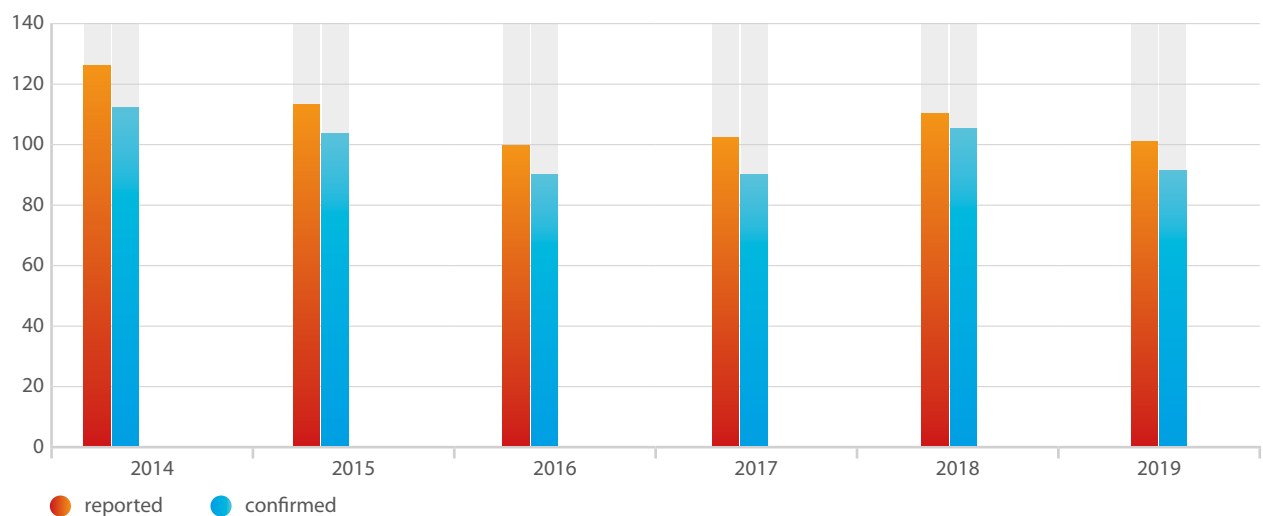
## ACCIDENTS IN 2019

<b>Reported accidents</b>	<b>101</b>
<b>Confirmed accidents</b>	<b>92</b>
of which: Reported after lapse of accident	3
of which: Confirmed threat to the watercourse	42
<b>Unconfirmed accidents</b>	<b>9</b>



## TREND OF REPORTED AND CONFIRMED ACCIDENTS IN THE 2014-2019 PERIOD

Year	2014	2015	2016	2017	2018	2019
reported	126	115	100	101	110	101
confirmed	113	103	91	91	107	92



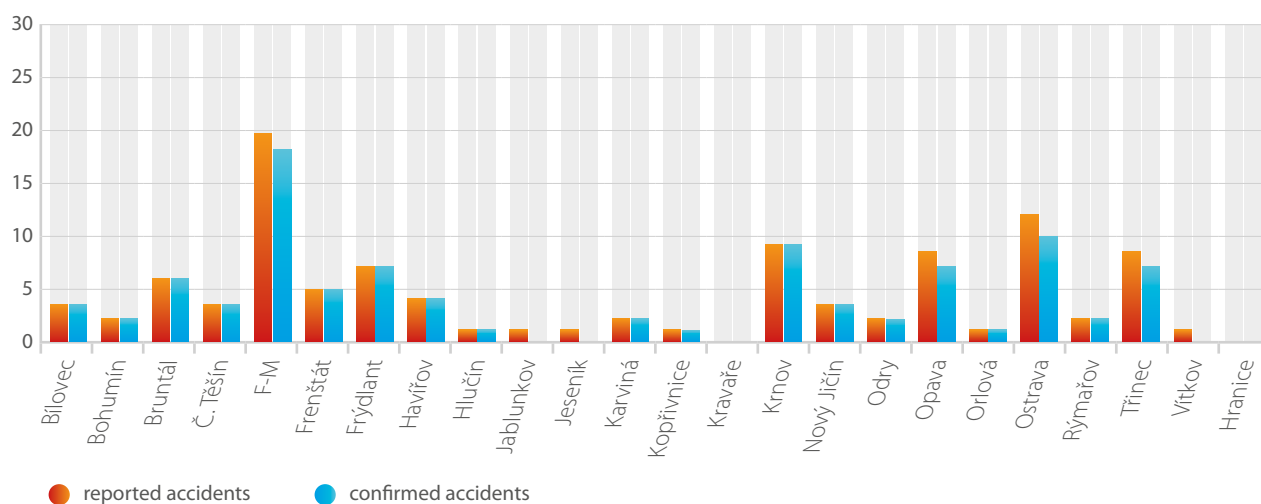
## ACCIDENTS IN 2019 IN THE TERRITORIES OF THE INDIVIDUAL MUNICIPALITIES WITH EXTENDED POWERS

In 2019, a total of 101 accidents were confirmed, which resulted in deterioration of or danger to the quality of surface or ground waters. Accidents involving petroleum products were generally dominant, of which about 51.5% were car accidents.

ORP		Bílovec	Bohumín	Bruntál	Č. Těšín	F-M	Frenštát	Frýdlant	Haviřov
Accidents	reported	3	2	6	3	19	5	7	4
	confirmed	3	2	6	3	17	5	7	4

ORP		Hlučín	Jablunkov	Jeseník	Karviná	Kopřivnice	Kravaře	Krnov	Nový Jičín
Accidents	reported	1	1	1	2	1	0	9	3
	confirmed	1	0	0	2	1	0	9	3

ORP		Odry	Opava	Orlová	Ostrava	Rýmařov	Třinec	Vitkov	Hranice
Accidents	reported	2	8	1	12	2	8	1	0
	confirmed	2	7	1	10	2	7	0	0





## MORE SIGNIFICANT ACCIDENTS

### **22 January 2019 – Barrels with chemicals, Frýdek-Místek**

The municipality with extended powers (hereinafter ORP) Frýdek Místek informed the Oder River Basin Authority about an accident. It involved the discovery of a larger amount of an unknown chemical substance in barrels on the premises of a former sawmill in Staré Město near Frýdek Místek. According to the fire brigade's report, there were thousands of litres of hazardous waste in barrels placed in the old hall, some of which had spilled.

The accident service of the Oder River Basin Authority arrived at the location and the Oder River Basin Authority informed the Czech Environmental Inspectorate (CEI). The investigation revealed a large number of barrels with hazardous waste. The fire-fighters took 6 samples from 6 different barrels for analysis. An emergency committee was convened consisting of representatives of the ORP Frýdek Místek, the fire brigade, the Police of the Czech Republic and the Oder River Basin Authority. The following day, the Crisis Staff of Frýdek Místek met to discuss the accident.

During the Crisis Staff meeting, the Oder River Basin Authority requested that all known sewer outlets from the hall premises into downstream sewers be plugged so that the hazardous substances could not escape the hall premises in the event of a leak. The blockage of the sewer was carried out before the start of handling the barrels. The barrels were brought into the hall by a Polish company.

The disposal of the hazardous waste barrels was participated in by specialised firms across the country.

The resolution of the accident was overseen by the Water Law Authority of the Frýdek Místek City Hall's environmental protection department, which handled the accident in accordance with the provisions of Sections 40 and 41 of Act No. 254/2001 Coll., on waters, and on amendment of certain acts, as amended.

### **28 July 2019 – Krnov watercourse Opavice – fish kill**

The CEI informed the Oder River Basin Control Centre about the death of a large number of fish on the Opavice watercourse. The accident was reported to the CEI by the Czech Anglers Union (ČRS) Krnov.

ČRS Krnov informed about the poisoned section of the Opavice watercourse, which started above the swimming pool in Krnov. There was an old WWTP, which the city no longer uses. Many fish species had been poisoned. The Police of the CR, ORP Krnov and fire-fighters were at the scene. The place where the accident originated was evident at the outlet of the overflow, where there were remnants of malodorous waste water. ČRS carried out the collection of dead and affected fish. The accident was preceded by heavy rain, which gradually washed away the pollution. The Water Law Authority interrupted the accident monitoring and repeated the investigation after about 20 hours. Water of a slightly grey colour giving off a slightly bad odour was flowing from the overflow. The Water Law Authority took a sample for subsequent analysis.

