

Annual report
2017



Povodí Odry
státní podnik

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Foreword by the General Director

The year 2017 was successful from an economic point of view. In the area of repairs and maintenance of entrusted water management assets, work was carried out in a total volume of CZK 169 million, of which 31 million was from subsidies, and 138 million was from the company's own resources, and year-to-year there was an increase in this spending by more than CZK 16 million.

During the repairs, flaps were repaired at the Lhotka weir in Ostrava, the main purpose of which was the complete replacement of moving steel structures on the weir, which was built on the Oder River between 1964 and 1967. The construction work was commenced in April and ended in November 2017. The overall costs for repair of the weir amounted to CZK 12 million. The weir was built as part of a 12.5 km long adjustment of the Oder between Bohumín and Ostrava, together with the previously constructed Přívoz weir. Both weirs are part of the water management system in the Oder River Valley.

In the area of long-term property acquisition, investments have totalled CZK 453 million, of which 249 million was from subsidies, and 201 million was from the company's own sources.

Within the scope of investments, construction work was realised at the Jelení and Loděnice dry reservoirs, which belong to a set of anti-flood measures on the upper Opava. During the construction of the Loděnice dry reservoir, rescue archaeological research was conducted, which revealed settlements and burial sites from the end of the Copper Age to the beginning of the Bronze Age with 15 skeletal remains. One finding appears to be approximately 4 thousand years old, and this will be clarified after laboratory processing of the findings and an anthropological evaluation of skeletal remains at the end of 2018. The research work has been carried out by the Archaeological Institute of the Czech Academy of Sciences in Brno from August 2017. However, the finding did not have a major influence on the progress of construction work.

The year 2017 was another year of preparation of the implementation of anti-flooding measures on the upper Opava, which also includes the Nové Heřminovy dam. For the newly proposed Nové Heřminovy water works, physical hydraulic models were used, and research into them was completed after five years, and it was stated that the proposed type of dam would be safe. In July the Czech government approved funding for excavation related to phase I of the construction project for realignment of the I/45 roadway from Nové Heřminovy to Zátor. Another level of project documentation was completed for the Nové Heřminovy water works, and at the end of 2017 a request for a planning permit was filed.

During the year, there were four round table discussion with citizens of Nové Heřminovy, at which we informed citizens and the municipality's leaders in detail about the progress of preparations.

It can be stated in conclusion that the year 2017 was demanding from a work point of view, but all tasks were successfully fulfilled, both in terms of economic results and in realisation of construction.

Ing. Jiří Pagáč
General Director



Basic information about the Company



Founder

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

Person authorised to act for the founder as at 31/ 12/ 2017

Ing. Jiřina Vorlová
Directress of the Ministerial Organisations Department
of the Ministry of Agriculture of the Czech Republic

Name

The Oder River Valley Authority, state organisation

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.
the River Boards Act

Entry in the commercial register

Regional Court in Ostrava
File Ref. AX IV 584

Date of registration

26 March 2011

Legal form

state organisation
Reg. Number: 70 89 00 21
VAT Number: IEC 70 8900:21

Statutory body as at 31/ 12/ 2017

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

Supervisory Board

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

Executive management by 31/ 12/ 2017

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

Audit committee by 31/ 12/ 2017

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

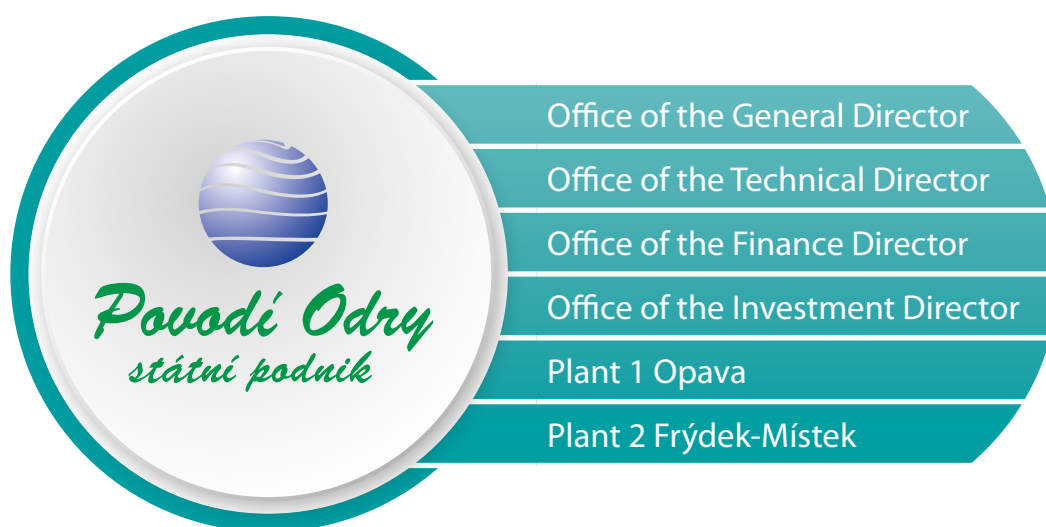
Company structure

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

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

Organisational diagram of the Company

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



Office of the General Director

The General Director directly controls the HR Department, which handles both personnel and social matters as well as educational, occupational safety and health matters. Agenda of the Office of the general Director, PR activity and internal auditing and security pursuant to special regulations together with the agenda for 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 department
- Risk management department



Office of the technical director

The division handles professional activities in the areas of management of the water management system, management of watercourses, waterworks, 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 prognoses and concepts, assessment 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 laboratories

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
- Work Economy Department
- Informatics Department
- Business Management Department
- Commercial Contracts Department

Office of the investment director

This division ensures the activities related to preparation and realisation of investments and engineering activities, particularly projection and geodetic activities. It co-ordinates the major focuses of engineering services and participates in the preparation of the plan of investments and repairs including machines 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 realisation 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 line of business. The activities of the plant are divided territorially between Plant 1 Opava and Plant 2 Frýdek-Místek such that the two territorial units entirely cover the area of the basin, which is managed by the enterprise. Apart from the activities related to the direct management of watercourses and waterworks, they also manage and co-ordinate the operations and business activities to the given extent.

Classification of the plants

- Office of the Plant Director
- Operations Division
- Technical Division
- Finance Division
- Water management plants

Managed assets

Overall structure of tangible fixed assets

The volume of tangible fixed assets in the category of structures and tangible movables increased compared to 2016 by CZK 122.52 million. By 31/ 12/ 2017, the total value of the fixed tangible assets in acquisition costs was CZK 7,312.17 million.

Long-term tangible assets



● Buildings	5,33 %
● Reservoirs and fish ponds	45,20 %
● Adaptation of the watercourses	28,91 %
● Weirs and stages	8,13 %
● Other objects	4,50 %
● Transport and working machinery	3,61 %
● Energy machinery and equipment	2,05 %
● Devices, special technical equipment	2,16 %
● Inventory	0,12 %

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

Buildings	5.33 %	389.88 million CZK
Reservoirs and fish ponds	45.20 %	3,304.81 million CZK
Adaptation of the watercourses	28.91 %	2,113.79 million CZK
Weirs and stages	8.13 %	594.28 million CZK
Other objects	4.50 %	329.07 million CZK
Transport and working machinery	3.61 %	263.84 million CZK
Energy machinery and equipment	2.05 %	149.65 million CZK
Devices, special technical equipment	2.16 %	157.85 million CZK
Inventory	0.12 %	9.03 million CZK
Total of tangible fixed assets	100.00 %	7,312.17 million CZK

Fixed tangible assets

	Buildings		Reservoirs and fish ponds		Adaptation of the watercourses		Weirs and stages		Other objects		Transport and working machinery		Energy machinery and equipment		Devices, special technical equipment		Inventory		Total small tangible fixed assets	
	mil. CZK	%	mil. CZK	%	mil. CZK	%	mil. CZK	%	mil. CZK	%	mil. CZK	%	mil. CZK	%	mil. CZK	%	mil. CZK	%	mil. CZK	%
S.p. total	389,88	100,0	3 304,81	100,0	2 113,76	100,0	594,28	100,0	329,07	100,0	263,84	100,0	149,65	100,0	157,85	100,0	9,03	100,0	7 312,17	100,00
Facility Opava	130,35	33,43	2 276,06	68,9	1 147,31	54,3	187,37	31,5	176,37	53,6	129,48	49,07	84,44	56,4	15,92	10,1	4,01	44,4	4 151,30	56,77
Facility FM	118,26	30,33	1 028,75	31,1	966,36	45,7	406,80	68,5	142,39	43,3	118,46	44,90	60,20	40,2	40,05	25,4	2,79	30,9	2 884,07	39,44
Management of the state-owned company	141,27	36,23	0,00	0,0	0,09	0,0	0,11	0,0	10,31	3,1	15,90	6,03	5,01	3,4	101,88	64,5	2,23	24,6	276,80	3,79

Human resources



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

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

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

Number of employees	2015	2016	2017
Adjusted number of employees	461.59	465.38	463.15
Number of employees in individuals (as at 31/12)	471	474	468
of that: White collar staff	245	248	246
Blue collar workers	226	226	222
Management of the state-owned company	175	177	174
Opava Plant	130	130	128
Frýdek-Místek Plant	166	167	166

Employees according to working location

District	2015	2016	2017
Jeseník	13	12	12
Bruntál	33	32	30
Frýdek-Místek	111	113	111
Karviná	26	24	25
Nový Jičín	30	30	30
Opava	57	64	64
Ostrava	200	198	195
Šumperk	1	1	1



Provision of information

Povodí Odry is an obliged entity in the area of provision of information according to Act No. 106/1999 Coll., on free access to information, as amended.

