



*Povodí Odry*  
*státní podnik*


ANNUAL REPORT 2023





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# FOREWORD BY THE GENERAL DIRECTOR

The year 2023 was very challenging for the Povodí Odry state-owned enterprise due to the large volume of major projects that were successfully completed or started. Among the most important projects are the extensive reconstruction and modernisation of the Morávka Waterworks on the Morávka River, and flood protection measures in Český Těšín on the Olza, Ropičanka, and Sadovský potok rivers.

For the second year we continued to build the flood protection measure Bohumín – Pudlov on the Oder River. At the end of the year we began construction work on the reconstruction of the Baška waterworks, which will be financed by the Povodí Odry state-owned enterprise from its own resources. As part of the mine damage repair, we began the reconstruction of the dam in Karviná – Ráj on the Olza River, and at the same time we began repairing flood damage on the Bělá River after the flash flood of 2021. Other completed works include the reconstruction of the Žermanice feeder, stage II, including the repair of two of its gradients.

In the past year repairs and maintenance were carried out with a total volume of CZK 155,415,000, 97.3% of which was covered from the own resources of the Povodí Odry state-owned enterprise. The annual volume of repairs and their year-on-year increase by almost CZK 20 million, testifies to the Company's efforts to ensure the best possible care of the water management assets entrusted to it. Acquisition of fixed assets totalled CZK 481,396,000, of which CZK 177,144,000 was paid from subsidy funds, CZK 297,387,000 was paid from the Company's own resources, and property was acquired in the amount of CZK 6,865,000 through gratuitous transfers and re-invoicing of work for the removal of mining damage. Subsidies for flood prevention, measures on small watercourses and small water reservoirs were mainly drawn from programmes of the Ministry of Agriculture.

I also cannot forget the ongoing intensive preparation of flood protection measures on the upper reaches of the Opava River, when the Bruntál Municipal Authority issued on 22 June 2023 its Decision on the location of the 'Nové Heřminovy Waterworks' construction. Further administrative activities are now under way to enter this decision into force.

The hydrological situation in the Oder basin was good throughout 2023, which was reflected in sufficient filling of the reservoirs and the associated smooth supply of water for industry and water supply and green electricity generation. These were essential prerequisites for maintaining the stable economic situation of the Company.

In this context it is necessary to mention that our Company's economy has been significantly affected by declining water consumption for industry and the payment discipline of some customers. In order to ensure the economic stability of the Company, we were forced to engage in very prompt and intensive cost-saving measures, especially in the cost area.

In 2023 we also completed the analysis of the Oder River basin water management system under climate change, on which we collaborated with doc. Dr. Ing. Pavel Fošumpauer from CTU Prague. The reason for the analysis was the long-term gradual decline in the water abstraction requirements in the Upper Oder sub-basin, which is associated with technological progress as well as with the change in the structure of industry, the decline of some plants and a slight decline in the population in our basin. The analysis concludes that the reliability of water resources in the Oder basin is assured for the expected development of climate change towards the time horizon of 2060 and beyond. The water management system of the Oder River basin will be able to consistently provide its consumers with the required amounts of water in highly above-standard security levels without disruptions in water supply.

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 2023

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

### NAME

Povodí Odry, státní podnik

### 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

26/03/2001

### LEGAL FORM

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

### GOVERNING BODY AS AT 31 DECEMBER 2023

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

### SUPERVISORY BOARD AS AT 31 DECEMBER 2023


Ing. Jiří Duda, Chairman  
Ing. Jiří Pagáč  
Mgr. Monika Brzesková  
Ing. Miroslav Krajíček  
Ing. Jakub Sajdl  
Ing. Antonino Milicia, Ph.D., MBA  
Ing. Ivana Mojžíšková  
Ing. Dalibor Kratochvíl  
Ing. Radek Pekař

### EXECUTIVE MANAGEMENT AS AT 31 DECEMBER 2023

Ing. Jiří Tkáč, General Director  
Ing. Břetislav Tureček, Technical Director  
Ing. Michaela Bachoríková, Economic Director  
Ing. Radek Pekař, Director of Plant 1 Opava  
Ing. Dalibor Kratochvíl, Director of Plant 2 Frýdek-Místek

### AUDIT COMMITTEE AS AT 31 DECEMBER 2023

Ing. Bc. Simona Székelyová, MBA, Chairperson  
Ing. Peter Suchý  
Ing. Jiří Duda



# COMPANY STRUCTURE

The scope of business of the state-owned enterprise 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 watercourse accidents 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 Economic 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 Office

## 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. It oversees activities related to the preparation and execution of investments and engineering activities, particularly projection and geodetic projects. 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. 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 planning process 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
- Investment Department
- Water management laboratory
- Design Department

## OFFICE OF THE ECONOMIC 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. At the same time it deals with the support for information systems, economic management and services in the area of commercial contracting and also ensures the property agenda.

### STRUCTURE OF THE DIVISION

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

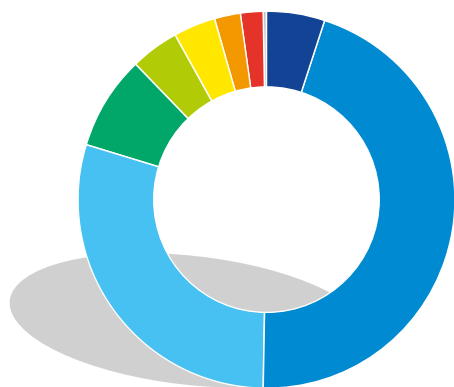
## OVERALL STRUCTURE OF TANGIBLE FIXED ASSETS

The volume of tangible fixed assets increased in comparison with 2022 by CZK 127.69 million. As at 31 December 2023, the total value of the fixed tangible assets in acquisition costs was CZK 7,999.00 million.

**The structure of fixed assets (excluding land, perennial crops, other tangible fixed assets and unfinished tangible fixed assets) is as follows:**

Buildings	5.23 %	418.36 million CZK
Reservoirs and fish ponds	43.47 %	3,477.14 million CZK
Adaptation of watercourses	27.74 %	2,218.56 million CZK
Weirs and stages	10.16 %	812.65 million CZK
Other objects	4.42 %	353.87 million CZK
Transport and working machinery	3.61 %	288.84 million CZK
Energy machinery and equipment	2.67 %	213.42 million CZK
Instruments, special technical equipment, VT:	2.57 %	205.88 million CZK
Inventory	0.13 %	10.28 million CZK
<b>Total small tangible fixed assets</b>	<b>100.00 %</b>	<b>7,999.00 million CZK</b>

Fixed tangible assets



Buildings	5.23%
Reservoirs and fish ponds	43.47%
Adaptation of watercourses	27.74%
Weirs and stages	10.16%
Other objects	4.42%
Transport and working machinery	3.61%
Energy machinery and equipment	2.67%
Devices, special technical equipment, VT	2.57%
Inventory	0.13%



**7,999** MILLION CZK  
OVERALL STRUCTURE OF  
TANGIBLE FIXED ASSETS



# HUMAN RESOURCES

The employer fulfilled its commitments under the Collective Agreement, which was signed after collective bargaining between the General Director and the authorised representative 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 a focus on safety, fire protection, working hygiene and provision of PPE to employees.