ORP Krnov concluded that the cause of the accident was a separator, because visually it was obvious that the intense turbidity and death only occurred in the section of the watercourse below the outlet.

The resolution of the accident was overseen by the Water Law Authority of the Krnov City Hall's environmental protection department, which handled the accident in accordance with the provisions of Sections 40 and 41 of Act No. 254/2001 Coll., on waters, and on amendment of certain acts, as amended.

### **29 August 2019 – Šance waterworks – road pollution with oil products**

The Operations Officer of the Information Security Centre reported an accident on the Ostravice River, on road No. 56, which crosses the Ostravice watercourse. Near the Mazák bus stop (in the vicinity of Hotel Mazák), oil products were flowing from the roadway into the ditch. It was impossible to detect the source. Oil products could also be found above the Šance waterworks. Fire-fighters intervened on the spot and contacted ORP Frýdlant n/O and the CEI.

The accident service of the Oder River Basin Authority arrived at the place of the accident. It was discovered during the investigation that the accident was caused by the technical failure of a truck. The truck drove from Ostravice towards the state border. Diesel oil leaked from the truck, which was stopped in Bumbálka by fire-fighters. The road was primarily contaminated with diesel on curves. The dam keeper checked the culverts.

The culverts under the road were free of contamination, the leaked diesel did not permeate outside the road. Fire-fighters covered the contaminants with sorbent and subsequently cleaned the places polluted with a large amount of leaked diesel (the intersection of road No. 56 with the road to Bílá-Konečná and the intersection with road No. 35 Bečvy-Bumbálka). The truck was parked in the Bumbálka parking lot. Fire-fighters secured the diesel tank against further leakage.

The resolution of the accident was overseen by the Water Law Authority of the Frýdlant nad Ostravicí City Hall's environmental protection department, which handled the accident in accordance with the provisions of Sections 40 and 41 of Act No. 254/2001 Coll., on waters, and on amendment of certain acts, as amended.

# Repair of the 1<sup>st</sup> section of the Vyšní Lhoty – Žermanice feeder, at km 0.000 – km 1.881

In 2019, during one construction season, the 1st stage of the repair of the “Feeder Vyšní Lhoty – Žermanice, water channel km 0.000 – km 1.881” was carried out. The feeder consists of an artificial channel built in the years 1953-1958 and serves for gravitational transfer of water from the Morávka River basin from the weir in Vyšní Lhoty at 11.334 to the Lučina River basin, which is a tributary to the Žermanice dam reservoir. The technical condition of the feeder deteriorated due to its advancing years, where up to 40 % water loss was recorded during the transfer. As part of the strategy of the state-owned enterprise Povodí Odry and the plan of long-term repairs, it was decided to remedy the already unsatisfactory condition. Due to the limited construction time and assuming the variability of geological conditions, the repair of the Žermanice feeder required thorough preparation. During the partial repair of the feeder, a continuous supply of water was successfully ensured without restrictions for industrial customers from the Žermanice dam, also due to the extraordinary operation on the Morávka, Olešná and Žermanice waterworks. The repair was completed by the evaluation of a loading test, which took place on 6 and 7 November 2019 and proved the success of the repair of the section in the length of 1,880 metres, from the distribution facility in Vyšní Lhoty to the bridge to the municipality of Dobruška.

The works were started in early 2019 with landscaping at a cost of CZK 115 million, which was paid from the budget of the state-owned enterprise Povodí Odry. Based on a tender, the contractor of the work was the joint-stock company OHL ŽS.

The Žermanice feeder, in addition to the gravitational transfer of water with an overall elevation of 94 metres and twenty gradient drops along the 7.5 km route, also has a flood control function. During flood flows, it is possible to convert up to 40 m<sup>3</sup>/s through the artificial channel, under the confluence with the Lučina River it is up to 90 m<sup>3</sup>/s, and thus relieve the Morávka River with its significant positive impact on the flood security of Frýdek-Místek. An average of 15 million cubic metres of water flows through the feeder per year. The channel is trapezoidal in shape, with a width at the bottom of 10 metres, and an average longitudinal slope of 0.3%.

The repair was complicated by the complex foundation conditions in connection with the permanently drained drainage water in the last part of the repaired section of the feeder. Here, twice the amount of subsoil had to be replaced with geogrid application in two layers.

During the repair, approximately 11.5 thousand tonnes of concrete and 29 thousand tonnes of excavated material were moved for recycling.

This was followed by the installation of 3.6 km of drainage with geotextile-protected filtration backfill at the foot of the apron, the delivery and adjustment of the new subsoil with compaction, and gradual depositing of approximately 28,000 square metres of separating foil and 10.9 km of divider strips. Separate manual concreting of the bank apron and concreting of the bottom apron using a rotary cylinder suspended in a frame structure followed thereafter.





## Choltický dry reservoir project: construction completed at end of 2019 for protection of Litultovice residents in the Opava region against flood water

The reason for the construction of the Choltický dry reservoir was the reduction of flood flow rates, limitation of floating debris removal and the protection of the built-up areas of the town of Litultovice from the negative effects of flood flows caused by torrential rainfall. The total retention volume of the reservoir is 96,150 cubic metres with a maximum surface area of 37,500 square metres. The total construction costs amounted to almost CZK 37 million, of which CZK 31.5 million was subsidised from the Ministry of Agriculture's "Support for Flood Prevention III" programme. The construction of the dry reservoir was carried out in the period from 11/2017-10/2019, and the certificate of completion was issued at the end of 2019. The contractor of the construction was the Association Dry reservoir Choltický – Lesostavby – AQUASYS.

The construction included, in particular, the building of a protective homogeneous earth dam, a combined concrete facility, a safety spillway, an emergency spillway, a system for measurement and observation, supply and discharge channel treatment and flood revitalisation treatment, which included the creation of a meandering near-natural channel, as well as the development of 5 pools and the planting of the accompanying greenery.

The duration of the  $Q_{100}$  flood wave flow in the dam profile is approximately 19 hours at a peak water flow of  $7.44 \text{ m}^3/\text{s}$ . By implementing the dry reservoir project, the maximum flow below the reservoir is reduced to  $1.8 \text{ m}^3/\text{s}$ , which corresponds to a flow rate in the range of  $Q_1$  to  $Q_2$ .

The earth dam has a trapezoidal shape with a curved axis in the longitudinal direction and a horizontal dam crest. From the lowest point in the valley, the dam is 6.7 metres high, the dam crest's width is 4 metres and the length is approx. 203 metres. The slope of the upstream face is 1:3.5, and the downstream face has a slope of 1:2.2. The dam crest is reinforced by a road. The emergency spillway is carried out in the area of the right-bank binding of the levee as a fortified trapezoidal channel-terrace of an approx. length of 30 metres, with a width at the bottom of 10 metres and slope gradients of 1:10. The spillway crest is 1 metre below the dam crest level.

The combined facility serves as a discharge and safety device. It consists of an inlet part, a safety spillway with overflow shaft and a tail tunnel. It is connected to the dam crest by a steel service walkway. The inlet part consists of an inlet shaft open towards the reservoir. The lower outlet is at the level of the bottom of the reservoir and is dammed by a stainless steel slide plate with manual control. This discharge will always be open during normal operation of the reservoir. The overcast edge of the safety spillway is  $2 \times 5$  metres long, the shaft of the safety spillway has a length of 5 metres, a height of about 7.0 metres and a width of 2.0 metres. This shaft is connected to a tail tunnel of a total length of 28 metres, a width of 1.6 metres and a height of 2.0 metres, which has been designed with a rectangular cross-section in order to safely transfer the flow rate of  $2 \times Q_{100}$ .



Slezská Harta waterworks (source: Moravian-Silesian region)

# Economic results for 2019

The economic result achieved in 2019 amounted to CZK 9,503 thousand. This profit was achieved despite a significant drop in surface water sales, mainly due to cost-saving measures and increased electricity generation in small hydroelectric power plants.