Activities in this area for 2017 are summarised in the following data:

- **The number of filed requests for information and the number of issued decisions to reject requests** – in 2017 a total of 6 requests were delivered to the state enterprise seeking information, and 2 decisions to reject the requests were issued.
- **Number of appeals against decisions** – no appeals were submitted in 2017.
- **A copy of the relevant parts of each of the court verdict in the matter of examination of the legality of the decisions of a 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** – in 2017 no lawsuit was filed, and no funds were incurred for such purpose.
- **List of provided exclusive licences** – in 2017 no exclusive licences were provided.
- **Number of complaints filed under the provisions of Section 16a of Act No. 106/1999** – no complaint was filed in 2017.
- **Additional information relating to the implementation of this law** – for all requests, information was provided within the statutory limit of 15 days from the receipt of the request.



Water consumption



Underground water off-take

In the aftermath of the extreme drought of 2015 - 2016 in underground water, the year 2017 saw an increase in the amount of water consumption, a total of 18.7 million cubic metres of water compared to 17.7 million in 2016. Underground water consumption for purposes other than water management stagnated year-to-year and reached 1.5 million cubic metres. In the case of consumption for water management, there was an increase in the partial valley of Horní Odra in the monitored year by more than 5%, from 16.2 to 17.1 million cubic metres, mainly due to an increase in the amount consumed by water and sewerage company Ostravské vodárny a kanalizace a.s., from 6.6 to 7.4 million cubic metres of underground water.

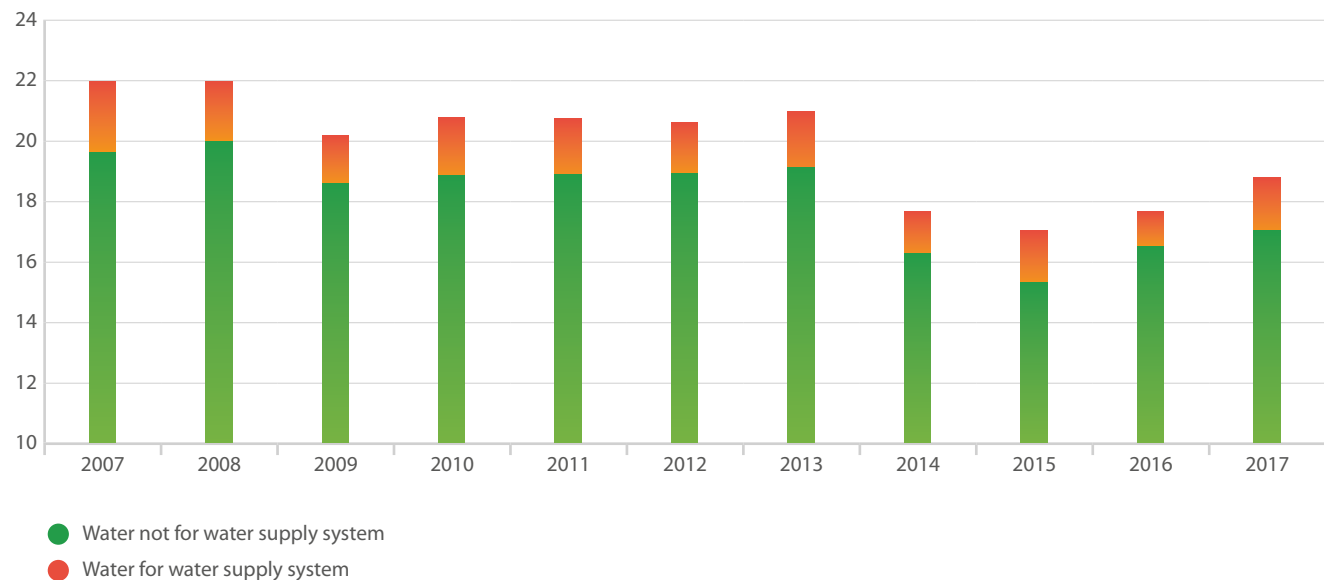
2017 can be characterised by an increase in the quantity of groundwater used, and the total of

18.7 million m³
was taken

Underground water consumption (mil. m³)

Years	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Water for water supply purposes	19.6	20.0	18.5	18.8	18.9	18.9	19.2	16.1	15.6	16.2	17.1
Water for non-water supply purposes	2.4	1.8	1.7	1.9	1.7	1.6	1.7	1.6	1.7	1.5	1.6
Total underground water	22.0	22.0	20.2	20.7	20.6	20.5	20.9	17.7	17.3	17.7	18.7

Underground water (millions of cubic metres per year)



In 2017 customers used only the total of

124.1 million m³

from the resources of the state-owned company Povodí Odry

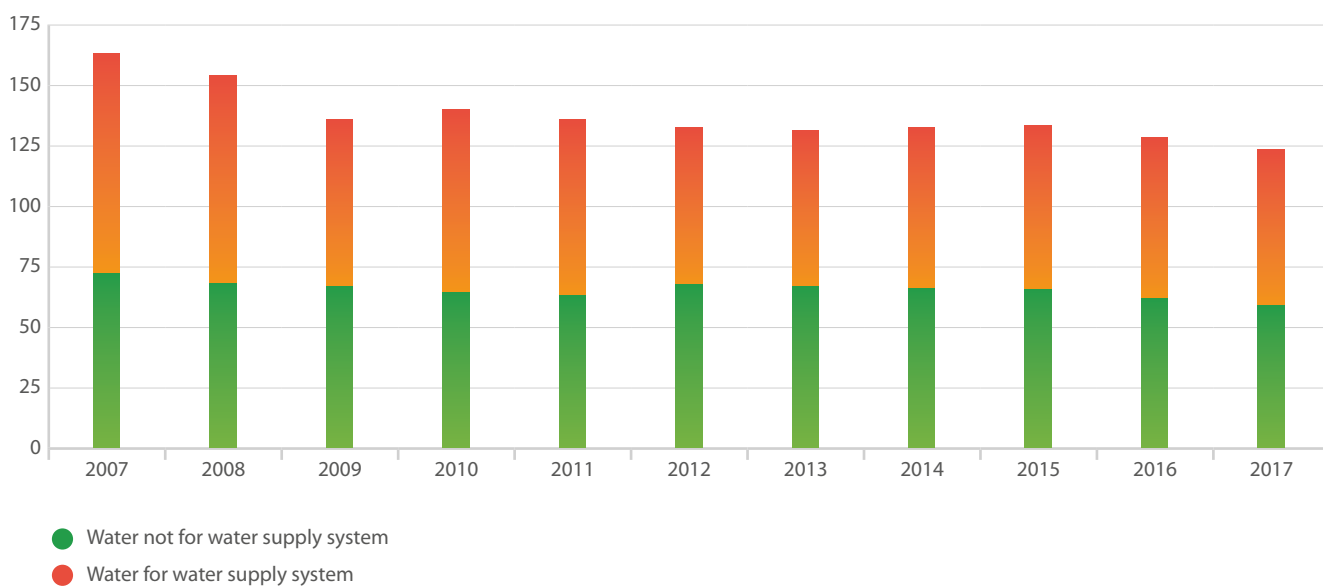
Surface water off-take

After the decline in 2016, there was also a decline of the supply of surface water in 2017. In that year, a total of only 124.1 million m³ of water from the sources managed by the Oder River Valley Authority was consumed by customers, which was a year-on-year decline of 3%. Off-take for supplying of drinking water to inhabitants fell by 1.7 million cubic metres to 60.6 million cubic metres. In the case of consumption by industrial facilities, there was a year-to-year decline by 3.5%, when only 63.5 million cubic metres of water were supplied, compared to 65.7 million cubic metres in the previous year.

Surface water off-take (mil. m³)

Years	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Water for water supply purposes	72.0	69.3	68.2	66.9	64.2	67.1	65.1	64.9	65.0	62.3	60.6
Water for non-water supply purposes	92.1	84.6	70.8	77.2	74.8	72.0	71.5	70.2	71.8	65.7	63.5
Surface water total	164.1	153.9	139.0	144.1	139.0	139.1	136.6	135.1	136.8	128.0	124.1

Surface water (millios of cubic metres per year)



Electricity generation



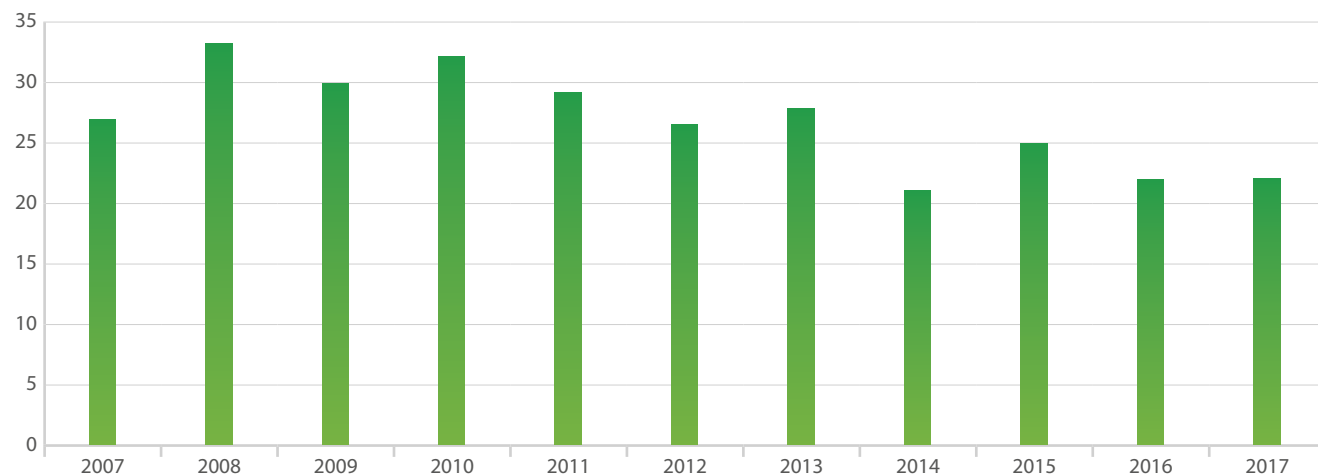
Operation of hydroelectric power plants of the Oder River Valley Authority in 2017 was marked with two different periods, when in the first half of the year above-average monthly production was achieved, and 3/4 of the total yearly volume of production was achieved, and the second half of the year was negatively affected by hydrological conditions. A total of 23.3 million kWh of electricity was produced, half of which was produced for the largest hydroelectric power plant at the Slezská Harta waterworks on the Moravice River. Production was limited at the hydroelectric power plant on the Šance reservoir due to ongoing reconstruction of the dam and at the Kružberk and Žermanice reservoirs due to reconstruction of turbines, but the river hydroelectric power plant in Nové Heřminovy on the Opava River Valley was used, along with the hydroelectric power plant at the water inlet for pond management below the VD Kružberk dam.