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

Number of employees	2021	2022	2023
Number of full-time equivalent employees	446.11	442.15	435.52
Average number of natural person employees	452.15	447.72	441.65
of which: White collar employees	240.38	240.34	237.86
Blue collar employees	211.77	207.38	203.79
Management of the state-owned enterprise	170.26	169.40	169.25
Opava Plant	122.53	120.16	116.81
Frýdek-Místek Plant	159.36	158.16	155.59

**Employees according to working location**

District	2021	2022	2023
Frýdek-Místek	106	104	103
Bruntál	28	29	30
Karviná	25	25	24
Jeseník	12	12	12
Opava	60	60	60
Šumperk	1	1	1
Ostrava – Město	189	190	185
Nový Jičín	27	25	23



# PROVISION OF INFORMATION

The Povodí Odry state-owned enterprise 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 (hereinafter referred to as the 'InfZ').

## ACTIVITIES IN THIS AREA FOR 2023 ARE SUMMARISED BELOW:

- **The number of requests for information filed and the number of decisions issued to reject requests** – In 2023, 11 requests for information were delivered to the state-owned enterprise and three decisions to reject requests were issued.
- **Number of appeals against decisions** – In 2023, one appeal was lodged against a decision.

**A copy of the relevant parts of each of the court verdicts 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 the InfZ, including the costs of their own employees and legal representation** – In 2023 no lawsuit was filed, and no funds were incurred for such purpose.

- **List of exclusive licences granted, including justification for the need to grant the exclusive licence** – No exclusive licences were granted in 2023.
- **Number of complaints filed under Section 16a of the InfZ and a brief description of how they were handled** – No complaints were filed in 2023.
- **Further information relating to the application of this Act** – All requests were handled in accordance with the InfZ.

# WATER CONSUMPTION

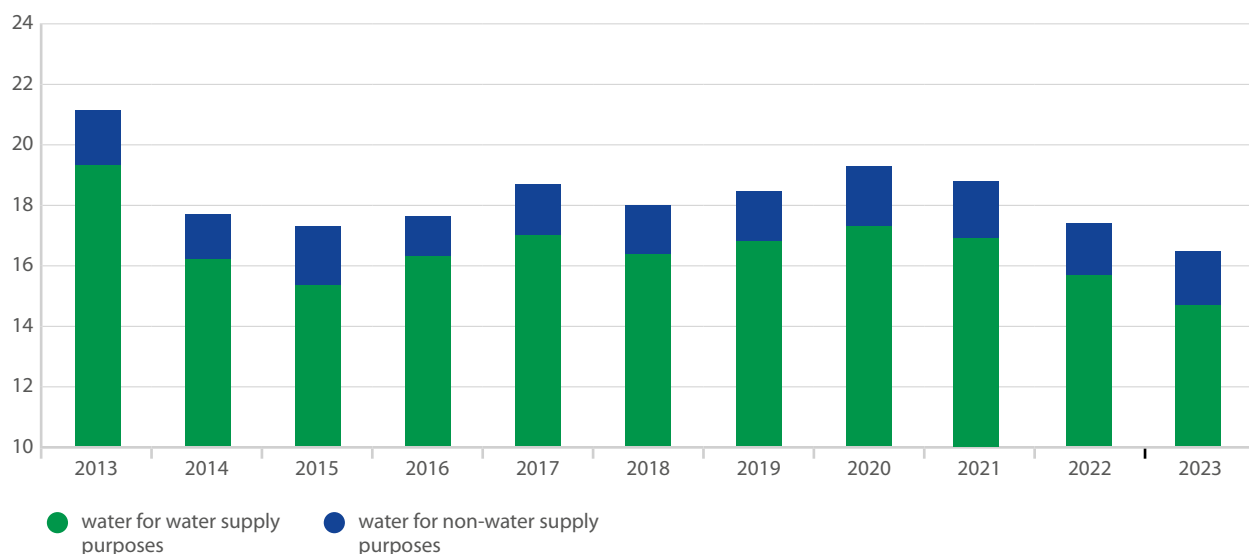
## UNDERGROUND WATER OFF-TAKE

In 2023 there was a significant decrease in groundwater withdrawals, with the lowest amount taken in the last 10 years. In the year-on-year comparison, there was a decrease of 1.3 million m<sup>3</sup> and 7%. A total of 16.3 million m<sup>3</sup> of water was withdrawn. The reduction in the overall amount of groundwater extracted occurred due to a decrease in withdrawals for water supply purposes in the Upper Oder River basin, partially caused by the shutdown of sources by Ostravské vodárny a kanalizací a.s. Ostrava. A total of 14.5 million m<sup>3</sup> were removed. Groundwater withdrawals for non-water supply purposes remained stagnant year-on-year at a value of 1.8 million m<sup>3</sup>.

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

Years	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Water for water supply purposes	19.2	16.1	15.6	16.2	17.1	16.4	16.5	17.6	17	15.8	14.5
Water for non-water supply purposes	1.7	1.6	1.7	1.5	1.6	1.6	1.8	1.7	1.9	1.8	1.8
<b>Total underground water</b>	<b>20.9</b>	<b>17.7</b>	<b>17.3</b>	<b>17.7</b>	<b>18.7</b>	<b>18</b>	<b>18.3</b>	<b>19.3</b>	<b>18.9</b>	<b>17.6</b>	<b>16.3</b>

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



16.3 [MILLION M<sup>3</sup>]

OF TOTAL GROUNDWATER  
WAS WITHDRAWN

## SURFACE WATER OFF-TAKE

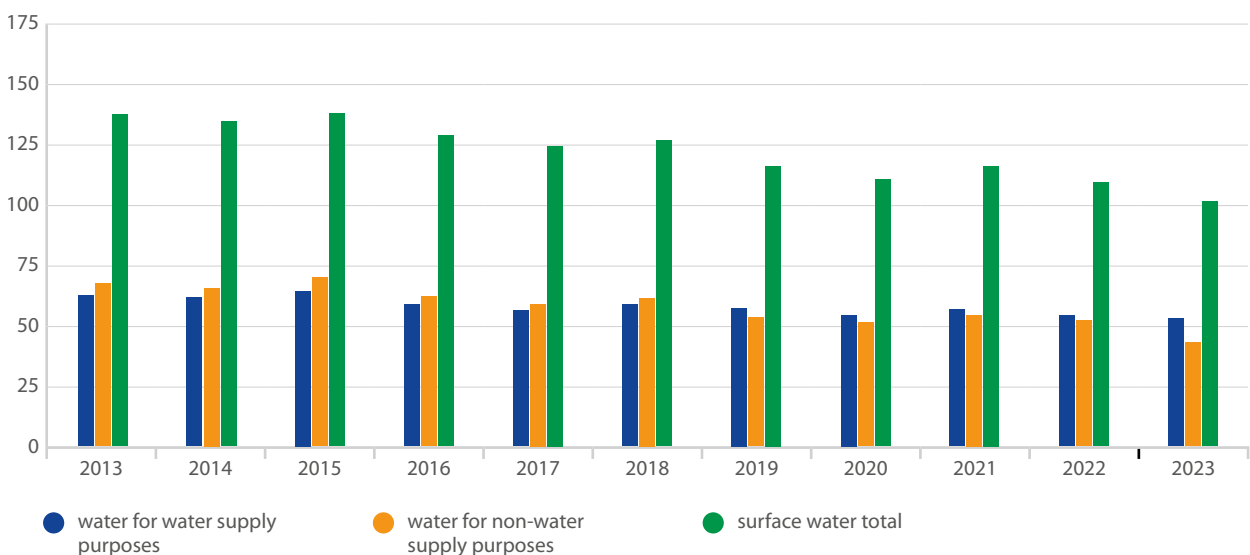
The year 2023 was a year with a significant decrease in surface water withdrawals, especially for industrial entities. In total, 100.9 million m<sup>3</sup> of water was withdrawn from the sources of the Povodí Odry state-owned enterprise, representing a year-on-year decrease of 8.5 million m<sup>3</sup> (or 8%) and the lowest withdrawal value in recent history. The industrial entities withdrew 44.4 million m<sup>3</sup> compared to 52.7 million m<sup>3</sup> in 2022, while the highest decrease was recorded in withdrawals by the steel company Liberty Ostrava, a.s. There was a slight decrease of 0.2 million m<sup>3</sup> (from 56.7 to 56.5 million m<sup>3</sup>) in withdrawals for supplying drinking water to the population.