The long-term downward trend in surface water consumption continued in 2019. The total off-take in 2019 was 115,696 thousand cubic metres, which is 4,304 thousand cubic metres less than the annual planned value. In terms of revenues, this non-fulfilment of surface water off-take generated a loss of CZK 20,575 thousand compared to the plan and even CZK 26,225 thousand year-on-year. The negative development was primarily due to the unfavourable situation and the decline in production of some key industrial customers in the mining, metallurgical and energy sectors. This underperformance was partially compensated by revenues from electricity generation, which, in particular also thanks to the favourable purchase price, we managed to exceed by CZK 12,130 thousand compared to the annual plan. Furthermore, the positive economic result was contributed to by the exceeded revenues from the sale of other services, in particular from leases, the revenues from the sale of unnecessary assets realised in connection with the regular reproduction of machinery-related assets and, last but not least, the financial revenues.

The achieved economic result in 2019 was largely attributable to significant savings in the Company's initial costs. Considerable savings were reported in almost all cost items, except for repairs and maintenance. In accordance with the objective of ensuring the proper and operational condition of the entrusted water management property, these costs were realised in the total amount of CZK 214,117 thousand, of which CZK 207,544 came from the Company's own resources and, to a lesser extent, of CZK 6,573 thousand from the subsidy programme of the Ministry of Agriculture intended for repairs and maintenance of small water reservoirs and small watercourses.

In the balance-sheet part of the finances, there was a slight decrease in both fixed and current assets in 2019, mainly due to a lower use of investments paid from own resources. Another factor was the year-on-year decline in the volume of trade receivables affected by a significant decrease in revenues from surface water off-take.

In the area of acquisition of fixed assets, investments in 2019 totalled CZK 176,153 thousand, of which CZK 38,354 thousand were from subsidies of the Ministry of Agriculture for flood control measures. A total of CZK 117,698 thousand was spent on the acquisition of new fixed assets or their technical improvement from own resources, and assets amounting to CZK 20,101 thousand were acquired by free of charge transfers and put under the management of the state enterprise.

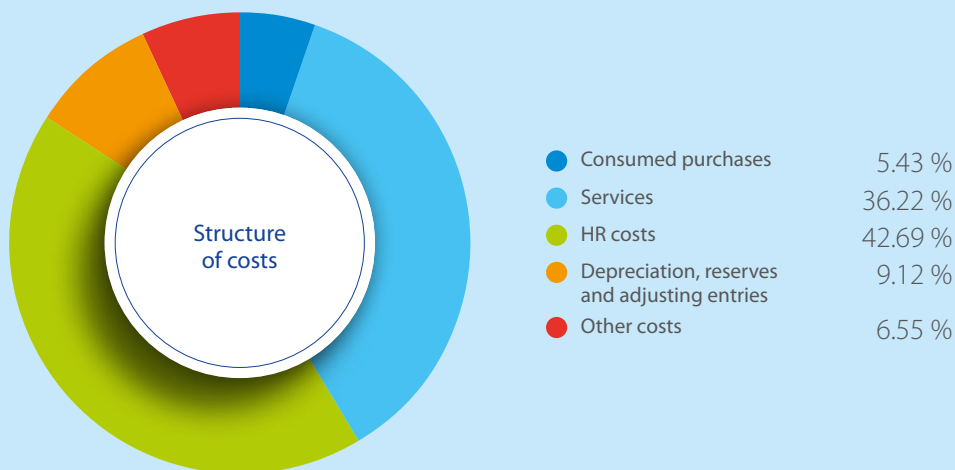
It can be stated in conclusion that despite the negative impact in the form of a significant decrease in key revenues from surface water off-take, the state enterprise managed to achieve a positive economic result of almost CZK 10 million. Thanks to internal measures in the framework of economic management, the situation has been stabilised and a relatively good starting position has been ensured for the implementation of further financially demanding construction projects of the nature of repairs and investments, in line with the 2020 plan and the medium-term Business Development Strategy until 2024.

## COSTS (IN THOUSANDS OF CZK)

Consumed purchases	36,642
Purchased services	244,518
of which: Repairs and maintenance	214,117
Other services	30,401
HR costs	288,167
of which: Wage costs	198,153
Social security and health insurance	68,839
Other social costs	21,175
Taxes and fees	3,150
Other operating costs	17,661
Depreciation, reserves and adjusting entries	61,587
of which: Depreciation	150,452
Reserves and adjusting entries	-88,865
Change to status of inventory and capitalisation	1,802
Financial costs	231
Deferred tax	21,342
Total costs	675,100

## STRUCTURE OF COSTS

Consumed purchases	5.43 %	36,642
Services	36.22 %	244,518
HR costs	42.69 %	288,167
Depreciation, reserves and adjusting entries	9.12 %	61,587
Other costs	6.55 %	44,186
Total costs	100.00 %	675,100

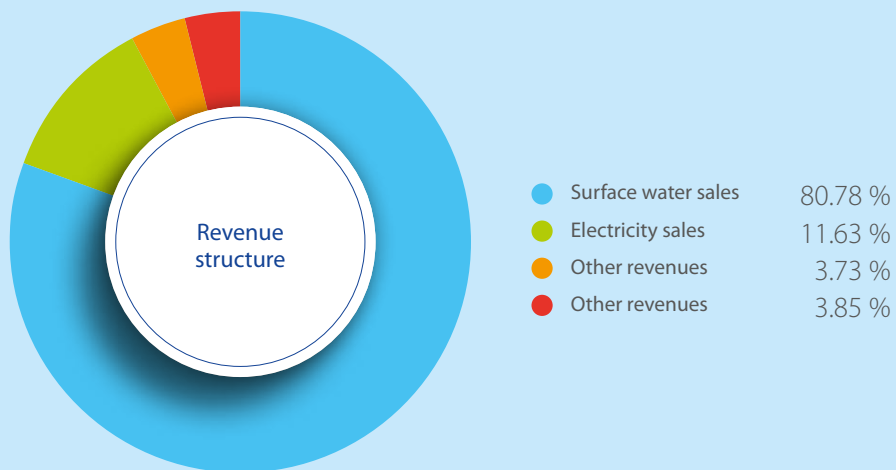


## REVENUES (IN THOUSANDS OF CZK)

Sales	658,221
Of which: For surface water	553,025
For electricity	79,630
For fish	11,300
For services	14,266
Other operating revenues	22,344
Financial revenues	4,038
Total revenues	684,603

## STRUCTURE OF COSTS

Surface water sales	80.78 %	553,025
Electricity sales	11.63 %	79,630
Other revenues	3.73 %	25,566
Other revenues	3.85 %	26,382
Total revenues	100.00 %	684,603





**ZPRÁVA NEZÁVISLÉHO AUDITORA**  
**pro zakladatele státního podniku**  
**o ověření účetní závěrky a výroční zprávy za rok 2019**

**Povodí Odry, státní podnik**  
**Varenská 3101/49, Moravská Ostrava, Ostrava, PSČ 702 00**  
státní podnik  
**IČ: 708 90 021**

#### *Výrok auditora*

Provedli jsme audit přiložené účetní závěrky státního podniku Povodí Odry, státní podnik (dále také „Státní podnik“) sestavené na základě českých účetních předpisů, která se skládá z rozvahy k 31. 12. 2019, výkazu zisku a ztráty, za rok končící 31. 12. 2019, a přílohy této účetní závěrky, která obsahuje popis použitých podstatných účetních metod a další vysvětlující informace, přehledu o peněžních tocích a přehledu o změnách vlastního kapitálu. Údaje o Státním podniku jsou uvedeny v bodě 1) přílohy této účetní závěrky.

**Podle našeho názoru účetní závěrka podává věrný a poctivý obraz aktiv a pasiv státního podniku Povodí Odry, státní podnik k 31. 12. 2019 a nákladů a výnosů a výsledku jejího hospodaření a peněžních toků za rok končící 31. 12. 2019 v souladu s českými účetními předpisy.**

#### *Základ pro výrok*

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

#### *Jiné skutečnosti*

Účetní závěrka k 31. prosinci 2018 byla ověřena jiným auditorem, který ve své zprávě ze dne 20. března 2019 vydal k této účetní závěrce výrok bez výhrad.



### ***Ostatní informace uvedené ve výroční zprávě***

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

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

Na základě provedených postupů, do míry, již dokážeme posoudit, uvádíme, že ostatní informace, které popisují skutečnosti, jež jsou též předmětem zobrazení v účetní závěrce, jsou ve všech významných (materiálních) ohledech v souladu s účetní závěrkou a že byly vypracovány v souladu s právními předpisy.