A total of **23.3 million kWh** of electrical power was generated in 2017, half of which within the largest water power plant on the Slezská Harta hydroelectric dam on the Moravice River.

Annual production of electric power (in millions of kWh)

Roky	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Annual production	26.917	33.133	29.799	32.133	29.194	26.424	27.559	20.992	24.824	21.82	23.289

Production of electricity in facilities of the Oder River Valley Authority in millions of kWh



Water quality control

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

The measured results are used for all sorts of activities in the area of protection of water against pollution while they 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 of the water level not only includes the 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 monitoring of the biological elements, for instance, fish population, macrozoobenthos, phytoplankton, phytobenthos, and others. An integral part of the evaluation of the watercourses is also so-called hydro-morphological monitoring, which provides information about whether building construction intervention and other anthropogenic activities in the water channel have not mainly resulted in disruption of the conditions for the development of aqueous organisms. The results of such monitoring are the basic condition for protection of water quality and design of measures for its continuous improvement within the scope of the planning process in the area of water. They represent major information for the expressive activities of the state enterprise, for 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, case by case, assess whether the polluters by release of their waste water do not violate 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 2017, the water quality care department handled about 1.8 thousand record items.

The water analyses are annually evaluated and further used for performance of state administration both as information for the professional and layman public, they are the basic condition for formulation of the water management balance, and are also used for negotiation of bilateral treaties and the activities of the International Committee for Protection of the Oder.

The actual sampling, laboratory analyses including chemical, radio-chemical, hydro biological and microbiological analyses and hydro metric measurements are done by the water management laboratories. The Water Management Concepts and Information Department performs hydro morphological monitoring and processes and evaluates all acquired data.

Output of VHL in 2017



Operational monitoring of division of flowing water and sediment	74,4 %
Operational monitoring of divisions of standing water	11,6 %
Operational monitoring of surface water contamination	1,1 %
Miscellaneous - internal	1,6 %
Miscellaneous - external	11,2 %

Water quality control

Monitoring of water quality in 2017 was again 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, 154 profiles were monitored in flowing watercourses with a sampling frequency of 12 per year and 12 profiles with a sampling frequency of 6 per year. This also includes the monitoring of small water reservoirs and the requirements for monitoring the border water. 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 good 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.

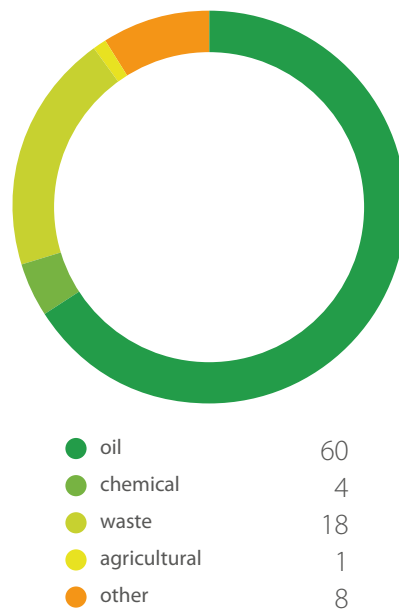
Water quality accidents



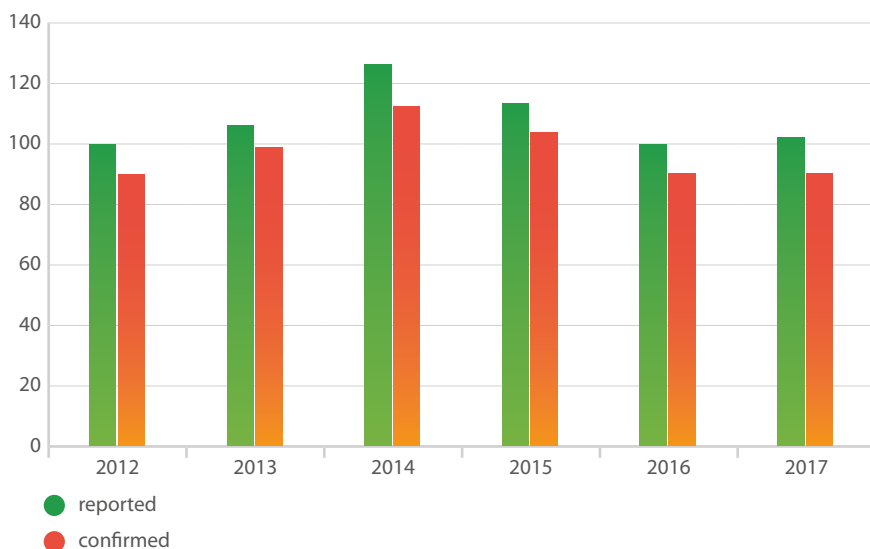
Accidents in 2017

Reported accidents	101
confirmed accidents	91
of which: reported after lapse of accident	4
of which: confirmed threat to the watercourse	37
unconfirmed accidents	10

Division of confirmed accidents by type of contamination



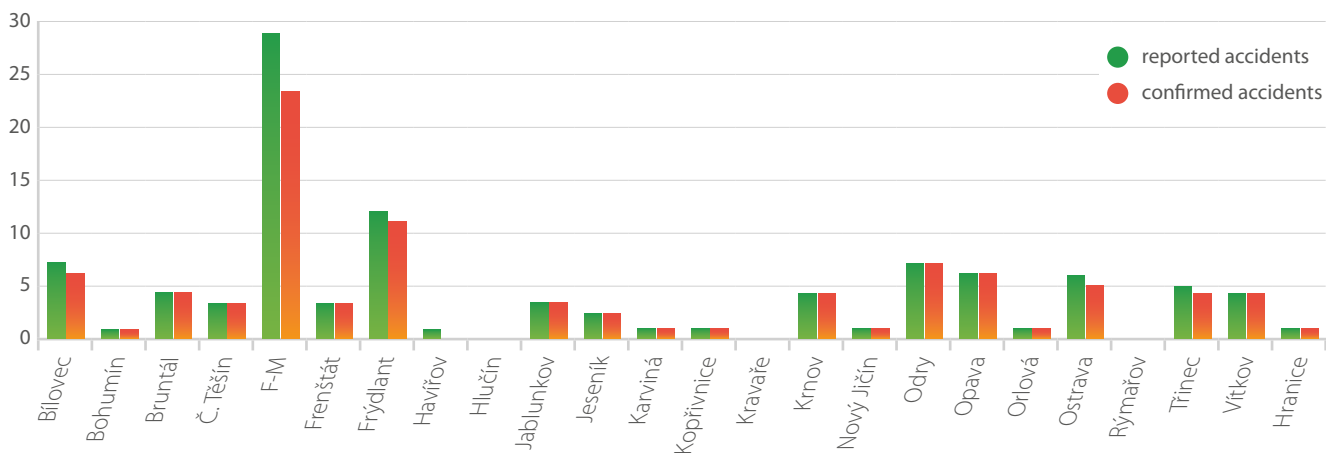
Trend of reported and confirmed accidents in the period 2012–2017



Accidents in 2017 in the territories of the individual municipalities with extended powers

ORP	Bílovec	Bohumín	Bruntál	Č. Těšín	F- M	Frenštát	Frýdlant	Haviřov	Hlučín	Jablunkov	Jeseník	Karviná
reported accidents	7	1	4	3	28	3	12	1	0	3	2	1
confirmed accidents	6	1	4	3	23	3	11	0	0	3	2	1

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



In 2017, a total of 91 accidents were confirmed, which resulted in deterioration of or danger to the quality of surface or ground water. Accidents involving petroleum products were generally dominant, of which 59% were car accidents.

More significant accidents

9/3/2017

Oprechtice – Lesní potok (Ščučí, Oprechtický potok)

11/4/2017

Lhotka weir – oil stain

More significant accidents

9/3/2017 Oprechtice – Lesní potok (Ščučí, Oprechtický p.)

On 9/3/2017, we were notified by IBC about contamination with petroleum substances of the Ščučí and Oprechtický potok water streams. An investigation by the accident service of the Oder River Valley Authority and the Water Law Authority of Frýdek-Místek revealed that the harmful substances had flowed into the water stream from storm drain pipes from the nearby area of the former collective farm.

The first intervention was carried out by the Frýdek-Místek Fire Brigade, which deployed absorption hoses to stem the flow. Then on 10/3/2017, the F-M Fire Brigade informed the Water Law Authority that the flow of contaminating petroleum substances was continuing. The Water Law Authority of F-M called the company Ekoqua ochrana vod spol. s r.o., which took essential measures. The Accident Service of the Oder River Authority further collaborated with the water law authority, which under Section 41(3) of Water Act No. 254/2001 Coll., manages work tasks during handling of emergencies.