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

Years	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Water for water supply purposes	65.1	64.9	65.0	62.3	60.6	60.9	60.2	57.2	57.6	56.7	56.5
Water for non-water supply purposes	71.5	70.2	71.8	65.7	63.5	64.5	55.5	51.5	55.3	52.7	44.4
<b>Surface water total</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>	<b>108.7</b>	<b>112.9</b>	<b>109.4</b>	<b>100.9</b>



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



# ELECTRICITY GENERATION

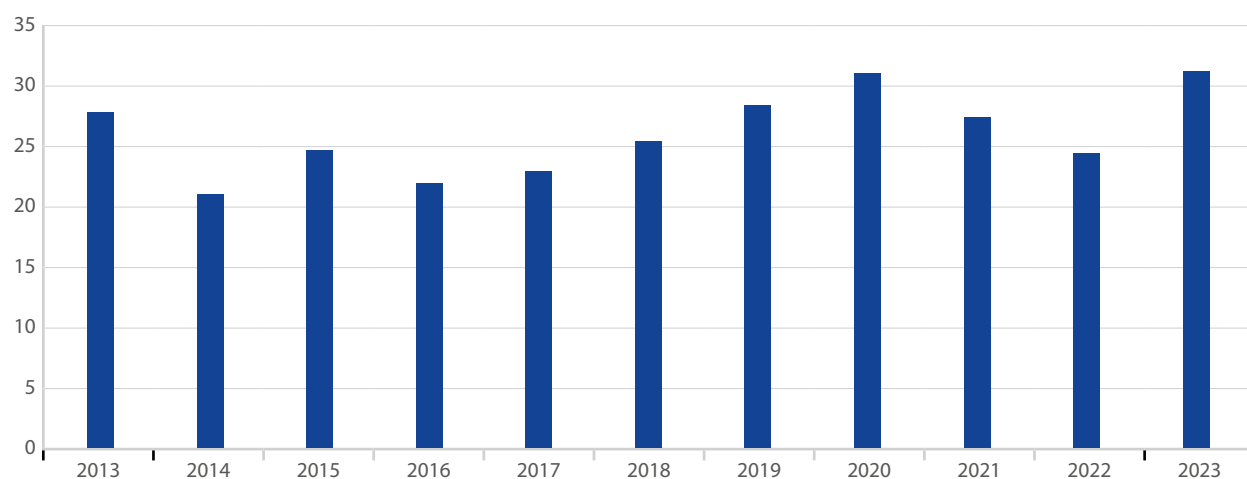
In 2023 there was a change in the production of electricity in the hydroelectric power plants of the state-owned enterprise Povodí Odry, and due to the favourable hydrological situation, a total of 31.0 million kWh of electricity was generated, which is 6.1 million kWh and almost 25% more than in 2022. The better hydrological conditions had an impact on the reservoirs' capacity and thus on the amount of electricity produced.

## Production of electric power in millions of kWh

Years	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Total	27.559	20.992	24.824	21.820	23.289	25.198	27.767	30.119	26.839	24.905	31.024



## Annual production of electric power in millions of kWh



# WATER QUALITY CONTROL

An important activity of our state-owned 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 quality includes not only basic physical-chemical parameters but also heavy metals, pesticides, and a wide range of pollutants from priority substances, priority hazardous substances, and specific organic substances that enter the aquatic environment through emissions generated by various manufacturing processes, agricultural activities and other human activities. Great emphasis is also placed on monitoring biological components such as fish populations, macrozoobenthos, phytoplankton, phytobenthos and others. An integral part of the evaluation of the watercourses is also the assessment of its selected hydro-morphological characteristics, i.e., whether building constructions and other anthropogenic activities in the water channel have disrupted the 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-owned 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 of 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 2023, the water quality care department handled about 2.6 thousand record items.

The water analyses carried out are evaluated annually and are further used both for state administration and for information of the professional and general public. They are the underlying basis for compiling the water balance and are also used for negotiations within bilateral agreements and for the activities of the International Commission for the Protection of the Oder River against Pollution.

## WATER QUALITY CONTROL – VHL

The monitoring of water quality in 2023 was accomplished in compliance with the annual plan prepared according to the existing legislation and the needs of our state-owned enterprise. Within the framework of operational monitoring, 156 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 6 to 12 off-takes per year. Basic monitoring was also done at the selected discharges of the contaminators of surface water.

The total volume of the outputs of the water management laboratories in 2023 was approximately CZK 21.93 million. The percentage share of the individual types of analyses in the total outputs is given in the following graph:

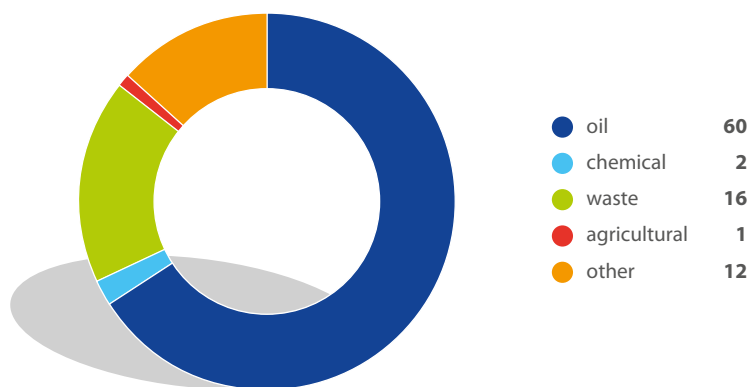


# WATER PURITY FAILURE IN 2023

## ACCIDENTS IN 2023

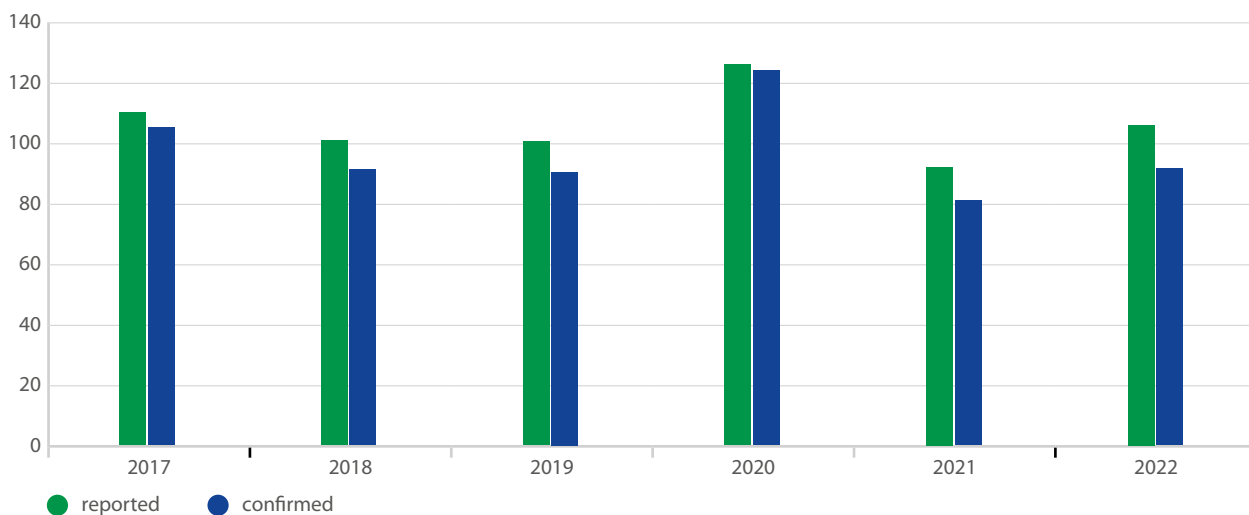
<b>Reported accidents</b>	<b>104</b>
<b>Confirmed accidents</b>	<b>91</b>
of which: reported after lapse of accident	4
of which: confirmed threat to the watercourse	43
<b>Unconfirmed accidents</b>	<b>13</b>

Division of confirmed accidents by type of contamination



## TREND OF REPORTED AND CONFIRMED ACCIDENTS IN THE 2018-2023 PERIOD

Year	2018	2019	2020	2021	2022	2023
reported	110	101	100	126	92	104
confirmed	107	92	91	122	81	91



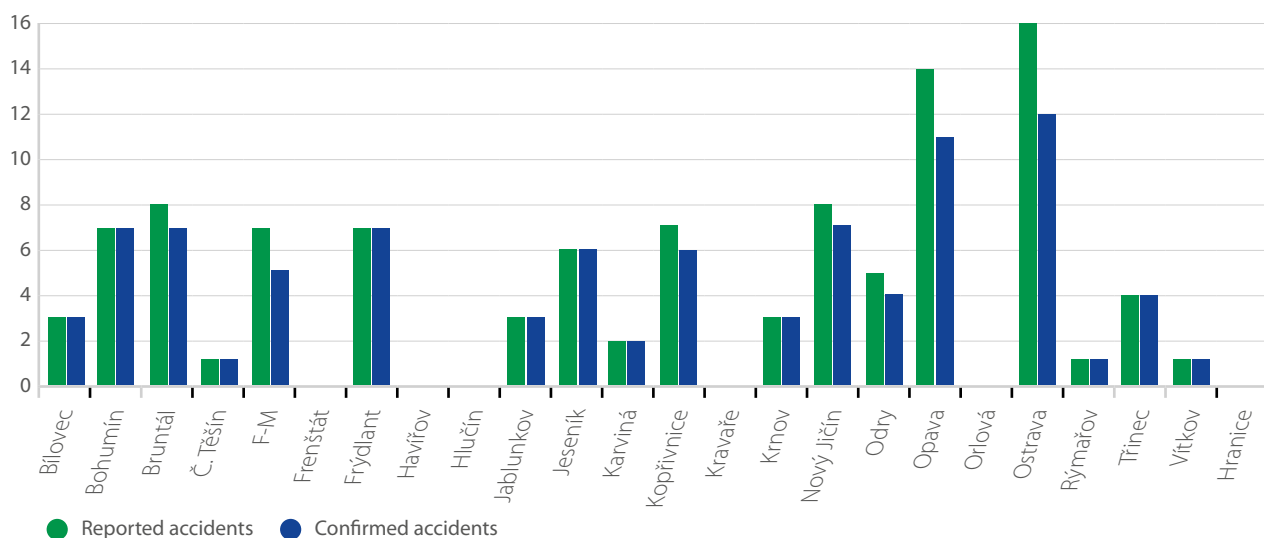
## ACCIDENTS IN 2023 IN THE TERRITORIES OF THE INDIVIDUAL MUNICIPALITIES WITH EXTENDED POWERS

In 2023 a total of 91 accidents were confirmed, which resulted in deterioration of or danger to the quality of surface or ground waters. Overall, accidents involving petroleum products prevailed, accounting for about 66%.

ORP		Bílovec	Bohumín	Bruntál	Č. Těšín	F-M	Frenštát	Frýdlant	Havířov
Accidents	reported	3	7	8	1	7	0	7	0
	confirmed	3	7	7	1	5	0	7	0

ORP		Hlučín	Jablunkov	Jeseník	Karviná	Kopřivnice	Kravaře	Krnov	Nový Jičín
Accidents	reported	0	3	6	2	7	0	3	8
	confirmed	0	3	6	2	6	0	3	7

ORP		Odry	Opava	Orlová	Ostrava	Rýmařov	Třinec	Vítkov	Hranice
Accidents	reported	5	14	0	16	1	4	1	0
	confirmed	4	11	0	12	1	4	1	0



## MORE SIGNIFICANT ACCIDENTS

### 20 3 2023 OSTRAVA VÝŠKOVICE – FISH MORTALITY

The IBC reported a fish mortality in the dead-end of the Oder River near Husarova Street in Ostrava-Výškovice.

Three fish and nine water samples were taken at the scene. The source of pollution was a burst sewage pipe near the MOL gas station. The accident was caused by OvaK, which was dredging the leaked sediment of wastewater from the confluence of an unnamed stream and the Výškovický stream along the dam of the first reservoir of the dead arm of the Oder River. Two waterway barricades were built. The pH and conductivity were measured continuously. ČRS diverted these two flows during the works to the Oder River. 24 3 2023 completion of the works, two tankers of sludge and slurry were removed and the waterway barricades were removed. The watercourse is clean and free of fish mortality.

The emergency situation was handled by the Water Management Authority of the City of Ostrava, Department of Environmental Protection, regarding the emergency state pursuant to the provisions of Sections 40 and 41 of Act No. 254/2001 Coll., on water and on amendments to some acts, as amended.



## 27 APRIL 2023 POLANKA, POLANECKÁ STREET (NEAR KOVOŠROT) – TRUCK ACCIDENT

IBC operations officer informed about a truck crash, direction Svinov – Polanka, Polanecká Street.