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

### ***Odpovědnost statutárního orgánu, dozorčí rady a výboru pro audit Státního podniku za účetní závěrku***

Statutární orgán Státního podniku odpovídá za sestavení účetní závěrky podávající věrný a poctivý obraz v souladu s českými účetními předpisy a za takový vnitřní kontrolní systém, který považuje za nezbytný pro sestavení účetní závěrky tak, aby neobsahovala významné (materiální) nesprávnosti způsobené podvodem nebo chybou.

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

Za dohled nad procesem účetního výkaznictví ve Státním podniku odpovídá dozorčí rada ve spolupráci s výborem pro audit.

### *Odovědnost auditora za audit účetní závěrky*

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

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

- Identifikovat a vyhodnotit rizika významné (materiální) nesprávnosti účetní závěrky způsobené podvodem nebo chybou, navrhnout a provést auditorské postupy reagující na tato rizika a získat dostatečné a vhodné důkazní informace, abychom na jejich základě mohli vyjádřit výrok. Riziko, že neodhalíme významnou (materiální) nesprávnost, k níž došlo v důsledku podvodu, je větší než riziko neodhalení významné (materiální) nesprávnosti způsobené chybou, protože součástí podvodu mohou být tajné dohody (koluze), falšování, úmyslná opomenutí, nepravdivá prohlášení nebo obcházení vnitřních kontrol.
- Seznámit se s vnitřním kontrolním systémem Státního podniku relevantním pro audit v takovém rozsahu, abychom mohli navrhnout auditorské postupy vhodné s ohledem na dané okolnosti, nikoli abychom mohli vyjádřit názor na účinnost jejího vnitřního kontrolního systému.
- Posoudit vhodnost použitých účetních pravidel, přiměřenost provedených účetních odhadů a informace, které v této souvislosti statutární orgán Státního podniku uvedl v příloze účetní závěrky.
- Posoudit vhodnost použití předpokladu nepřetržitého trvání při sestavení účetní závěrky statutárním orgánem a to, zda s ohledem na shromážděné důkazní informace existuje významná (materiální) nejistota vyplývající z událostí nebo podmínek, které mohou významně zpochybnit schopnost Státního podniku nepřetržitě trvat. Jestliže dojdeme k závěru, že taková významná (materiální) nejistota existuje, je naší povinností upozornit v naší zprávě na informace uvedené v této souvislosti v příloze účetní závěrky, a pokud tyto informace nejsou dostatečné, vyjádřit modifikovaný výrok. Naše závěry týkající se schopnosti Státního podniku nepřetržitě trvat vycházejí z důkazních informací, které jsme získali do data naší zprávy. Nicméně budoucí události nebo podmínky mohou vést k tomu, že Státní podnik ztratí schopnost nepřetržitě trvat.
- Vyhodnotit celkovou prezentaci, členění a obsah účetní závěrky, včetně přílohy, a dále to, zda účetní závěrka zobrazuje podkladové transakce a události způsobem, který vede k věrnému zobrazení.



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

SWC AUDIT s.r.o.  
Milady Horákové 12, 602 00 Brno  
Evidenční číslo oprávnění KA ČR č. 503

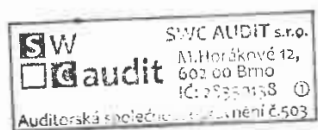
HB AUDITING, s.r.o.  
Dolní 1730/25, 591 01 Žďár nad Sázavou  
Evidenční číslo oprávnění KA ČR č. 078

Ing. Roman Bartoš, auditor  
Evidenční číslo oprávnění č. 2148

Ing. Zdeněk Novotný, auditor  
Evidenční číslo oprávnění č. 1131

Datum zprávy auditora: 9. března 2020

.....  
Podpis auditora



.....  
Podpis auditora

**HB AUDITING, s.r.o.**  
Dolní 1730 / 25  
591 01 Žďár nad Sázavou  
IČO: 60 11 32 19  
DIČ: CZ60113219

# Balance sheet

POVODÍ ODŘY, state-owned enterprise  
Varenská 3101/49, Moravská Ostrava  
702 00 Ostrava  
Organisation ID No.: 70,890,021  
Registered in the Commercial Register  
of the Regional Court in Ostrava, File Ref. AXIV584

Unabridged balance sheet as at 31 December 2019  
(in thousands of CZK)

Label	Item content	Current period		Prior period	
		Gross	Correction	Net	
	<b>TOTAL ASSETS</b>	<b>8,866,517</b>	<b>-3,909,209</b>	<b>4,957,308</b>	<b>5,002,476</b>
<b>B.</b>	<b>Fixed assets</b>	<b>8,419,745</b>	<b>-3,907,930</b>	<b>4,511,815</b>	<b>4,531,317</b>
B.I.	Long-term intangible assets	154,914	-137,648	17,266	9,659
B.I.1.	Intangible results of research and development	13,948	-13,948	0	0
B.I.2.	Valuable rights	59,942	-58,366	1,576	2,597
B.I.2.1.	Software	59,942	-58,366	1,576	2,597
B.I.4.	Miscellaneous long-term intangible assets	70,155	-65,334	4,821	4,428
B.I.5.	Advance payments for intangible fixed assets and incomplete intangible fixed assets	10,869	0	10,869	2,634
B.I.5.2.	Incomplete intangible fixed assets	10,869	0	10,869	2,634
B.II.	Fixed tangible assets	8,264,831	-3,770,282	4,494,549	4,521,658
B.II.1.	Land and structures	7,454,960	-3,278,053	4,176,907	4,092,031
B.II.1.1.	Land	510,171	0	510,171	483,396
B.II.1.2.	Buildings and structures (constructions)	6,944,789	-3,278,053	3,666,736	3,608,635
B.II.2.	Tangible movables and sets thereof	614,662	-491,920	122,742	135,251
B.II.4.	Other tangible fixed assets	919	-309	610	599
B.II.4.1.	Orchards and vineyards	189	-189	0	0
B.II.4.3.	Other tangible fixed assets	730	-120	610	599
B.II.5.	Advance payments for tangible fixed assets and tangible fixed assets under construction	194,290	0	194,290	293,777
B.II.5.1.	Provided advances for long-term tangible assets	179	0	179	145
B.II.5.2.	Incomplete tangible fixed assets	194,111	0	194,111	293,632
<b>C.</b>	<b>Current assets</b>	<b>445,998</b>	<b>-1,279</b>	<b>444,719</b>	<b>470,537</b>
C.I.	Inventory	7,925	-8	7,917	10,465
C.I.1.	Materials	2,837	-8	2,829	2,578
C.I.4.	Young and miscellaneous animals and groups thereof	5,088	0	5,088	7,887
C.II.	Accounts receivable	107,837	-1,271	106,566	127,275
C.II.1.	Long term receivables	202	0	202	261
C.II.1.1.	Receivables from business relationships	146	0	146	232
C.II.1.5.	Receivables – others	56	0	56	29
C.II.1.5.2.	Long-term provided advances	12	0	12	12
C.II.1.5.4.	Other receivables	44	0	44	17
C.II.2.	Short-term receivables	107,635	-1,271	106,364	127,014
C.II.2.1.	Receivables from business relationships	103,789	-1,263	102,526	117,140
C.II.2.4.	Receivables – others	3,846	-8	3,838	9,874
C.II.2.4.4.	Short-term advance payments made	583	0	583	1,112
C.II.2.4.5.	Contingent asset accounts	333	0	333	124
C.II.2.4.6.	Other receivables	2,930	-8	2,922	8,638
C.IV.	Monetary funds	330,236	0	330,236	332,797
C.IV.1.	Available cash	746	0	746	547
C.IV.2.	Funds in accounts	329,490	0	329,490	332,250
<b>D.</b>	<b>Asset accruals and deferrals</b>	<b>774</b>	<b>0</b>	<b>774</b>	<b>622</b>
D.1.	Costs for subsequent periods	774	0	774	572
D.3.	Accrued revenues	0	0	0	50