On Monday, 13/3/2017, representatives of the water law authority and the flow managers performed an inspection of the sewer pipes in the area, at objects operated by businessman Svatopluk Tomčala and the company Linel s.r.o. Petroleum substances were discovered in the first shaft below the site. The walls were left in the flow line, which was operated by Ekoqua ochrana vod spol. s r.o. On 22/3/2017, the water law authority stated that the work on resolution of the accident had been completed. The cause of the accident was not determined.

11/4/2017 Lhotka weir – oil stain

On 11/4/2017 at 6:08 a.m., a local inhabitant reported a large oil stain in the water flow of the Oder River between the Lhotka and Přívoz weirs.

The investigation of the accident was participated in by the accident services and VHP Ostrava Povodí Odry (the Oder River Valley Authority) state enterprise, the water law authority of Ostrava City Hall's environmental protection department, the Czech Environmental Inspection Authority, the Czech national police, BorsodChem MCHZ s.r.o. and SUEZ Využití zdrojů a.s. The investigation revealed that during cleaning of the pit for concentration and bottling of liquid waste in the area of SUEZ Využití zdrojů a.s. there had been a leak of harmful substances, which then ended up in the area of the sewage system and in Sewer H operated by BorsodChem MCHZ s.r.o. and from there to the waste channel of BorsodChem MCHZ, s.r.o., which feeds into the water flow of the Oder. At 6:30 a.m., the end object of BorsodChem s.r.o. was closed at the outlet to the water flow of the Oder, and at 7:15 a.m. Sewer H was closed in the area of BorsodChem MCHZ, s.r.o.

Four walls were installed at the water flow of the Oder (two below the Lhotka weir, one on the accident profile in Hrušov and one on the accident profile in Bohumín), and their operation was ensured by the Oder River Valley Authority, VHP Ostrava and Ekoqua ochrana vod s.r.o. In the waste channel of BorsodChem MCHZ s.r.o, absorption hoses and coke batteries were installed. Laboratory analyses of the collected water samples were analysed by the labs of the Oder River Valley Authority, labs of BorsodChem MCHZ, s.r.o and the Health Laboratories Centre at the Health Institute in Ostrava. For the duration of the accident, the accident service together with VHP Ostrava Povodí Odry (the Oder River Valley Authority) carried out regular checks of the accident site and the Oder water flow.

The resolution of the accident was overseen the Water Law Authority of Ostrava 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 water and on amendment of certain other acts, as amended.

The construction of the highest dry reservoir dam, Jelení, begins



It is a dry reservoir which belongs to resources for anti-flood measures implemented on the upper Opava and is carefully situated in the surrounding natural environment of the Jeseníky Mountains. The reservoir not only ensures protection against flooding in the village of Karlovice, but it also contributes to protection of Široká Niva and Nové Heřminovy. The financial cost is expected to be CZK 150 million using the subsidy programme from the Czech Ministry of Agriculture, for prevention against flooding III.

In 2017, the construction of the highest dry reservoir dam, Jelení, began, in some places up to 16 m high.

The Jelení dry reservoir also contributes to limiting of regional flooding and rain-water run-off. The reservoir supplements crucial anti-flooding measures implemented by the Nové Heřminovy reservoir. In terms of its concept, the damage-free outflow of water from the reservoir has been defined based on the capacity of the Kobylí stream through Karlovice with expansion by large quantities of water from the Adamov stream. Following completion of the reservoir's construction, the Karlovice node will culminate with the addition of revitalisation between the reservoir and top end of the adjustment of the Kobylí stream above Karlovice.

The retention area of the reservoir will also limit the outflow of sludge and effectively limit local excess rain water. For regional precipitation, it has been designed to ensure the transformation of the theoretical one-hundred-year flood wave ($Q_{100} = 33.5 \text{ m}^3/\text{s}$) to harmless outflow $Q_1 = 4.41 \text{ m}^3/\text{s}$. The maximum volume of the dry reservoir on the low of the Kobylí stream of approximately 460 m above the confluence with the Adamov stream has been proposed at 865,000 cubic metres with a maximum surface level of 523.70 m above sea level.



Lhotka weir – repair of flaps

In November 2017, a construction project was successfully completed, the main purpose of which was the complete replacement of moving steel support structures on the weir (flaps). The construction work at the weir was begun in April 2017. The overall costs for repair of the weir amounted to CZK 12 million.

The Lhotka weir on the Oder River at km 14.940 as built between 1964 and 1967. The weir was built as part of a 12.5 km long adjustment of the Oder between Bohumín and Ostrava, together with the previously constructed Přívoz weir at km 11.830. Both weirs are part of the water management system in the Oder River Valley. The Lhotka weir has two weir fields, each with a breadth of 20 m, fortified with two flap seals with a 2.2 m hose. The total height with the weir is 3.78 m. The main purpose of the weir is to ensure protection of Ostrava from flooding, consumption of water for industry, electric power generation at a local hydroelectric power plant with an output of 628 kW and the transfer of water to a fish stream. At full capacity, the weir is able to transfer the flow of 900 m³ per second, which corresponds to Q_{100} .





During its operation, hydro technical model research was conducted in 1988. That research showed that there was a less favourable geometric shape of the flap curve, which during flowing caused sub-pressure and was the cause of previous damage to the flap powering.

In 2001, a study on reconstruction of the Lhotka weir on the Oder was conducted, which showed weakening of steel flaps caused by corrosion, significant wear and partially damaged bearings with a risk of joints being released. Following detailed static evaluation of the flaps, the lifespan was estimated as another 20 years, assuming that the protection against corrosion would be restored.

In February 2012, ice accumulated in the Oder, and there was an accident on the weir as a result of the low temperatures. The current of the right flap was torn in the connection location on the joint rod, which is used to control the flap. The flap turned completely on its own. The level in the area above the weir fell, and it became necessary to operatively ensure the pumping of substitute water for BorsodChem. After 5 days of hard work, the weir was repaired.

Based on what has been stated above and on repeated defectoscopic testing of the steel structure of the flap, it was decided after a technical and safety inspection of the weir in 2014 to replace the original flaps with new hollow flaps.

The repair of the weir was divided into two construction objects. The construction part included securing of the construction site furnishings, the pit below the weir and the temporary support of the weir, repair of the bottom structure for anchoring the flap, repair of insufficient ventilation of the flap and repair of side nets. During the construction, recovery of holes in the decoction had to be resolved operatively. The recovery of the decoction was done with the help of divers, and 90 m³ of special concrete was used. A major problem was the transfer of increased flows in the Oder during construction. During the construction work, only one weir field could be used at a time. The technological part of the repairs began with processing of production documentation with static calculation in 3D. The unilaterally controlled complex shaping of the flap welded onto one piece of bent sheet metal with a thickness of 10 mm had a total weight of 13 t and had to be produced with accuracy in mm. The surface of the flap had to be prepared perfectly for application of special coatings, which must resist the flow of gravel and ice and protect the structure from corrosion. The work included installation of the original flap and installation of a new one using cranes with weight capacity of up to 350 t.



Cooperation with the Moravia-Silesia Region

Based on an Agreement on Provision of Subsidies from the Budget of the Moravia-Silesia Region, a subsidy of CZK 3 million was invested for the project "Mohelnice, anti-flood and revitalisation measures, removal of migration obstacles, levels 5 to 9, km 0.648; km 0.753; km 0.858; km 0.962; km 1.067".





Economic results

For 2017, the state company managed to achieve relatively good economic results, which can be attributed in particular to positive developments in sales and miscellaneous revenue. The economic result reported for 2017 amounted to CZK 22,291 thousand, and profit grew year-on-year by CZK 1,446 thousand.

In terms of revenue, planned sales of surface water were exceeded by CZK 14,021 thousand . However, year-on-year, there was a reduction of these sales, which can be attributed to the long-term trend of the decrease in consumption of surface water. In electricity generation, the yearly plan of sales was exceeded by CZK 5,742 thousand . Other items in the area of sales, which contributed to favourable achieved values, were sales revenue for the sale of fish, revenue from property no longer needed and rental income. Also in the area of miscellaneous operating costs, the planned values were exceeded, particularly as a result of applied contractual fines for non-fulfilment of supplier terms within realised investment activities and received insurance bonuses for a lack of natural disaster claims. Received operating subsidies within the programme financing of the Czech Ministry of Agriculture also had a significant effect on overall reported revenue of the state enterprise, from which removal of accumulated debris was financed at the Olešná water works totalling CZK 27,976 thousand .

In the area of costs, for most items there were savings compared to the planned values, except for costs for repairs and maintenance, which in view of the ongoing favourable economic results were exceeded by CZK 24,243 thousand . Repairs for 2017 were carried out in the total volume of CZK 169,053 thousand, of which 31,103 thousand was from subsidies, and 137,951 was from the company's own resources. Repairs grew year-to-year by CZK 16,788 thousand .

In the balance sheet part of economic results, in the area of assets there was year-to-year growth in fixed assets, particularly in the category of structures and land, as a result of inclusion of finished investment activities and purchases. In the area of long-term property acquisition, investments totalled CZK 453,399 thousand in 2017 of which 249,340 thousand of which 201,499 thousand was from the company's own sources, and CZK 2,560 thousand was acquire free of charge.

In the area of current assets, there was a year-to-year decrease in funds, which can be attributed to high demands for financing of a relatively large volume of construction activities.

In the area of liabilities, there was a rise in equity capital, especially from the title of an adequate business result. Growth in outside sources is then influenced in particular by creation of purposely bound reserves, which the company creates for risks stemming from its line of business.