Fire-fighters intervened at the scene. The truck ran off the road into a wetland and a NEL leak was confirmed. The fire-fighters pumped the fuel from the tanks, advising that there was no leakage of operating fluids into the ground. The vehicle is not in a wetland but on dry ground (reeds), and the truck is secured against overturning by a crane. Before pumping out the reservoir, the area was filled with sorbent. The company freed the truck itself. The Police of the Czech Republic – Head of the Traffic Accident Group confirms that the traffic police dealt with the incident as a traffic accident. The originator of the accident ordered Ekoaqva, s. r. o. to dispose of the contamination residues. Watercourse without pollution.

The emergency situation was handled by the Water Management Authority of the City of Ostrava, Department of Environmental Protection, regarding the emergency state pursuant to the provisions of Sections 40 and 41 of Act No. 254/2001 Coll., on water and on amendments to some acts, as amended.

## 5 APRIL 2023 VT BÍLOVKA – BÍLOVEC

The Water Authority in Bílovec informs about a minor fish die-off in the Bílovka watercourse in Bílovec.

The fire protection (PO) emergency service, state-owned enterprise, is on the site together with ORP Bílovec and ČIŽP (Czech Environmental Inspectorate). Dead fish are found in the Bílovka watercourse between Bílovec and Velké Albrechtice, including larger fish. Some of the fish are still alive, but malnourished. They inspected the outfall from the company Massag, where the watercourse is clean and free of die-off. Water samples were taken.

In a 3 km section of the Bílovka watercourse (between Bílovec and Velké Albrechtice), dozens of dead fish of various species and sizes (trout, chub, gudgeon) were found. Some fish were still alive but lethargic. They took six water samples from different locations in the watercourse: above the Massag outfall, below the outfall from the neutralisation tank and additional samples further downstream. ORP Bílovec sent descriptions of the collected samples, and ČIŽP arranged the analysis order with VHL PO, a state-owned enterprise. The emergency service of the PO of the state-owned enterprise carried out measurements of basic chemical parameters pH, oxygen, conductivity, and collected several fish specimens (only dead ones). The inspection of the watercourse was conducted by the manager of ČRS Bílovec (Czech Fishing Union in Bílovec). If he manages to catch a live fish, he will arrange with HS PO s. p. (emergency service of the state-owned enterprise) to transport the fish for analysis to Doc. Řehulka. He will also inform the Water Authority in Bílovec about the inspection results. ČIŽP will arrange an inspection of the Massag premises.

The water in the watercourse was visually free of pollution and odourless. During the inspection at the Massag premises, conductivity measurements in the accumulation tank showed elevated values up to 2,000  $\mu\text{S}/\text{cm}$ , whereas Massag recorded values of 500  $\mu\text{S}/\text{cm}$  in their morning analysis.

ČIŽP did not allow Massag to discharge the homogenisation tank because the levels of Zn and Ni greatly exceeded parameters. The water from the tank is to be pumped out and taken away for disposal. ČIŽP will measure values (conductivity) below the outfall from the neutralisation station and also inspect the watercourse. They request that the emergency service of the state-owned enterprise conduct the inspection and measurements over the weekend. The fish die-off continues.

ČIŽP conducted measurements in the Bílovka watercourse below Massag. According to instructions, the company is not discharging wastewater. HS PO s.p. carried out a visual inspection of the Bílovka watercourse from Massag to Velké Albrechtice, revealing no live fish. Massag does not discharge wastewater. No newly dead fish are visible at the site.

With the participation of ČIŽP and HS PO s.p., an inspection of the wastewater treatment technology at Massag was carried out. The inspection revealed that an incorrect discharge of the pickling bath into the wastewater occurred, which subsequently leaked into the Bílovka watercourse. The discharge of wastewater is still halted. The newly generated wastewater is being pumped and transported for disposal by the waste management company Marius Pedersen. HS PO s.p. carried out another inspection of the Bílovka watercourse. No wastewater is being discharged.

21 April 2023 in the evening, Massag began discharging water from the neutralisation station.

23 April 2023 HS PO s.p. carried out a visual inspection of the area. The inspection revealed that there are no more dead fish or other pollution in the Bílovka watercourse. Investigation concluded. The originator of the accident is Massag, a. s. Bílovec.

The resolution of the emergency situation was managed by the Water Authority of the town of Bílovec, Department of Environmental Protection, concerning the emergency state under Sections 40 and 41 of Act No. 254/2001 Coll., on water and on amendments to some acts, as amended.

# TERMINATION OF THE DEVELOPMENT OF MEASURING STATIONS FOR THE WATER MANAGEMENT DISPATCH CENTRE

Last year we commissioned two new measuring stations in the Rychlebské Mountains area, completing the set of flood control measures in the Vojtovice Creek basin, which was affected by the 2009 centennial flood. This also marked the end of the phase of building new stations for the Water Management Dispatch Centre. The existing monitoring system is already very extensive, covering the entire area managed by state-owned enterprise Povodí Odry. It includes the measurement of meteorological and hydrological data on watercourses, at water structures, water quality measurement and the operation of a climatological station in Nové Heřminovy.

During the development and operation of the measuring stations, we closely collaborated with the Ostrava branch of the Czech Hydrometeorological Institute in areas such as the joint use of stations, the creation of rating curves, data provision, etc. The monitoring system began to be built in the 1980s as a fundamental element for monitoring meteorological and hydrological conditions in the Oder River basin. Its development was also influenced by the occurrence of extreme events (regional or local floods), the construction of large water reservoirs, and the requirements of the Hydrog rainfall-runoff model, among other factors. The existing system includes the measurement of meteorological and hydrological data on watercourses and in their catchments, at water structures,



Vlčice



Nové Heřminovy

water quality measurement and the operation of a climatological station in Nové Heřminovy. The measurement results are displayed in the VHD application and are primarily used by the technical departments of the enterprise and its branches.

Measurements on watercourses include monitoring the water level (height of the water surface) at the measurement profile with conversion to flow rate, precipitation amount and air temperature. The water level is measured in several ways, with the choice of measurement method depending on the location, susceptibility to thunderstorms, data transmission method and evolving based on experience with the reliability of measurements. The accuracy of water level measurement is 1 cm for all types of probes. Precipitation is measured using a heated tipping bucket rain gauge with a catchment area of 500 cm<sup>2</sup> and an accuracy of 0.1 mm. At the climatological station in Nové Heřminovy, a weighing rain gauge with a catchment area of 500 cm<sup>2</sup> is also installed.

Measurements at significant water structures include monitoring water levels and precipitation similarly to those on watercourses. Additionally, they involve measuring the water level in the reservoir with conversion to volume. Furthermore, we acquire data from the control systems of the water structures, from the operational technical monitoring (TBD), and footage from cameras installed in the camera system, which are displayed in the dam keeper's house and on the VHD. Movable cameras primarily monitor discharge facilities, while fixed cameras serve more of a security role and are focused on the entrances to individual important structures. The recordings from the cameras are kept for as long as necessary. At other selected water structures, we primarily measure the water level in the reservoir with conversion to water volume, the amount of outflowing water, water and air temperatures, and possibly other selected parameters.