Label	Item content	Current period	Prior period
	<b>TOTAL LIABILITIES</b>	<b>4,957,308</b>	<b>5,002,476</b>
<b>A.</b>	<b>Equity</b>	<b>4,607,791</b>	<b>4,496,021</b>
A.I.	Registered capital	1,565,444	1,565,444
A.I.1.	Registered capital	1,565,444	1,565,444
A.II.	Share premium and capital funds	2,688,221	2,669,396
A.II.2.	Capital funds	2,688,221	2,669,396
A.II.2.1.	Other capital funds	2,688,221	2,669,396
A.III.	Funds from profit	246,578	208,128
A.III.1.	Other reserve funds	171,222	151,919
A.III.2.	Statutory and miscellaneous funds	75,356	56,209
A.IV.	Profit/Loss from previous years (+/-)	98,045	0
A.IV.2.	Other profit/loss from previous years (+/-)	98,045	0
A.V.	Profit/loss for the current accounting period	9,503	53,053
<b>B. + C.</b>	<b>External resources</b>	<b>348,961</b>	<b>506,339</b>
<b>B.</b>	<b>Reserves</b>	<b>55,367</b>	<b>239,790</b>
B.4.	Other reserves	55,367	239,790
C.	Liabilities	293,594	266,549
C.I.	Long-term accounts payable	263,219	235,728
C.I.8.	Deferred tax liability	254,989	233,648
C.I.9.	Other liabilities	8,230	2,080
C.I.9.3.	Other liabilities	8,230	2,080
C.II.	Short-term liabilities	30,375	30,821
C.II.3.	Short-term received advances	56	58
C.II.4.	Liabilities from business relationships	3,416	4,693
C.II.8.	Other liabilities	26,903	26,070
C.II.8.3.	Obligations towards employees	12,552	11,949
C.II.8.4.	Social security and health insurance dues	7,469	6,915
C.II.8.5.	State – tax liabilities and subsidies	3,977	3,638
C.II.8.6.	Contingent liability accounts	291	687
C.II.8.7.	Other liabilities	2,614	2,881
<b>D.</b>	<b>Accrued liabilities</b>	<b>556</b>	<b>116</b>
D.1.	Expenses for subsequent periods	469	15
D.2.	Revenues for subsequent periods	87	101



Prepared on 6 March 2020

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

# Profit and loss statement

POVODÍ ODŘY, state-owned enterprise  
Varenská 3101/49, Moravská Ostrava  
702 00 Ostrava  
Organisation ID No.: 70,890,021  
Registered in the Commercial Register  
of the Regional Court in Ostrava, File Ref. AXIV584

Classification by elements in full format for the period from  
1 January 2019 to 31 December 2019 (in thousands of CZK)

Label	Item content	Current period	Prior period
I.	Revenues from sale of products and services	658,221	675,995
A.	Output consumption	281,160	189,488
A.2.	Consumption of materials and energy	36,642	39,075
A.3.	Services	244,518	150,413
B.	Change to balance of reserves from internal activities (+/-)	3,184	531
C.	Activation (-)	-1,382	-1,213
D.	HR costs	288,168	272,799
D.1.	Wage costs	198,154	187,235
D.2.	Social security, health insurance and miscellaneous costs	90,014	85,564
D.2.1.	Costs for social security and health insurance	68,855	65,319
D.2.2.	Other costs	21,159	20,245
E.	Value adjustments related to operations	147,965	159,268
E.1.	Adjustment of values of long-term intangible and tangible assets	147,962	159,517
E.1.1.	Adjustment of values of long-term intangible and tangible assets – permanent	150,452	156,814
E.1.2.	Adjustment of values of long-term intangible and tangible assets – temporary	-2,490	2,704
E.2.	Adjustment of inventory values	8	0
E.3.	Adjustment of receivable values	-5	-250
III	Other operating income	22,343	41,250
III.1.	Revenues from the sale of long-term assets	7,388	6,051
III.2.	Revenue from sale of materials	0	17
III.3.	Other operating revenues	14,955	35,181
F.	Other operating costs	-65,567	25,551
F.1.	Net book value of fixed assets sold	5,447	4,448
F.3.	Taxes and fees	3,150	2,614
F.4.	Position of operating reserves and complex accrued costs	-86,378	4,291
F.5.	Other operating costs	12,214	14,197
*	<b>Operating profit/loss (+/-)</b>	<b>27,037</b>	<b>70,821</b>
VI.	Revenue interest and similar returns	4,038	834
VI.2.	Miscellaneous revenue interest and similar returns	4,038	834
Article VII	Other financial income	0	47
K.	Miscellaneous financial costs	231	179
*	<b>Financial profit/loss (+/-)</b>	<b>3,807</b>	<b>702</b>
**	<b>Profit/loss before taxation (+/-)</b>	<b>30,844</b>	<b>71,524</b>
L.	Income tax	21,342	18,470
L.2.	Deferred income tax Income tax (+/-)	21,342	18,470
**	<b>Economic result after taxation (+/-)</b>	<b>9,503</b>	<b>53,053</b>
***	<b>Profit/loss for the accounting period (+/-)</b>	<b>9,503</b>	<b>53,053</b>
*	<b>Net turnover for the accounting period</b>	<b>684,603</b>	<b>718,126</b>



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

Prepared on 6 March 2020

# Cash flow statement

Period ending 31 December 2019 (in thousands of CZK)

POVODÍ ODRY, state-owned enterprise  
Varenská 3101/49, Moravská Ostrava  
702 00 Ostrava  
Organisation ID No.: 70,890,021  
Registered in the Commercial Register  
of the Regional Court in Ostrava, File Ref. AXIV584

	<b>Current accounting period</b>	<b>Previous accounting period</b>
<b>P.</b>	<b>332,797</b>	<b>317,961</b>
<b>Initial balance of cash and cash equivalents at the beginning of the accounting period</b>		
<b>Cash flow from the main profitable activity (operations)</b>		
<b>Z.</b>	<b>30,844</b>	<b>71,524</b>
<b>Profit/loss before taxation (+/-)</b>		
A. 1.	57,931	161,871
Adjustment by non-monetary operations		
A. 1. 1.	153,093	157,565
"Depreciation of fixed assets (+) excluding the net book value of fixed assets sold and amortisation of the valuation difference to acquired assets and goodwill (+/-)"		
A. 1. 2.	-89,182	6,742
Change in adjustments, reserves and contingent accounts		
A. 1. 3.	-1,942	-1,602
Profit (loss) from sale of fixed assets (-/+)		
A. 1. 4.	0	0
Revenues from shares of the profit (-)		
A. 1. 5.	-4,038	-834
Clearance of interest receivable (+) excluding interest included in fixed assets valuation and clearance of interest receivable (-)		
A. 1. 6.	0	0
Potential adjustment by other non-monetary operations		
<b>A *</b>	<b>88,775</b>	<b>233,395</b>
<b>Net cash flow from operations before tax and changes in working capital</b>		
A. 2.	23,415	-7,830
Change in the non-monetary elements of working capital		
A. 2. 1.	21,052	-7,134
Changes in the position of receivables from operations (+/-)		
A. 2. 2.	-177	-953
Changes in the position of short-term receivables from operations (+/-)		
A. 2. 3.	2,540	257
Changes in inventory (+/-)		
A. 2. 4.	0	0
Change of the position of short-term financial assets that are not in the category of cash and its equivalents		
<b>A **</b>	<b>112,190</b>	<b>225,565</b>
<b>Net cash flow from operations before tax</b>		
A. 3.	0	0
Interest paid excluding interest included in fixed assets valuation (-)		
A. 4.	4,038	834
Interest received (+)		
A. 5.	0	0
Income tax paid and supplementary taxes for previous periods (-)		
A. 7.	0	0
Shares of the profit received (+)		
<b>A ***</b>	<b>116,228</b>	<b>226,399</b>
<b>Net cash flow from operations</b>		
<b>Cash flows from investment activities</b>		
B. 1.	-117,698	-204,652
Expenses associated with acquisition of fixed assets		
B. 2.	7,388	6,051
Revenue from sale of fixed assets		
B. 3.	-27	1,093
Change in investment advance payments, re-billing of investments		
<b>B ***</b>	<b>-110,337</b>	<b>-197,508</b>
<b>Net cash flow related to investment activities</b>		
<b>Cash flows from financial activity</b>		
C. 1.	6,150	-262
Influence of changes in long-term payables or potentially such short-term payables that fall into the financial activity category (e.g. some operating loans) on cash and its equivalents		
C. 2.	-14,602	-13,793
Effect of equity changes on cash and its equivalents		
C. 2. 1.	0	0
Increase in cash and its equivalents caused by an increase in registered capital, issue premium or funds from profit including deposits made for such an increase (+)		
C. 2. 2.	0	0
Payment of equity shares to partners (-)		
C. 2. 3.	0	0
Other cash contributions from partners and shareholders (+)		
C. 2. 4.	0	0
Compensation of losses by partners (+)		
C. 2. 5.	-14,602	-13,793
Direct payments from funds (-)		
C. 2. 6.	0	0
Shares of the profit paid including the withholding tax paid in relation to such entitlements including financial settlement with partners in general partnerships and general partners in limited partnerships (-)		
<b>C ***</b>	<b>-8,452</b>	<b>-14,055</b>
<b>Net cash flow related to financial activities</b>		
<b>F.</b>	<b>-2,561</b>	<b>14,836</b>
<b>Net increase/decrease of cash</b>		
<b>R.</b>	<b>330,236</b>	<b>332,797</b>
<b>Balance of cash and cash equivalents at end of the accounting period</b>		