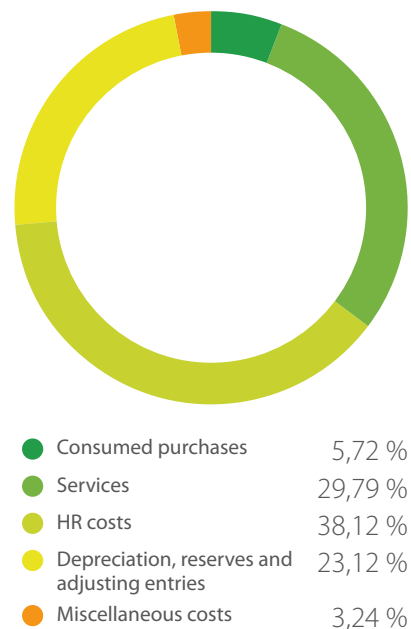
It can be stated in conclusion that for the year 2017 good economic results were achieved, which forms a stable basis for the subsequent period, which will be demanding as a result of the large volume of prepared activities and limitation of subsidy resources from programme financing for 2018.



Costs (in thous. CZK)

Consumed purchases	38 595
Purchased services	200 948
of that: repairs and maintenance	169 054
Other services	31 894
HR costs	257 116
of that: wage costs	178 139
Social security and health insurance	61 947
Other social costs	17 029
Taxes and fees	1 114
Other operating costs	16 049
Depreciation, reserves and adjusting entries	155 912
of that: depreciations	151 912
Reserves and adjusting entries	4 000
Change to status of inventory	-420
Activation	-1 205
Financial costs	219
Deferred tax	6 122
Total costs	674 450

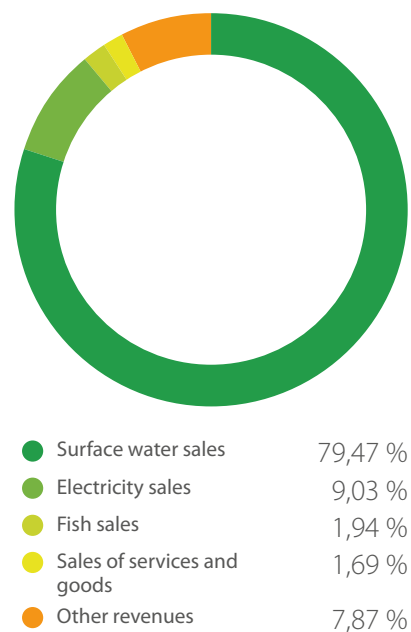
Structure of costs



Revenues (in thous. CZK)

Sales	641 928
Of that: for surface water	553 682
For electricity	62 942
For fish	13 536
For services and goods	11 768
Other operating revenues	54 050
Total financial revenues	763
Total revenues	696 741

Revenue structure





ZPRÁVA NEZÁVISLÉHO AUDITORA

určená zakladateli státního podniku
Povodí Odry, státní podnik

Výrok auditora

Provedli jsme audit přiložené účetní závěrky

Povodí Odry, státní podnik

se sídlem Varenská 3101/49, Ostrava, Moravská Ostrava, PSČ 701 26,
IČO: 708 90 021
zapsaný do obchodního rejstříku vedeného Krajským soudem v Ostravě,
složka AXIV 584,

kteřá se skládá z rozvahy k 31.12.2017, výkazu zisku a ztráty, přehledu o změnách vlastního kapitálu a přehledu o peněžních tocích za období od 1.1.2017 do 31.12.2017 a přílohy této účetní závěrky, která obsahuje popis použitých významných účetních metod a další vysvětlující informace. Údaje o Povodí Odry, státní podnik jsou uvedeny v bodě 1 přílohy této účetní závěrky.

Podle našeho názoru účetní závěrka podává věrný a poctivý obraz aktiv a pasiv Povodí Odry, státní podnik k 31.12.2017 a nákladů a výnosů a výsledku jejího hospodaření a peněžních toků za rok končící 31.12.2017 v souladu s českými účetními předpisy.

Výše uvedený odstavec prezentuje výrok bez výhrad.

Základ pro výrok

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

Zdůraznění skutečnosti

Upozorňujeme na skutečnosti uvedené v příloze v kapitole 4. dlouhodobý majetek a vybrané položky nákladů a výnosů, ze kterých vyplývá, že Povodí





Odry, státní podnik je při své činnosti do značné míry závislý na přijatých dotacích, když v roce 2017 se přijaté investiční dotace podílely na financování nově pořízeného dlouhodobého majetku podstatnou měrou.

Ostatní informace uvedené ve výroční zprávě

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

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

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

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

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

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

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

Při sestavování účetní závěrky je statutární orgán státního podniku povinen posoudit, zda je státní podnik schopen nepřetržitě trvat, a pokud je to



relevantní, popsat v příloze účetní závěrky záležitosti týkající se jejího nepřetržitého trvání a použití předpokladu nepřetržitého trvání při sestavení účetní závěrky, s výjimkou případů, kdy statutární podnik plánuje zrušení státního podniku nebo ukončení jeho činnosti, resp. kdy nemá jinou reálnou možnost než tak učinit.

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

Odpovědnost auditora za audit účetní závěrky

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

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

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

V Ostravě dne 12. března 2018

ABC.AUDIT, s. r. o.
Erbenova 783/29, 703 00 Ostrava-Vítkovice
auditorská společnost
auditorské oprávnění č. 387
zastoupená:


jednatel
Ing. Tomášem Pospíšilem




pověřeným zaměstnancem a
odpovědným auditorem
auditorské oprávnění č. 2101
Ing. Michalem Groborzem



Balance Sheet

Unabridged balance sheet as at 31/12/2017 (in thousands of CZK)

POVODÍ ODŘY, state-owned company
Varenská 3101/49, Moravská Ostrava
702 00 Ostrava
Reg. No.: 70890021
Entry in the commercial register Regional
Court in Ostrava File Ref. AX IV 584

Label	Item content	Current period			Prior period
		Gross	Correction	Net	
	TOTAL ASSETS	8 586 584	-3 647 285	4 939 299	4 932 276
B.	Long-term assets	8 137 580	-3 645 760	4 491 820	4 443 041
B.I.	Long-term intangible assets	136 499	-127 109	9 390	16 123
B.I.1.	Intangible results of research and development	13 948	-13 948	0	0
B.I.2.	Valuable rights	54 955	-52 428	2 527	1 795
B.I.2.1.	Software	54 955	-52 428	2 527	1 795
B.I.4.	Miscellaneous long-term intangible assets	65 491	-60 733	4 758	13 324
B.I.5.	Advance payments for intangible fixed assets and incomplete intangible fixed assets	2 105	0	2 105	1 004
B.I.5.1.	Provided advances for long-term intangible assets	983	0	983	631
B.I.5.2.	Incomplete intangible fixed assets	1 122	0	1 122	373
B.II.	Long-term tangible assets	8 001 081	-3 518 651	4 482 430	4 426 918
B.II.1.	Land and structures	7 194 871	-3 084 157	4 110 714	4 061 781
B.II.1.1.	Land	463 083	0	463 083	437 690
B.II.1.2.	Buildings and structures (constructions)	6 731 788	-3 084 157	3 647 631	3 624 091
B.II.2.	Tangible movables and sets thereof	580 379	-434 260	146 119	145 387
B.II.4.	Other tangible fixed assets	753	-234	519	497
B.II.4.1.	Orchards and vineyards	189	-189	0	0
B.II.4.3.	Other tangible fixed assets	564	-45	519	497
B.II.5.	Provided advances for long-term tangible assets and unfinished long-term tangible assets	225 078	0	225 078	219 253
B.II.5.1.	Provided advances for long-term tangible assets	38	0	38	45
B.II.5.2.	Incomplete tangible fixed assets	225 040	0	225 040	219 208
C.	Current assets	448 404	-1 525	446 879	488 560
C.I.	Inventory	10 722	0	10 722	10 312
C.I.1.	Material	2 536	0	2 536	2 785
C.I.4.	Young and miscellaneous animals and groups thereof	8 186	0	8 186	7 527
C.II.	Accounts receivable	119 721	-1 525	118 196	122 897
C.II.1.	Long term receivables	29	0	29	28
C.II.1.5.	Receivables – others	29	0	29	28
C.II.1.5.2.	Long-term provided advances	12	0	12	12
C.II.1.5.4.	Other receivables	17	0	17	16
C.II.2.	Short-term receivables	119 692	-1 525	118 167	122 869
C.II.2.1.	Receivables from business relationships	109 395	-1 417	107 978	108 943
C.II.2.4.	Receivables – others	10 297	-108	10 189	13 926
C.II.2.4.3.	State – tax claims	1 468	0	1 468	4 457
C.II.2.4.4.	Short-term advance payments made	1 171	0	1 171	1 342
C.II.2.4.5.	Contingent asset accounts	78	0	78	68
C.II.2.4.6.	Other receivables	7 580	-108	7 472	8 059
C.IV.	Monetary funds	317 961	0	317 961	355 351
C.IV.1.	Available cash	607	0	607	398
C.IV.2.	Funds in accounts	317 354	0	317 354	354 953
D.	Asset accruals and deferrals	600	0	600	675
D.1.	Costs for subsequent periods	545	0	545	619
D.3.	Accrued revenues	55	0	55	56