We measure water quality parameters – pH, dissolved oxygen, redox potential, conductivity, water temperature and air temperature – at three profiles: on the Ostravice in Ostrava, on the Olše in Dětmárovice and on the Oder in Bohumín. We ensure the measurement of the above-mentioned parameters using an analyser station located in the measuring station facility, where water from the river is pumped by a peristaltic pump, which does not alter the measured parameters during pumping.



Bernartice

The climatological station in Nové Heřminovy provides data that will be used to evaluate the impact of the planned reservoir on the local climate and are already being partially used operationally today.

Data transmission from the measuring stations is typically carried out through one of two separate 'intelligent' radio networks from most of the measuring stations. At stations where there is no radio signal, data is transmitted via GPRS. Data from significant water structures (reservoirs) is transmitted via a LAN network implemented through microwave transmission, and in case of its failure, data is transmitted via radio. The microwave connection is significantly faster and has a higher capacity than radio transmission, allowing for real-time video transfer from cameras.

Currently, the Water Management Dispatch Centre measures water levels on watercourses at 120 profiles, of which 41 profiles also measure precipitation. Precipitation is measured independently at an additional 47 locations. The Water Management Dispatch Centre operates 10 relay stations for radio transmission, 3 of which also serve for microwave connection. The development of measuring stations is thus concluded, but due to the planned small water reservoirs, the construction of additional stations cannot be entirely ruled out. In the next 10 years this will likely include the small water reservoirs (MVN) in Stěbořice on the Velká, Jičina on the Grasmanka, MVN on the Rakovec and Polančice, or the inflatable weir on the Polančice in Polanka nad Odrou, potentially the movable weir on the Ščučí relief channel and, of course, the water measurement system for the Nové Heřminovy reservoir (limnigraphs on the Opava River above the reservoir with flow distribution control into the river and the bypass channel intended for aquatic organism migration, on the Milotice stream, on the Opava River below the reservoir, at the weirs in Zátor and Brantice), including the need to establish a relay station in the Krnov area.



# RECONSTRUCTION OF THE MORÁVKA WATERWORKS

The Morávka Valley Reservoir on the Morávka River, with a total storage volume of 11.949 million m<sup>3</sup>, is the smallest water supply reservoir in the Water Management System of the Oder River basin. The quality of the water is among the best that can be found in reservoirs throughout the Czech Republic. The reservoir also plays a crucial role in flood protection of the area below the dam.

The reservoir was constructed between 1961 and 1969. After the floods in 1997, the dam underwent an extensive reconstruction, during which it was emptied for several months. The original upstream asphalt concrete sealing was partially milled off and replaced with a Sibelon PVC geomembrane. A new bypass gallery was also established on the right slope and a drainage gallery on the left slope of the dam.

The purpose of the last reconstruction of the Morávka dam, which took place from March 2021 to October 2023, was to implement measures for the safe management of extreme floods according to newly established European standards.

The construction and technical measures mainly involved the construction of a new secondary spillway to increase the inflow capacity to the safety spillway during the transformation of a flood wave larger than a centennial flood. Additionally, the capacity of the main safety spillway and the drop structure was increased. The original concrete structure of the safety chute was completely demolished and replaced with a new reinforced concrete structure with greater capacity. The new chute can now safely transfer up to 300 m<sup>3</sup> of water per second into the riverbed of the Morávka watercourse during floods.

It was also necessary to restore and complete the full function of the wave breaker on the dam crest and secure the left-bank entrance to the injection gallery against water seepage when the reservoir level is elevated.



The original concrete bridge structure over the safety chute on the dam crest was completely removed and replaced with a new one. New operational cable distributions and technical safety monitoring devices were also installed.

The reconstruction was designed by Golik VH s.r.o., and the contractor selected for the work was Společnost VD – Morávka, the administrator of PORR a.s.

The total investment costs of approximately CZK 147.4 million were covered by the Ministry of Agriculture within the subsidy programme 'Support for Flood Prevention IV' and from the own funds of the state enterprise Povodí Odry.

After the successful approval by the Regional Authority of the Moravian-Silesian region in December 2023, which included the approval of extraordinary measures, the full storage capacity of the dam reservoir was fully restored by the end of 2023.

The purpose of the reconstruction was to bring the Morávka Waterworks in line with stricter technical standards and to carry out additional construction modifications so that the dam can continue to reliably serve as a significant source of drinking water, protect the region from floods and mitigate the negative impacts of drought.

# RECONSTRUCTION OF THE ŽERMANICE FEEDER

The Vyšní Lhoty – Žermanice feeder is an artificial waterwork that was constructed ‘from scratch’ between 1953 and 1958. It has a length of 7.519 km (and 9.26 km including the Lučina riverbed section) with a total elevation difference of 94 m and twenty drop structures. An average of 35 million m<sup>3</sup> of water flows through the feeder annually. The feeder channel has a trapezoidal shape, with a bottom width of 10 m and an average longitudinal slope of 0.3%.



The primary purposes of the waterwork are to gravitationally transfer water from the Morávka watercourse to the Lučina River watercourse, where the Žermanice valley reservoir is located, and to enhance flood protection for the communities in the lower Morávka area, particularly the city of Frýdek-Místek, by transferring up to 50 m<sup>3</sup> per second during floods.

Due to the ongoing degradation of the concrete reinforcement in the feeder channel, the Company management decided to gradually reconstruct the section from the distribution structure to drop structure no. 18, totalling 3.633 km.





In 2019 the first stage of construction work was carried out on the feeder section from km 0.000 to 1.881. The purpose of this stage was to both prevent seepage of transferred water into the Morávka riverbed, as the first section of the feeder runs mostly in close proximity to the Morávka stream, and to efficiently transfer large volumes of water from Morávka to Lučina, where they are mitigated by the Žermanice reservoir. The costs for the first stage amounted to CZK 115 million. The second stage of the reconstruction of the Vyšní Lhoty–Žermanice feeder, from km 1.881 to 3.633, was carried out with the same objective from October 2022 to October 2023.

The construction and technical measures mainly involved demolishing the original concrete reinforcement and transporting it to intermediate storage sites. Unfavourable foundation conditions necessitated excavation of the subsoil and the creation of new stable substrate layers by placing compacted gravel on geotextiles and geogrids. This was followed by the gradual spreading of separation foil, manual pouring of shore reinforcement, pouring of bottom reinforcement using a rotary roller suspended in a frame structure, installation of reinforcement from grass tiles, etc. The investment costs for the second stage, amounting to approximately CZK 163 million, were covered by the Ministry of Agriculture within the subsidy programme 'Support for Flood Protection Measures along Watercourses' and by the share of own funds of the state-owned enterprise Povodí Odry.

The entire reconstruction was designed by AQUATIS a.s. Brno., and the construction works were carried out by OHLA ŽS, a.s.

It can be stated that the waterworks, which plays an important role within the entire Water Management System of the Oder River basin, a state-owned enterprise, has been successfully modernised. It significantly protects the city of Frýdek-Místek from floods while also enabling the transfer of high-quality water, with minimal water loss, as needed from the Morávka Waterworks to the Žermanice Waterworks, which supplies water to industrial enterprises and also serves as a recreational area.