Prepared on 6 March 2020



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

# Statement of equity changes

POVODÍ ODŘY, state-owned enterprise  
Varenská 3101/49, Moravská Ostrava  
702 00 Ostrava  
Organisation ID No.: 70,890,021  
Registered in the Commercial Register  
of the Regional Court in Ostrava, File Ref. AXIV584

As at 31 December 2019 (in thousands of CZK)

Item	2017				2018				2019			
	Balance as at 1/1	In-crease (+)	De-crease (-)	Balance as at 31/12	Balance as at 1/1	In-crease (+)	De-crease (-)	Balance as at 31/12	Balance as at 1/1	In-crease (+)	De-crease (-)	Balance as at 31/12
Registered capital – ordinary stock (account 411)	1,519,186	0	0	1,519,186	1,519,186	46,258	0	1,565,444	1,565,444	0	0	1,565,444
Capital funds (account 413)	2,668,368	2,380	2,005	2,668,743	2,668,743	720	67	2,669,396	2,669,396	20,072	1,247	2,688,221
Reserve funds, other funds from profit	241,002	21,471	16,586	245,887	245,887	22,782	60,541	208,128	208,128	53,447	14,997	246,578
Statutory reserve fund (account 421)	151,919	0	0	151,919	151,919	0	0	151,919	151,919	19,303	0	171,222
Total statutory and other funds, of which:	89,083	21,471	16,586	93,968	93,968	22,782	60,541	56,209	56,209	34,144	14,997	75,356
Investment fund (account 427 AE)	46,258	0	0	46,258	46,258	0	46,258	0	0	0	0	0
Cultural and social welfare fund (account 423)	21,885	11,471	9,528	23,828	23,828	12,602	6,800	29,630	29,630	16,494	7,016	39,108
Bonus fund (account 427 AE)	19,970	9,970	6,848	23,092	23,092	9,970	7,333	25,729	25,729	17,500	7,731	35,498
Social fund (account 427 AE)	970	30	210	790	790	210	150	850	850	150	250	750
Profit/loss from previous years									98,045	0	0	98,045
Profit/loss for the current accounting period	20,845	22,291	20,845	22,291	22,291	53,053	22,291	53,053	53,053	9,503	53,053	9,503
<b>TOTAL EQUITY</b>	<b>4,449,401</b>	<b>46,142</b>	<b>39,436</b>	<b>4,456,107</b>	<b>4,456,107</b>	<b>122,813</b>	<b>82,899</b>	<b>4,496,021</b>	<b>4,594,066</b>	<b>83,022</b>	<b>69,297</b>	<b>4,607,791</b>



Prepared on 6 March 2020

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



# Notes on the financial statements

As at 31 December 2019

## 1. COMPANY PROFILE

**Business name:** Povodí Odry, státní podnik

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

**Legal status:** state enterprise

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

### Main line of business:

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

### Other business activities related to the main line of business:

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

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

**Date of establishment of the Company (effective date of Act No. 305/2000 Coll.):** 1 January 2001

**Founder:** Ministry of Agriculture

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

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

In 2019, the following entries were made by the Commercial Register department of the Regional Court in Ostrava, concerning the amendment to the Memorandum of Association:

- On 5 February 2019, a resolution was issued concerning the deletion of data on the designated property and the re-election of Ing. Radek Pekař as a member of the Supervisory Board – the resolution took legal force on 21 February 2019,
- On 16 April 2019, a resolution was issued concerning the registration of Ing. Pavel Schneider as a member of the Supervisory Board – the resolution took legal force on 3 May 2019,
- On 28 May 2019, a resolution was issued concerning the appointment of Ing. Jiří Tkáč as the General Director and the termination of the member of the Supervisory Board Ing. Zdeněk Macoszek – the resolution took legal force on 13 June 2019,
- On 15 July 2019, a resolution was issued concerning the appointment of Ing. Břetislav Tureček as the Technical Director and the termination of Technical Director Ing. Petr Březina – the resolution took legal force on 1 August 2019,
- On 24 September 2019, a resolution was issued concerning the appointment of Ing. Jiří Duda as a member of the Supervisory Board – the resolution took legal force on 11 October 2019,
- On 30 September 2019, a resolution was issued concerning the appointment of Ing. Jan Kocián as a member of the Supervisory Board and the termination of Ing. Peter Suchý due to the end of his term in the Supervisory Board (he was reappointed on 11 November 2019) – the resolution took legal force on 17 October 2019.

### Statutory body of the state-owned enterprise (as at 31 December 2019):

Ing. Jiří Tkáč, General Director

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

- First Deputy: Ing. Břetislav Tureček, Technical Director,
- Second Deputy: Ing. Petr Kučera, Finance Director,
- Third Deputy: Mgr. Miroslav Janoviak, LL.M.

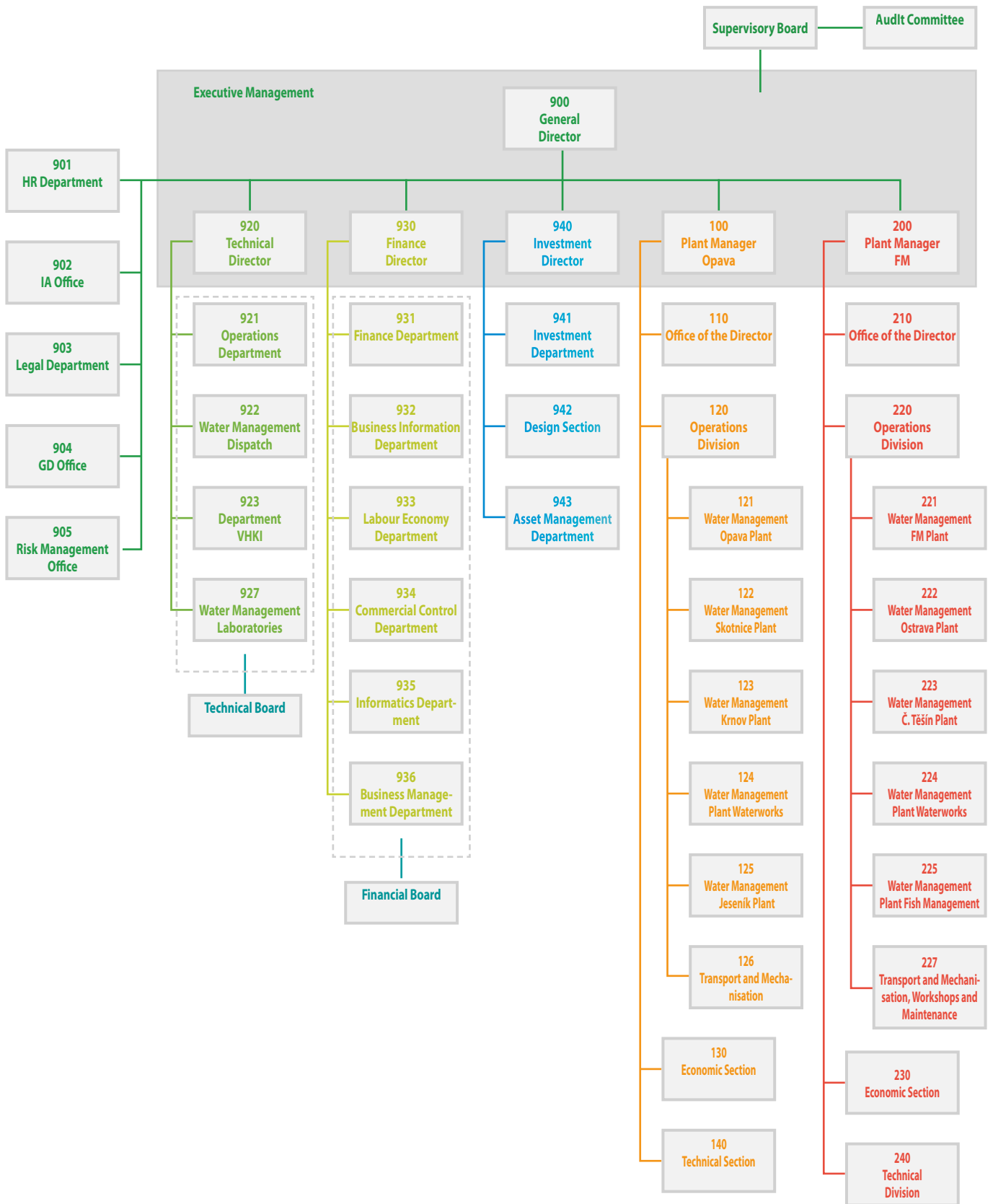
### Supervisory Board (as at 31 December 2019):