Label	Item content	Current period	Prior period
	TOTAL LIABILITIES	4 939 299	4 932 276
A.	Equity	4 456 107	4 449 401
A.I.	Registered capital	1 519 186	1 519 186
A.I.1.	Registered capital	1 519 186	1 519 186
A.II.	Share premium and capital funds	2 668 743	2 668 368
A.II.2.	Capital funds	2 668 743	2 668 368
A.II.2.1.	Other capital funds	2 668 743	2 668 368
A.III.	Funds from profit	245 887	241 002
A.III.1.	Other reserve funds	151 919	151 919
A.III.2.	Statutory and miscellaneous funds	93 968	89 083
A.V.	Profit/loss for the current accounting period	22 291	20 845
B. + C.	External resources	483 132	482 807
B.	Reserves	235 499	227 528
B.4.	Other reserves	235 499	227 528
C.	Liabilities	247 633	255 279
C.I.	Long-term accounts payable	216 868	212 177
C.I.8.	Deferred tax liability	215 177	209 056
C.I.9.	Other liabilities	1 691	3 121
C.I.9.3.	Other accounts payable	1 691	3 121
C.II.	Short-term liabilities	30 765	43 102
C.II.3.	Short-term received advances	74	85
C.II.4.	Liabilities from business relationships	4 806	19 381
C.II.8.	Other liabilities	25 885	23 636
C.II.8.3.	Obligations towards employees	11 843	11 572
C.II.8.4.	Social security and health insurance dues	6 960	7 072
C.II.8.5.	State - tax liabilities and subsidies	1 967	2 012
C.II.8.6.	Contingent liability accounts	679	887
C.II.8.7.	Other liabilities	4 436	2 093
D.	Accrued liabilities	60	68
D.1.	Expenses for subsequent periods	16	11
D.2.	Revenues for subsequent periods	44	57

Ostrava, dated 5 March 2018

Signature record of the statutory body
Ing. Jiří Pagáč

Profit and Loss Statement

Unabridged secondary Profit and Loss Statement for the period of 1/ 1/ 2017 to 31/ 12/ 2017 (in thousands of CZK)

POVODÍ ODŘY, state-owned company
Varenská 3101/49, Moravská Ostrava
702 00 Ostrava
Reg. No.: 70890021
Entry in the commercial register Regional
Court in Ostrava File Ref. AX IV 584

Label	Item content	Current period	Prior period
I.	Revenues from sale of products and services	641 928	635 961
A.	Output consumption	239 543	221 701
A.2.	Consumption of materials and energy	38 595	36 977
A.3.	Services	200 948	184 724
B.	Change to balance of reserves from own activities (+/-)	-420	-631
C.	Activation (-)	-1 205	-1 596
D.	HR costs	257 116	248 093
D.1.	Wage costs	178 140	172 465
D.2.	Social security, health insurance and miscellaneous costs	78 976	75 628
D.2.1.	Costs for social security and health insurance	61 947	60 553
D.2.2.	Other costs	17 029	15 075
E.	Value adjustments related to operations	147 941	147 929
E.1.	Adjustment of values of long-term intangible and tangible assets	151 912	147 126
E.1.1.	Adjustment of values of long-term intangible and tangible assets - permanent	151 912	147 126
E.3.	Adjustment of receivable values	-3 971	803
III	Other operating income	54 050	37 373
III.1.	Revenues from the sale of long-term assets	5 539	7 904
III.2.	Revenues for sale of materials	5	2
III.3.	Other operating revenues	48 506	29 467
F.	Other operating costs	25 134	34 032
F.1.	Net book value of fixed assets sold	630	2 387
F.3.	Taxes and fees	1 114	1 633
F.4.	Position of operating reserves and complex accrued costs	7 971	18 455
F.5.	Other operating costs	15 419	11 557
*	Operating profit/loss (+/-)	27 869	23 805
VI.	Revenue interest and similar returns	708	997
VI.2.	Miscellaneous revenue interest and similar returns	708	997
Article VII	Other financial income	55	56
K.	Miscellaneous financial costs	219	190
*	Financial profit/loss (+/-)	544	863
**	Profit/loss before taxation (+/-)	28 413	24 668
L.	Income tax	6 122	3 823
L.2.	Deferred income tax Income tax (+/-)	6 122	3 823
**	Economic result after taxation (+/-)	22 291	20 845
***	Profit/loss for the accounting period (+/-)	22 291	20 845
*	Net turnover for the accounting period	696 741	674 386

Ostrava, dated 5 March 2018

Signature record of the statutory body
Ing. Jiří Pagáč

Cash flow statement

for a period ending on 31/12/2017 (in thousands of CZK)

POVODÍ ODŘY, state-owned company
Varenská 3101/49, Moravská Ostrava
702 00 Ostrava
Reg. No.: 70890021
Entry in the commercial register Regional
Court in Ostrava File Ref. AX IV 584

	Current accounting period	Previous accounting period
P. Initial balance of cash and cash equivalents at the beginning of the accounting period	355 351	369 504
Cash flow from the main profitable activity (operations)		
Z. Profit/loss before taxation (+/-)	28 413	24 668
A. 1. Adjustment by non-monetary operations	151 032	156 417
A. 1. 1. Depreciation of fixed assets (+) excluding the net book value of fixed assets sold and amortisation of the valuation difference to acquired assets and goodwill (+/-)	152 801	147 468
A. 1. 2. Change in position of adjusting entries, reserves and contingent accounts	3 848	15 463
A. 1. 3. Profit (loss) from sale of fixed assets (-/+)	-4 909	-5 517
A. 1. 4. Revenues from shares of the profit (-)	0	0
A. 1. 5. Clearance of interest receivable (+) excluding interest included in fixed assets valuation and clearance of interest receivable (-)	-708	-997
A. 1. 6. Potential adjustment by other non-monetary operations	0	0
A * Net cash flow from operations before tax and changes in working capital	179 445	181 085
A. 2. Changes in the non-monetary elements of working capital	-5 107	3 914
A. 2. 1. Changes in the position of receivables from operations (+/-)	8 684	-6 483
A. 2. 2. Changes in the position of short-term receivables from operations (+/-)	-13 380	11 117
A. 2. 3. Changes in inventory (+/-)	-411	-720
A. 2. 4. Change of the position of short-term financial assets that are not in the category of cash and its equivalents	0	0
A ** Net cash flow from operations before tax	174 338	184 999
A. 3. Interest paid excluding interest included in fixed assets valuation (-)	0	0
A. 4. Interest received (+)	708	997
A. 5. Income tax paid and supplementary taxes for previous periods (-)	0	0
A. 7. Shares of the profit received (+)	0	0
A *** Net cash flow related to investment activities	175 046	185 996
Cash flow from investment		
B. 1. Expenses associated with acquisition of fixed assets	-201 499	-197 217
B. 2. Revenue from sale of fixed assets	5 539	7 904
B. 3. Change in the position of investment advance payments, re-invoicing of investment	-336	2 875
B *** Net cash flow related to investment activities	-196 296	-186 438
Cash flows from financial activity		
C. 1. Influence of changes in long-term payables or potentially such short-term payables that fall into the financial activity category (e.g. some operating loans) on cash and its equivalents	-180	-185
C. 2. Effect of equity changes on cash and its equivalents	-15 960	-13 526
C. 2. 1. Increase in cash and its equivalents caused by an increase in registered capital, issue premium, or funds from profit including deposits made for such an increase (+)	0	0
C. 2. 2. Payment of equity shares to partners (-)	0	0
C. 2. 3. Other cash contributions from partners and shareholders (+)	0	0
C. 2. 4. Compensation of loss by partners (+)	0	0
C. 2. 5. Direct payments from funds (-)	-15 960	-13 526
C. 2. 6. Shares of the profit paid including the withholding tax paid in relation to such entitlements including financial settlement with partners in general partnerships and general partners in limited partnerships (-)	0	0
C *** Net cash flow related to financial activities	-16 140	-13 711
F. Net increase/decrease in cash	-37 390	-14 153
R. Balance of cash and cash equivalents at end of the accounting period	317 961	355 351

Ostrava, dated 5 March 2018

The name and signature of the statutory body
Ing. Jiří Pagáč

Statement of Equity Changes

as at 31 December 2017 (in thousands of CZK)

POVODÍ ODŘY, state-owned company
Varenská 3101/49, Moravská Ostrava
702 00 Ostrava
Reg. No.: 70890021
Entry in the commercial register Regional
Court in Ostrava File Ref. AX IV 584

Item	2015				2016				2017			
	position as of 1/1	increase (+)	decrease (-)	position as of 31/12	position as of 1/1	increase (+)	decrease (-)	position as of 31/12	position as of 1/1	increase (+)	decrease (-)	position as of 31/12
Registered Capital – capital stock (account 411)	1 519 186	0	0	1 519 186	1 519 186	0	0	1 519 186	1 519 186	0	0	1 519 186
Capital funds (account 413)	2 663 969	5 072	2 298	2 666 743	2 666 743	4 114	2 489	2 668 368	2 668 368	2 380	2 005	2 668 743
Reserve funds, other funds from profit	242 521	14 642	15 130	242 033	242 033	13 268	14 299	241 002	241 002	21 471	16 586	245 887
Statutory reserve fund (account 421)	151 919	0	0	151 919	151 919	0	0	151 919	151 919	0	0	151 919
Total statutory and other funds, of which:	90 602	14 642	15 130	90 114	90 114	13 268	14 299	89 083	89 083	21 471	16 586	93 968
Investment fund (account 427 AE)	46 258	0	0	46 258	46 258	0	0	46 258	46 258	0	0	46 258
Cultural and social welfare fund (account 423)	22 811	8 342	8 352	22 801	22 801	6 528	7 444	21 885	21 885	11 471	9 528	23 828
Bonus fund (account 427 AE)	20 533	6 300	6 638	20 195	20 195	6 600	6 825	19 970	19 970	9 970	6 848	23 092
Social fund (account 427 AE)	1 000	0	140	860	860	140	30	970	970	30	210	790
Profit/loss for the current accounting period	13 718	12 495	13 718	12 495	12 495	20 845	12 495	20 845	20 845	22 291	20 845	22 291
Total equity capital	4 439 394	32 209	31 146	4 440 457	4 440 457	38 227	29 283	4 449 401	4 449 401	46 142	39 436	4 456 107

Ostrava, dated 5 March 2018

The name and signature of the statutory body
Ing. Jiří Pagáč

Notes to Financial Statements

as at 31 December 2017



1. Company Profile

Business name: Povodí Odry, státní podnik
Registered office: Varenská 3101/49, Moravská Ostrava, 702 00 Ostrava, Delivery number: 701 26
Legal form: State-owned company
Identification number: 70 89 00 21

Principal subject of business activity:

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

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

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

Incorporation of the company: Pursuant to Act No. 305/2000 Coll., on river basins.