# ECONOMIC RESULTS FOR 2023

In 2023 the Czech economy experienced the negative effects of the energy crisis and high inflation. In a region historically focused primarily on heavy industry the recession deepened, and the operations of most companies experienced a dramatic slowdown. This negatively affected surface water consumption, which constitutes a significant source of revenue for the state-owned enterprise Povodí Odry.

However, despite these negative macroeconomic influences, very good results were achieved both in terms of financial performance and the balance sheet of the enterprise's economy. The economic result amounted to CZK 64,508 thousand and will largely be used to finance significant investment projects of the state-owned enterprise Povodí Odry.

Total revenues amounted to CZK 812,498 thousand, with the most significant portion of the Company's income coming from revenues for surface water consumption, totalling CZK 625,501 thousand. A significant item within the total revenues was revenue from electricity production, amounting to CZK 111,458 thousand, i.e., a significant year-on-year increase achieved due to very favourable hydrological conditions throughout the calendar year. Similarly, for most other revenue items, year-on-year improvements were achieved, especially in the case of rental income, performances of water management laboratories, and revenue from profitable sales of transportation and mechanisation equipment as part of their regular reproductive renewal. Thanks to the continued anti-inflationary policy of the Czech National Bank, higher financial yields were also achieved year-on-year. Non-investment grant funds entering the Company's revenues amounted to CZK 4,209 thousand and were provided by the Ministry of Agriculture under Programme 129 390 'Support for Measures on Small Watercourses and Small Water Reservoirs – 2nd stage'.

In 2023 expenses were incurred in a total amount of CZK 747,990 thousand. A significant expense item incurred in 2023 was repairs and maintenance of water management assets, totalling CZK 155,415 thousand, of which 97.3% was covered by the state enterprise's own funds. The annual volume of repairs, along with their year-on-year increase of almost CZK 20 million, reflects the Company's effort to ensure the best possible care for the entrusted water management assets.

In 2023, the acquisition of long-term assets amounted to a total of CZK 481,396 thousand, of which CZK 177,144 thousand was covered by grant funds, CZK 297,387,000 was paid from the Company's own resources, and through gratuitous transfers and re-invoicing of work for the remediation of mining damage, assets were acquired in the amount of CZK 6,865 thousand. Grant funds were provided by the Ministry of Agriculture under Programme No. 129 360 'Support for Flood Prevention, 4th Stage' and Programme No. 129 390 'Support for Measures on Small Watercourses and Small Water Reservoirs – 2nd Stage'. Subsidies for the purchase of an electric car were drawn from the State Environmental Fund under the 'National Environmental Programme'.

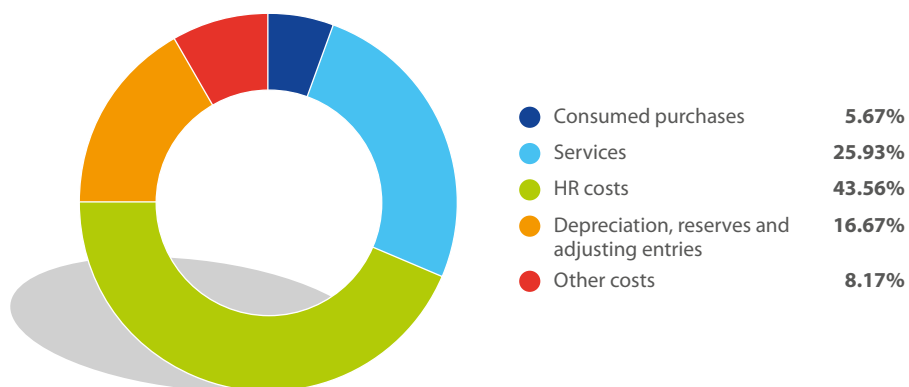
Due to the negative impacts of the external environment on the Company's operations, 2023 was one of the more challenging years. However, thanks to lower operating costs and higher achieved performances and financial yields, the enterprise managed to achieve better economic results even in these difficult times. The economy of the state-owned enterprise Povodí Odry is at a stable level, and the closing balance of cash as of 31 December 2023 has provided a good starting point for the upcoming period. This period will be challenging due to higher energy prices and the unfavourable economic situation of some key industrial consumers in the region. Additionally, there is an internal commitment stemming from the volume of construction projects planned for implementation in 2024 and the medium-term time horizon beyond.

## EXPENSES (IN THOUSANDS OF CZK)

Consumed purchases	42,512
Purchased services	193,935
of which: Repairs and maintenance	155,415
Other services	38,520
HR costs	325,789
of which: Wage costs	224,061
Social security and health insurance	79,676
Other social costs	22,052
Taxes and fees	2,292
Other operating costs	11,437
Depreciation, reserves and adjusting entries	124,666
of which: Depreciation	152,856
Reserves and adjusting entries	-28,190
Change in inventory levels and capitalisation	-515
Financial costs	112
Deferred tax	47,762
<b>Total costs</b>	<b>747,990</b>

## STRUCTURE OF COSTS

Consumed purchases	5.67%	42,512
Services	25.93%	193,935
HR costs	43.56%	325,789
Depreciation, reserves and adjusting entries	16.67%	124,666
Other costs	8.17%	61,088
<b>Total costs</b>	<b>100.00%</b>	<b>747,990</b>

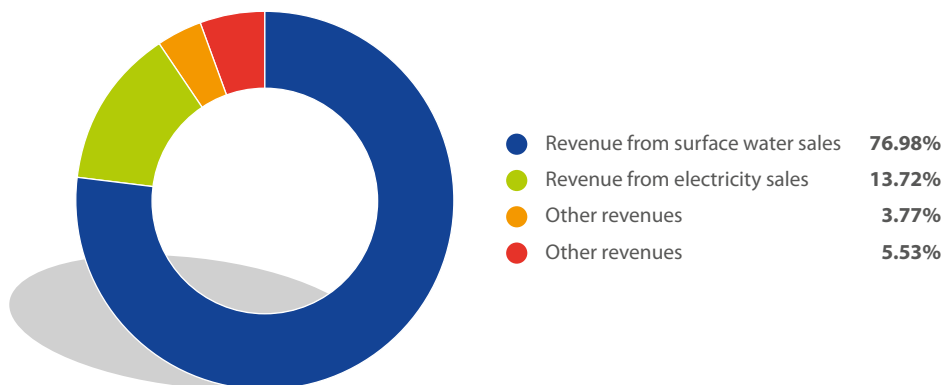


## REVENUES (IN THOUSANDS OF CZK)

Sales	767,608
of which: For surface water	625,501
For electricity	111,458
For fish	14,116
For services	16,533
Other operating revenues	21,017
Financial revenues	23,873
<b>Total revenues</b>	<b>812,498</b>

## REVENUE STRUCTURE

Surface water sales	76.98%	625,501
Revenue from electricity sales	13.72%	111,458
Other revenues	3.77%	30,649
Other revenues	5.53%	44,890
<b>Total revenues</b>	<b>100.00%</b>	<b>812,498</b>



# AUDITOR'S REPORT



## ZPRÁVA NEZÁVISLÉHO AUDITORA pro zakladatele státního podniku o ověření účetní závěrky a výroční zprávy za rok 2023

**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. 2023, výkazu zisku a ztráty, za rok končící 31. 12. 2023, 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. 2023 a nákladů a výnosů a výsledku jejího hospodaření a peněžních toků za rok končící 31. 12. 2023 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.