Ing. Aleš Kendík, Ing. Pavel Schneider, Ing. Michal Sirko, Ing. Jiří Duda, Ing. Jan Kocián, Ing. Peter Suchý, Ing. Ivana Mojžíšková, Ing. Dagmar Šimková, Ing. Radek Pekař

### Changes in the organisational structure during the accounting period:

The organisational structure of the state-owned enterprise did not change during 2019.

# ORGANISATIONAL CHART



## 2. BASIS FOR PREPARATION OF THE FINANCIAL STATEMENTS

**Balance sheet date:** 31 December 2019

**Date of preparation of the financial statements:** 6 March 2020

### Legal framework for keeping accounts and preparation of financial statements

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

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

## 3. GENERAL ACCOUNTING PRINCIPLES AND METHODS

When applying the accounting and reporting methods, the main specifics of the line of business are taken into account, where the state-owned company manages a large volume of fixed assets of a hydraulic structural nature and adjustments on watercourses. These waterworks assets are subject to a significant risk of incidental climatic events, such as floods and droughts, thus generating a considerable risk of increased costs and uncertainty of future realised profits.

### Valuation methods:

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

### Long-term assets

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

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

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

### Depreciation plans – method of compilation and depreciation methods applied

The method of fixed assets depreciation is determined by the internal depreciation schedule. Tangible fixed assets are depreciated at annual rates stipulated for the individual asset groups based on their estimated useful life. Intangible fixed assets are depreciated at an annual depreciation rate of 25%.

The book depreciation of tangible and intangible fixed assets is applied from the first month of their activation.

The state-owned enterprise does not apply the component depreciation method.

### Inventory

Inventory consists of material in stock, and young and other animals, especially fish.

### Short-term financial assets and cash

This item includes cash in hand, valuables and cash in bank accounts. The funds to cover reserves are earmarked in separate bank accounts. The overview of changes in the cash flow in the 2019 accounting period is contained in a separate Cash Flow Statement.

## Method applied to conversion of foreign currency figures to Czech crowns

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

## Short-term receivables

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

## Adjusting entries

Adjusting entries are created as of the balance sheet date based on the results of inventories in cases of temporary impairment of the value of assets, namely:

- **to depreciated tangible assets** – created in addition to depreciation in cases where the actual physical condition of the asset does not correspond to its valuation in the accounts and the utility value of the asset is lower than its book value,
- **to inventory** – created to slow-moving, outdated or otherwise temporarily degraded inventory on the basis on individual assessment,
- **to receivables** – created to difficult-to-recover receivables on the basis of individual assessment of the respective debtors and the age structure of the receivables. Statutory adjusting entries are created pursuant to Act No. 586/1992 Coll., on income taxes, as amended, and Act No. 593/1992 Coll., on provisions for determining the tax base, as amended. The accounting adjusting entries are created above their framework.

## Equity

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

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

As regards **funds from profit**, a reserve fund, a cultural and social welfare fund, a remuneration fund and a social fund are reported as at the balance sheet date. Allocation to the funds takes place based on the founder's decision on the distribution of profit for the current accounting period or, as appropriate, profit/loss from previous years. The creation and use of funds is governed by internal regulations and, in the case of the cultural and social welfare fund, by the collective agreement.

The breakdown of changes in equity for the 2019 accounting period is presented in a separate Statement of Equity Changes. In this statement, the opening balance of equity includes the value of the profit of previous years of CZK 98,045 thousand. The balance of the reserve for the repair of non-depreciated assets acquired from investment grants was transferred to this account in accordance with the founder's uniform methodology regarding the unification of the rules for the creation and drawing of accounting reserves of the River Basin Authority state-owned enterprises by changing the method as of 1 January 2019 within the closure of the 2018 accounting books and the opening of the 2019 accounting books.

## Reserves

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

- reserve for flood risk,
- reserve for the medium-term element of wages,
- reserve for litigation and other risks.

The reserves are created in accordance with the founder's unified methodology set for the creation and drawing of accounting reserves of the River Basin Authority state-owned enterprises.

## Long-term liabilities

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

## Deferred tax liability

Deferred tax liability reflects the tax impact of temporary differences between the values of assets and/or liabilities in terms of accounting and determination of the income tax base while taking into account the time of payment. Further, assessment is done according to the principle of conservatism in relation to Section 26(3) of Act No. 563/1991 Coll., on accounting, and if it is not clear that an adequate tax base will be achieved, the items relating to deferred tax claims are not included in the calculation. This is

based on the implementation of the principle that, in accordance with the principle of prudence, the realised profit is not reported if it is not adequately and demonstrably ascertained that such profit has been earned. The major title for the deferred tax obligation is the temporary difference between the book and tax value of the fixed assets.

The major title for the deferred tax claim comprises tax losses and reserves. With regard to the fundamental specifics of the subject of the state-owned company's business activity, there is no assurance of achieving future profits in an adequate amount for the application of these items by reason of potential future losses that cannot be influenced. For this reason, these items are not included in the deferred tax calculation.

### **Short-term liabilities**

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

### **Grants**

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

### **Revenues and costs**

The decisive part of the revenues is generated by surface water sales, which are subject to price regulation. The calculation of the regulated prices of surface water is prepared in accordance with Act No. 526/1990 Coll., on prices, and the relevant price assessment stated in the Price Bulletin valid for the given year. It is possible to only include the economically justified costs and reasonable profit in the calculation, while the specified unrecognisable costs are excluded.

Revenues and expenses are recognised on an accrual basis.

### **Subsequent events**

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

### **Mutual settlements**

They do not occur in the 2019 accounting period.

### **Changes to accounting methods as compared to the preceding reporting period**

#### **Deviations from the accounting methods**

They do not occur in the 2019 accounting period.

#### **Correction of errors from previous years**

They do not occur in the 2019 accounting period.

## 4. ADDITIONAL INFORMATION TO THE ITEMS IN THE FINANCIAL STATEMENTS

### Long-term assets

List of fixed assets – acquisition values (in thousands of CZK)

Account group	Name	Balance as at 1/1/2019	Increase	Decrease	Balance as at 31/12/2019
01	Fixed intangible assets	140,092	4,429	476	144,045
02	Fixed tangible assets	7,390,866	198,583	29,387	7,560,062
03	Non-depreciated tangible fixed assets	483,704	45,231	18,456	510,479
04	Unfinished intangible and tangible fixed assets	296,266	176,152	267,438	204,980
05	Advance payments for intangible and tangible fixed assets	145	295	261	179
<b>Total</b>		<b>8,311,073</b>	<b>424,690</b>	<b>316,018</b>	<b>8,419,745</b>

An important item in the area of fixed assets is the completed reconstruction of the Šance waterworks, which was moved in the 2019 accounting period from unfinished assets to tangible fixed assets.