Date of the company incorporation (effective date of Act No. 305/2000 Coll.): 1 January 2001

Founder: Ministry of Agriculture of the Czech Republic

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

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

In 2017, the following changes were entered in the Commercial Register maintained by the Regional Court in Ostrava:

- On 20 March 2017 a resolution on an amendment to the Memorandum of Association was issued concerning entry of the Supervisory Board members (deletion of JUDr. Jindřich Urfus) and Deputy General Directors (deletion of 3rd deputy Ing. Čestmír Vlček and entry of 3rd deputy Mgr. Miroslav Janoviak, LL.M.) - the resolution took legal force on 21 March 2017.
- On 20 June 2017 a resolution on an amendment to the Memorandum of Association was issued concerning a change in the value of the determined assets as at 31 December 2016 - the resolution took legal force on 27 June 2017.

Statutory body of the state-owned company (at 31 December 2017):

Ing. Jiří Pagáč, General Director

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

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

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

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

Supervisory Board (as at 31 December 2017):

Ing. Aleš Kendík

Ing. Zdeněk Macoszek

Ing. Michal Sirko

Ing. Peter Suchý

Miroslav Novák

Ing. Ivana Mojžíšková

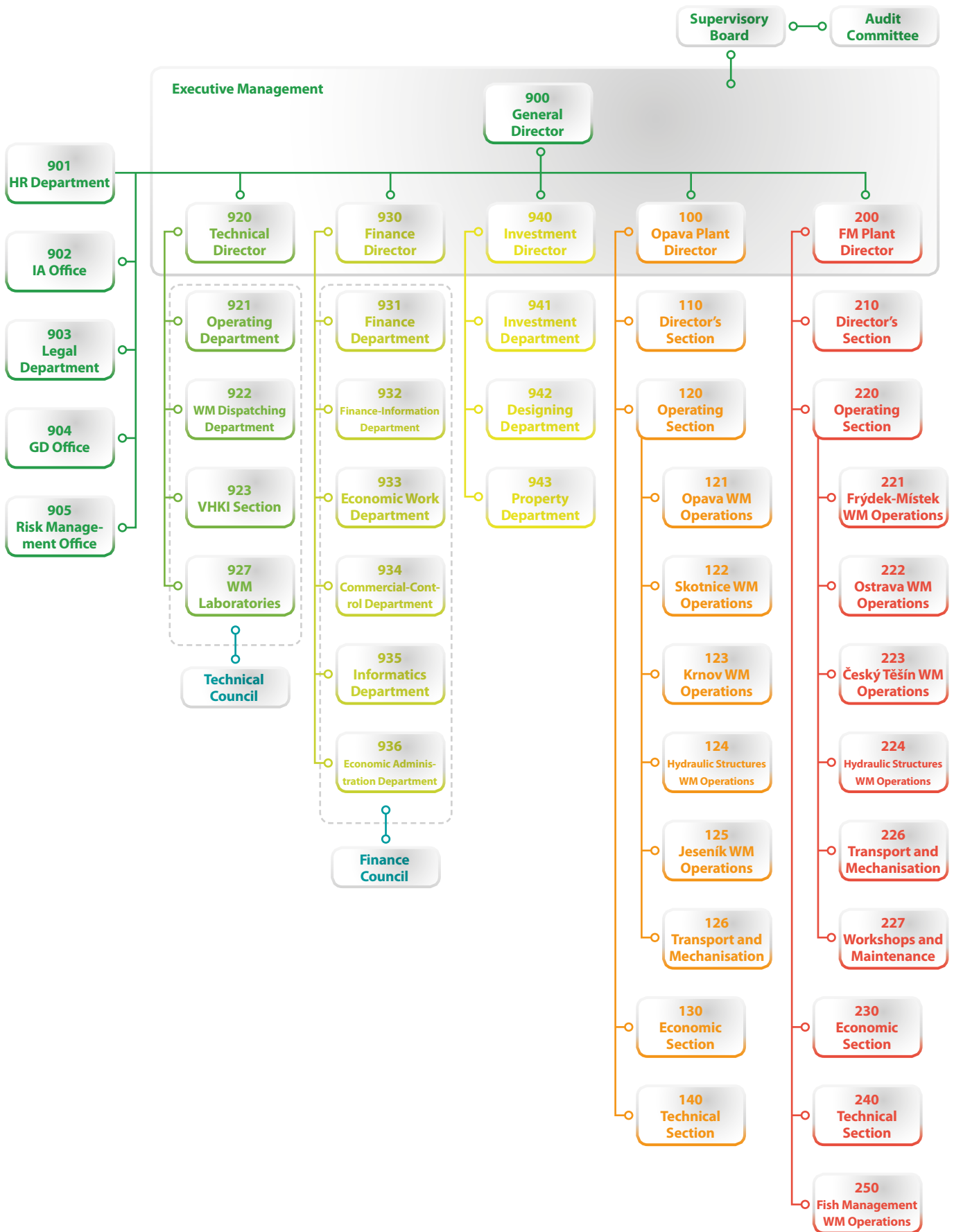
Ing. Dagmar Šimková

Ing. Radek Pekař

Changes in the organisational structure during the accounting period:

On 1 January 2017 the post of the Commercial Director was cancelled. From the Commercial Department, the Property Section was transferred to the Investment Department, the Commercial-Contracting Section to the Finance Department and the Legal Section to the direct powers of the General Director. The PR activity was transferred from the Commercial Department to the newly established General Director's Office. The Inspection Office within the General Director's Office was cancelled and the Internal Audit Office and the Risk Management Office were established, both of them in the direct powers of the General Director.

Organisation Chart





2. Basis for preparation of the financial statements

Balance sheet date: 31 December 2017

Moment of Financial Statements preparation: 5 March 2018

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 in the double-entry bookkeeping system. The state-owned company Povodí Odry keeps accounts in compliance with the Czech Accounting Standards.

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

3. General accounting principles and methods

When applying accounting methods and reporting methods, the state-owned company took into account the specific features of its activity arising out of the rights and obligations when managing the basins pursuant to Act No. 254/2001 Coll., on waters, in association with Act No. 305/2000 Coll., on basins, and Act No. 77/1997 Coll., on a state-owned company. The principle subject of the company's business activity is especially management of a huge volume of fixed assets - hydraulic structures, where:

- A significant share of the fixed assets is not directly used to earn income;
- Acquisition of the large volume of the assets is funded from subsidies;
- A fundamental share of the assets is recorded in historical prices, which do not have the informative capability.

In addition, the existence of significant risks related with the management of hydraulic structures, relatively low volume of revenues subject to price regulation in relation to the volume of fixed assets, necessity to ensure the proper and operational condition of the assets, and to a substantial degree, the contingent time progress of flood damage costs, are taken into consideration when applying accounting methods.

Valuation methods:

- Purchased fixed assets – acquisition prices;
- Fixed assets produced by the company itself (capitalisation) – the company's own costs;
- Fixed assets acquired with no consideration – current replacement costs;
- Fixed assets acquired from state-owned organisations with no consideration – book prices;
- Purchased inventory – acquisition prices;
- Inventory created by the company's own activities (including increases in fish volumes) – the company's 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.

Characteristics of fixed assets

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

Tangible fixed assets comprise mainly buildings, land, perennial crops, other tangible fixed assets (rights of user) 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. These grants are accounted to the credit of the account of acquisition of fixed assets, which are included in the amount of the company's own resources. The value of the grants is given in the note in the fixed asset card. In case of assets funded in full from grants, the grants are recorded in off-balance sheet accounts.

Depreciation plans – method of compilation and depreciation methods applied

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

The accounting entity does not apply the component depreciation method.

Monetary funds

Monetary funds comprise valuables, cash and cash in bank accounts. This also includes bank accounts that are assigned to long-term coverage of reserves. The overview of changes in the cash flow is contained in a separate Cash Flow Statement.

Method applied to conversion of foreign currency figures to Czech crowns

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

Adjusting entries

If the book value of fixed assets is declining, the accounting entity creates an adjusting entry due to temporary non-usage, damage, when making a decision to sell if the assumed selling price shall be lower than the book value, etc.

The adjusting entry to slow-moving and old inventory or otherwise temporarily depreciated inventory is created on the basis of analysis of the movement rate of the inventory and individual assessment of the inventory.

The valuation of doubtful debts is decreased by adjusting entries charged on the account of costs of their realisation value on the basis of individual assessments of individual debtors and all age groups of the receivables structure.

Statutory adjusting entries are created according to the Income Tax Act and in conjunction with the Act on Reserves. Accounting adjusting entries are created above their framework.

Equity

The registered capital of the state-owned company is reported in the amount registered in the Commercial Register at the Regional Court in compliance with the Memorandum of Association.