Adjustments to fixed assets (in thousands of CZK)

Account group	Name	Balance as at 1/1/2019	Increase	Decrease	Balance as at 31/12/2019
07	Adjustments to intangible fixed assets	133,068	5,056	476	137,648
08	Adjustments to tangible fixed assets	3,643,984	150,658	24,574	3,770,068
<b>Total</b>		<b>3,777,052</b>	<b>155,714</b>	<b>25,050</b>	<b>3,907,716</b>

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

Account group	Name	Balance as at 1/1/2019	Increase	Decrease	Balance as at 31/12/2019
09	Adjusting entries to tangible fixed assets	2,704	214	2,704	214
<b>Total</b>		<b>2,704</b>	<b>214</b>	<b>2,704</b>	<b>214</b>

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

Land	as at 31/12/2018	as at 31/12/2019
– classification submitted for registration in the Land Register (not registered as at 31 December)	7,435	47
– retirement submitted for registration in the Land Register (not registered at 31 December)	205	76

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

Purpose of grant / source	as at 31/12/2018	as at 31/12/2019
Flood prevention / state budget	224,912	28,626
Flood prevention / local government budgets	3,891	-
Measures on the Upper Opava – acquisitions / state budget	821	5,526
Support for small watercourses and small water reservoirs / state budget	6,747	4,202
<b>Total</b>	<b>236,371</b>	<b>38,354</b>

Assets acquired from grants for acquisition of fixed assets

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

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

(in CZK thousand)

<b>Subsidised assets</b>	<b>as at 31/12/2018</b>	<b>as at 31/12/2019</b>
- partially subsidised assets	3,017,013	3,689,576
- fully subsidised assets	129,631	96,562

Povodí Odry, state enterprise, does not have real estate or movables under lien.

### Current assets

#### Inventory – acquisition values (in thousands of CZK)

<b>Account</b>	<b>Name</b>	<b>as at 31/12/2018</b>	<b>as at 31/12/2019</b>
112	Material in stock	2,578	2,837
124	Young and other animals	7,887	5,088
	of which: Fish	7,858	5,064
<b>Total</b>	<b>Total inventories</b>	<b>10,465</b>	<b>7,925</b>

#### Adjustments to inventories (in thousands of CZK)

<b>Account group</b>	<b>Name</b>	<b>Balance as at 1/1/2019</b>	<b>Increase</b>	<b>Decrease</b>	<b>Balance as at 31/12/2019</b>
19	Adjustments to inventories	0	8	0	8
<b>Total</b>		<b>0</b>	<b>8</b>	<b>0</b>	<b>8</b>

#### Receivables – acquisition values (in thousands of CZK)

<b>Receivables (short-term and long-term)</b>	<b>as at 31/12/2018</b>	<b>as at 31/12/2019</b>
Receivables overdue	2,233	1,973
of which: Receivables that are more than 5 years overdue	763	762
Receivables with a maturity period longer than 5 years	-	-
Receivables covered by security in rem	-	-

#### Adjustments to receivable (in thousands of CZK)

<b>Account</b>	<b>Name</b>	<b>as at 31/12/2018</b>	<b>as at 31/12/2019</b>
391-1	Statutory adjusting entries for receivables	944	954
391-2	Accounting adjusting entries for receivables	331	317
<b>Total</b>		<b>1,275</b>	<b>1,271</b>

#### Amount of advances, deposits, loans and credits provided to members of managing, controlling and administrative bodies

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

## Profit/loss and its distribution (in thousands of CZK)

	Distribution of the 2018 profit/loss	Proposal for distribution of the 2019 profit/loss
<b>Profit/loss for the current period</b>	<b>53,053</b>	<b>9,503</b>
- allocation to the reserve fund	19,303	-
- allocation to the cultural and social welfare fund	16,100	3,879
- allocation to the bonus fund	17,500	5,374
- allocation to the social fund	150	250
<b>Other profit/loss from previous years</b>	<b>-</b>	<b>98,045</b>
- allocation to the reserve fund	-	49,000
- allocation to the cultural and social welfare fund	-	22,000
- allocation to the bonus fund	-	27,045

## External resources

### Reserves

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

Purpose	as at 31/12/2018	as at 31/12/2019
Reserve for floods	37,000	31,940
Reserve for repairs of non-depreciated assets acquired from investment grants	98,045	-
Reserves for major repairs to water management assets	79,332	-
Other reserves (medium-term component of wages, litigation and other risks)	25,413	23,427
<b>Total</b>	<b>239,790</b>	<b>55,367</b>

In the 2019 accounting period, the reserve for repairs of non-depreciated assets acquired from investment grants was cancelled based on the uniform methodology of the founder regarding the unification of the rules for the creation and drawing of accounting reserves of the River Basin Authority state-owned enterprises through a change in the method as of 1 January 2019. As of 1 January 2019, the balance of this reserve was transferred to account 426 – Other profit or loss from previous years.

In addition, the reserve for major repairs of water management assets, created in previous periods for the “Repair of the surface water feeder from the Morávka watercourse to the Žermanice waterworks” project was exhausted in the 2019 accounting period. This project was completed in 2019.

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

Item	as at 31/12/2018	as at 31/12/2019
Net book value of small assets (Book Value)	3,417,028	3,481,423
Tax residual value of small assets (Residual Value)	2,187,304	2,139,375
Difference between book and tax prices (Book Value – Residual Value)	1,229,724	1,342,048
19%	233,647	254,989
Unpaid interest on late payments	-	-
19%	-	-
<b>Total deferred tax liability</b>	<b>233,647</b>	<b>254,989</b>

Deferred tax liability	- balance of Account 481 at 31 December 2018	233,647
	<b>- balance of Account 481 at 31 December 2019</b>	<b>254,989</b>
	difference – Account 592 Debit	21,342



## Accounts payable (in thousands of CZK)

<b>Short-term liabilities</b>	<b>as at 31/12/2018</b>	<b>as at 31/12/2019</b>
Overdue payables	342	295
of which: Liabilities that are more than 5 years overdue	295	295
Liabilities with due period longer than 5 years	-	-
Liabilities covered by security in rem	-	-

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

<b>Long-term liabilities</b>	<b>as at 31/12/2018</b>	<b>as at 31/12/2019</b>
Overdue payables	-	-
of which: Liabilities that are more than 5 years overdue	-	-
Liabilities with due period longer than 5 years	-	-
Liabilities covered by security in rem	-	-

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

<b>Contents</b>	<b>as at 31/12/2018</b>	<b>as at 31/12/2019</b>
Guarantees received	2,080	8,230

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

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

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

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

<b>Item</b>	<b>as at 31/12/2018</b>	<b>as at 31/12/2019</b>
Fully subsidised assets	129,631	96,562
Low-value tangible and intangible assets	79,853	81,076
Documentary bank guarantees	199,413	188,806

## Selected cost and revenue items

### HR costs

<b>Item</b>	<b>as at 31/12/2018</b>	<b>as at 31/12/2019</b>
Average number of employees (adjusted)	464.16	458.21
of which: White-collar category	250.84	247.53
Blue-collar category	213.32	210.68
Personnel costs incl. other personnel costs (in thousands of CZK)	185,485	196,164
Social security and health insurance costs (in thousands of CZK)	65,295	68,839
Remuneration for supervisory body members	1,750	1,989

### Auditing services (in thousands of CZK)

<b>Purpose</b>	<b>as at 31/12/2018</b>	<b>as at 31/12/2019</b>
Remuneration charged by auditors – statutory audit of the financial statements	130	188
Remuneration charged by auditors – other audit services	-	-

### Non-investment grants (in thousands of CZK)

<b>Grant purpose / source</b>	<b>as at 31/12/2018</b>	<b>as at 31/12/2019</b>
Support for small watercourses and small water reservoirs / state budget	7,794	6,573
<b>Total</b>	<b>7,794</b>	<b>6,573</b>

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

<b>Type of activity</b>	<b>as at 31/12/2018</b>	<b>as at 31/12/2019</b>
Surface water sales	579,250	553,025
Electricity sales	69,486	79,630
Fish sales	13,750	11,300
Rent revenue	4,910	6,486
Revenues from laboratory work	2,111	2,659
Other revenues	6,488	5,121
<b>Total (all in the Czech market)</b>	<b>675,995</b>	<b>658,221</b>

The state-owned company does not report any expenses or revenues.

### Going concern principle

The state-owned company Povodí Odry, on the basis of the annual plan approved by the founder for the following accounting period, the Business Development Strategy for the period until 2024 and other long-term concept targets, assumes the future continuation of its activities. The financial statements of the state-owned company Povodí Odry as at 31 December 2019 were prepared assuming the future continuation of its operations and do not include any arrangements arising from uncertainty regarding the continuous existence of the accounting entity.

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

There have been no significant events between the balance sheet date and the date of preparation of the financial statements of the state-owned company, which should be described in the notes to the financial statements.

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



Ing. Jiří Tkáč

General Director

Ostrava, dated 6 March 2020



## POVODÍ ODRY, state-owned enterprise

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