As regards other capital funds, the state-owned company especially records subsidies for capital equipment from previous periods and consideration-free transfers of the right to administer assets among state-owned organisations. As regards funds from profit, the state-owned company creates, in compliance with the statute, a reserve fund, cultural and social welfare fund, remuneration fund, investment and social fund. Creation and using of those funds are regulated by internal guidelines.

Reserves

The state-owned company uses reserves to express and cover risk, i.e. clearly predictable costs arising out of the company's specific subject of business activity, in compliance with an analysis (map) of the company's risks and measures intended to minimise the risks. The reserves are intended to cover liabilities or costs the nature of which is clearly defined and which shall probably or certainly occur by the balance sheet date, but the size or moment of occurrence of which are not certain. As at the balance sheet date, the reserve represents the best estimate of costs that are likely to occur, or, in case of liabilities, an amount that is necessary for their settlement. In compliance with those conditions, the following reserves are created in the state-owned company:

- A reserve for flood risk;
- A reserve for major repairs of the water management assets;
- A reserve for repair of assets acquired from grants;
- A reserve for litigation;
- A reserve for the medium-term element of wages.

Those reserves are created and used in compliance with applicable internal rules based on other primary documents, which especially include the Company Risks Map, an expert opinion of the Czech Technical University in Prague on determination of the amount of the flood reserve prepared in the form of statistic and frequency analysis of flood damage from previous periods, the Repair Plan, the Medium-Term Conception of the Company's Development, etc.



Accounting reserves created in this manner are subsequently really covered by separate funds in current accounts; their amount is specified, according to the reality, only at the beginning of the following accounting period.

Revenues and costs

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

Revenues and expenses are recognised on an accrual basis.

Income tax

The income tax cost is calculated using the effective tax rate from the accounting profit increased/decreased by the permanently/temporarily tax-unrecognisable costs and untaxed revenues (e.g. creating and accounting for other reserves and adjusting entries, entertainment expenses, difference between book and tax depreciation, etc.). Further, items that reduce the tax base, tax-deductible items and income tax rebates are taken into consideration.

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

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

Grants

A grant is posted to the accounts upon receipt or unquestionable entitlement to receipt. With regard to the specifics of the subject of the state-owned company's business activity and long-term experience with fulfilment of grant conditions, the accounting entity adopted the assumption that the conditions of unquestionable entitlement are fulfilled at the moment of account for a liability (after approval of correctness in rem and compliance of the claim with the conditions for award of the grant), which are to be covered by the grant, if not 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 to pay interest included in the acquisition price of the assets reduces the acquisition price or own acquisition costs.

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 described in the Notes to the Financial Statements, but are not recorded in the financial statements.

Mutual settlements

They do not occur in the accounting period.

Changes in accounting methods compared to the previous period

They do not occur in the accounting period.

Deviations from the accounting methods

They do not occur in the accounting period.

Correction of errors from previous years

They do not occur in the accounting period.

4. Additional information to the items in the financial statements

Long-term assets

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

Account group	Name	Position as at 1 January 2017	Increase	Decrease	Position as at 31 December 2017
01	Fixed intangible assets	130,125	4,269	-	134,394
02	Fixed tangible assets	7,190,058	165,184	42,630	7,312,612
03	Non-depreciated tangible fixed assets	437,997	43,943	18,549	463,391
04	Unfinished intangible and tangible fixed assets	219,581	453,398	446,817	226,162
05	Advance payments for intangible and tangible fixed assets	675	753	407	1,021
Total		7,978,436	667,547	508,403	8,137,580

Adjustments to fixed assets (in CZK thousands)

Account group	Name	Position as at 1 January 2017	Increase	Decrease	Position as at 31 December 2017
07	Dlouhodobý nehmotný majetek	115,006	12,103	-	127,109
08	Dlouhodobý hmotný majetek	3,420,389	140,289	42,027	3,518,651
Celkem		3,535,395	152,392	42,027	3,645,760

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

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

Land	as at 31 December 2016	as at 31 December 2017
– classification submitted for registration in the Land Register (not registered as at 31 December)	414	3,168
– discharge submitted for registration in the Land Register (not registered as at 31 December)	2	156

Grants for acquisition of fixed assets (in CZK thousands)

Purpose of grant / source	as at 31 December 2016	as at 31 December 2017
Flood prevention / state budget	282,193	241,574
Flood prevention / local government budgets	8,921	4,109
Measures on the Upper Opava – acquisitions / state budget	71,300	-
Support for small watercourses and small water reservoirs / state budget	4,486	3,657
Total	366,900	249,340

Assets acquired from grants for acquisition of fixed assets

The state enterprise has fixed assets acquired from grants on record as follows:

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

Subsidised assets	as at 31 December 2016	as at 31 December 2017
Partially subsidised assets	2,927,022	3,012,605
Fully subsidised assets	149,121	143,541



Current assets

Accounts receivable (in CZK thousand)

Receivables (short-term and long-term)	as at 31 December 2016	as at 31 December 2017
Receivables overdue	6,002	1,993
of which: - receivables that are more than 5 years overdue	777	813
Receivables with a maturity period longer than 5 years	0	0
Receivables covered by security in rem	0	0

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

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

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

Adjustment entry to receivables – Account 391 (in CZK thousands)

	as at 31 December 2016	as at 31 December 2017
Statutory	1,072	1,086
Accounting	4,424	439
Total	5,496	1,525

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

	Distribution of the profit 2016	Proposal of distribution of the profit 2017
Profit/loss	20,845	22,291
- Allocation to the Cultural and Social Welfare Fund (CSWF)	10,845	12,111
- Allocation to the bonus fund	9,970	9,970
- Allocation to the social fund	30	210

External resources

Reserves

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

Purpose	at 31 December 2016	as at 31 December 2017
Reserve for floods	40,974	37,000
Reserves for major repairs of the water management assets	83,219	74,421
Reserve for repair of assets acquired from investment grants	89,508	98,979
Other reserves (litigations, medium-term component of wages)	13,827	25,099
Total	227,528	235,499

Deferred tax liability – Account 481 (in CZK thousands)

Item	as at 31 December 2016	as at 31 December 2017
Net book value of small assets (Book Value)	3,420 216	3,446 826
Tax residual value of small assets (Residual Value)	2,319 942	2,314 318
Difference between book and tax prices (Book Value – Residual Value)	1,100 274	1,132 508
19%	209,052	215,176
Unpaid interest on late payments	18	4
19%	4	1
Total deferred tax liability	209,056	215,177

Deferred tax liability	– balance of Account 481 at 31 December 2016	209,056
	– balance of Account 481 at 31 December 2017	215,177
rozdíl	– difference – Account 592 Debit	6,122

Deferred tax receivable based on:

- tax losses in the amount of CZK 56,543 thousand,
- reserves in the amount CZK 235,499 thousand.

not accounted in compliance with the principle of conservation.

Liabilities (in CZK thousands)

Short-term liabilities	as at 31 December 2016	as at 31 December 2017
Liabilities overdue	295	295
of which: - liabilities that are more than 5 years overdue	295	295
Liabilities with a maturity period longer than 5 years	0	0
Liabilities covered by security in rem	0	0

Liabilities overdue 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 entity whose bankruptcy proceedings are not yet completed.

Long-term liabilities	as at 31 December 2016	as at 31 December 2017
Liabilities overdue	-	-
of which: - liabilities that are more than 5 years overdue	-	-
Liabilities with a maturity period longer than 5 years	-	-
Liabilities covered by security in rem	-	-

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

Contents	as at 31 December 2016	as at 31 December 2017
Long-term guarantees received	3,121	1,691

Long-term guarantees received apply to bank guarantees received for contractual obligations in connection with the management of tenders for building construction projects.

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

The state-owned company does not have any liabilities in the balance sheet.



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

Item	as at 31 December 2016	as at 31 December 2017
Fully subsidised assets	149,121	143,541
Low-value tangible and intangible assets	79,361	81,135

Selected cost and revenue items

HR costs

Item	as at 31 December 2016	as at 31 December 2017
Average number of employees (adjusted)	465	463
of which: White-collar category	246	245
Blue-collar category	219	218
Personnel costs incl. other personnel costs (in CZK thousands)	171,507	176,651
Social security and health insurance costs (in CZK thousands)	60,540	61,930
Remuneration for supervisory body members	958	1,488

Auditing services (in CZK thousands)

Purpose	as at 31 December 2016	as at 31 December 2017
Remuneration charged by auditors – statutory audit of the financial statements	180	234
Remuneration charged by auditors – other audit services	-	-

Non-investment grants(in CZK thousands)

Grant purpose / source	as at 31 December 2016	as at 31 December 2017
Flood prevention / state budget	19,971	27,976
Support for small watercourses and small water reservoirs / state budget	2,333	3,128
Total	22,304	31,104

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

Type of activity	as at 31 December 2016	as at 31 December 2017
Surface water sales	554,222	553,682
Electricity sales	56,669	62,942
Fish sales	12,004	13,536
Rent revenue	4,499	4,687
Revenues from laboratory work	2,589	2,275
Other revenues	5,978	4,806
Total (all in the Czech market)	635,961	641,928

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

The going concern principle

The state-owned company Povodí Odry, on the basis of the annual plan approved by the founder for the following accounting period, medium-term concept of the development of the company and other long-term targets, assumes the future continuation of its activities.

The financial statements of the state-owned company Povodí Odry as at 31 December 2016 were issued assuming the future continuation of its operations and do not include any arrangements arising from uncertainty of continuous existence of the accounting entity.

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

No events took place between the balance sheet date and date of issue of the financial statements, which would impact the explanatory power of the accounting statements.

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



Ing. Jiří Pagáč
General Director

Ostrava, dated 5 March 2018



POVODÍ ODRY, state-owned company

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Photographs: archive of the state enterprise Povodí Odry