### ***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 obdržení ostatních informací 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.

### *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.

AUDIT BARTOŠ s.r.o.  
Žernovník 42, 679 21 Černá Hora  
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: 13. března 2024

.....  
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

In full format as at 31 December 2023 (in thousands of CZK)

Label	Item content	Current period		Prior period	
		Gross	Correction	Net	
	<b>TOTAL ASSETS</b>	<b>9,606,935</b>	<b>-4,451,583</b>	<b>5,155,352</b>	<b>5,088,163</b>
<b>B.</b>	<b>Fixed assets</b>	<b>9,138,963</b>	<b>-4,450,638</b>	<b>4,688,325</b>	<b>4,541,730</b>
B.I.	Fixed intangible assets	181,319	-168,706	12,613	17,415
B.I.1.	Intangible results of research and development	13,948	-13,948	0	0
B.I.2.	Valuable rights	85,019	-74,983	10,036	12,976
B.I.2.1.	Software	85,019	-74,983	10,036	12,976
B.I.4.	Miscellaneous long-term intangible assets	81,532	-79,775	1,757	4,393
B.I.5.	Advances provided for long-term intangible assets and unfinished long-term intangible assets	820	0	820	46
B.I.5.2.	Incomplete intangible fixed assets	820	0	820	46
B.II.	Fixed tangible assets	8,957,644	-4,281,932	4,675,712	4,524,315
B.II.1.	Land and structures	7,821,697	-3,694,157	4,127,540	4,094,905
B.II.1.1.	Land	541,113	0	541,113	533,143
B.II.1.2.	Buildings and structures (constructions)	7,280,584	-3,694,157	3,586,427	3,561,762
B.II.2.	Tangible movable things and their groups	718,420	-587,301	131,119	149,315
B.II.4.	Other tangible fixed assets	1,156	-474	682	697
B.II.4.1.	Perennial crops	87	-87	0	0
B.II.4.3.	Other tangible fixed assets	1,069	-387	682	697
B.II.5.	Advance payments for tangible fixed assets and tangible fixed assets under construction	416,371	0	416,371	279,398
B.II.5.1.	Provided advances for long-term tangible assets	1,402	0	1,402	1,212
B.II.5.2.	Incomplete tangible fixed assets	414,969	0	414,969	278,186
<b>C.</b>	<b>Current assets</b>	<b>465,836</b>	<b>-945</b>	<b>464,891</b>	<b>545,384</b>
C.I.	Inventory	8,526	0	8,526	8,518
C.I.1.	Materials	3,578	0	3,578	3,392
C.I.4.	Animals	4,948	0	4,948	5,126
C.II.	Accounts receivable	153,212	-945	152,267	133,640
C.II.1.	Long term receivables	67	0	67	62
C.II.1.5.	Receivables – others	67	0	67	62
C.II.1.5.2.	Long-term provided advances	35	0	35	30
C.II.1.5.4.	Other receivables	32	0	32	32
C.II.2.	Short-term receivables	153,145	-945	152,200	133,578
C.II.2.1.	Trade receivables	149,034	-925	148,109	126,567
C.II.2.4.	Receivables – others	4,111	-20	4,091	7,011
C.II.2.4.4.	Short-term advance payments made	1,741	0	1,741	1,133
C.II.2.4.5.	Contingent assets	0	0	0	74
C.II.2.4.6.	Other receivables	2,370	-20	2,350	5,804
C.IV.	Monetary funds	304,098	0	304,098	403,226
C.IV.1.	Cash on hand	397	0	397	476
C.IV.2.	Money in bank accounts	303,701	0	303,701	402,750
<b>D.</b>	<b>Asset accruals and deferrals</b>	<b>2,136</b>	<b>0</b>	<b>2,136</b>	<b>1,049</b>
D.1.	Costs for subsequent periods	1701	0	1,701	797
D.3.	Accrued revenues	435	0	435	252



Label	Item content	Current period	Prior period
	<b>TOTAL LIABILITIES</b>	<b>5,155,352</b>	<b>5,088,163</b>
<b>A.</b>	<b>Equity</b>	<b>4,666,164</b>	<b>4,619,326</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	2,692,795	2,690,381
A.II.2.	Capital funds	2,692,795	2,690,381
A.II.2.1.	Other capital funds	2,692,795	2,690,381
A.III.	Funds from profit	343,417	342,528
A.III.1.	Other reserve funds	270,669	269,267
A.III.2.	Statutory and miscellaneous funds	72,748	73,261
A.V.	Profit/Loss for the current accounting period	64,508	20,973
<b>B. + C.</b>	<b>External resources</b>	<b>488,982</b>	<b>468,676</b>
<b>B.</b>	<b>Reserves</b>	<b>84,993</b>	<b>113,299</b>
B.4.	Other reserves	84,993	113,299
<b>C.</b>	<b>Liabilities</b>	<b>403,989</b>	<b>355,377</b>
C.I.	Long-term liabilities	363,496	315,734
C.I.8.	Deferred tax liability	356,516	308,754
C.I.9.	Other liabilities	6,980	6,980
C.I.9.3.	Miscellaneous liabilities	6,980	6,980
C.II.	Short-term liabilities	40,493	39,643
C.II.3.	Short-term received advances	105	45
C.II.4.	Trade and other payables	8,284	7,140
C.II.8.	Other liabilities	32,104	32,458
C.II.8.3.	Obligations towards employees	16,370	16,173
C.II.8.4.	Liabilities for social security and health insurance	8,970	8,763
C.II.8.5.	State – tax liabilities and subsidies	3,042	4,578
C.II.8.6.	Contingent liabilities	1,891	1,131
C.II.8.7.	Miscellaneous liabilities	1,831	1,813
<b>D.</b>	<b>Accrued liabilities</b>	<b>206</b>	<b>161</b>
D.1.	Expenses for subsequent periods	113	121
D.2.	Revenues for subsequent periods	93	40



Prepared on 23. 2. 2024

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

# PROFIT AND LOSS STATEMENT

classified by nature in full format for the period from 1 January 2023  
to 31 December 2023 (in thousands of CZK)

Label	Item content	Current period	Prior period
I.	Revenues from sale of products and services	767,608	732,617
A.	Output consumption	236,447	208,844
A.2.	Consumption of materials and energy	42,512	41,724
A.3.	Services	193,935	167,120
B.	Change in inventory of own production (+/-)	171	488
C.	Capitalisation	-686	-1,001
D.	HR costs	325,789	324,293
D.1.	Wage costs	224,061	221,875
D.2.	Social security, health insurance and miscellaneous costs	101,728	102,418
D.2.1.	Costs for social security and health insurance	79,676	76,718
D.2.2.	Other costs	22,052	25,700
E.	Value adjustments related to operations	152,972	155,777
E.1.	Adjustment of values of long-term intangible and tangible assets	152,856	156,223
E.1.1.	Adjustment of values of long-term intangible and tangible assets – permanent	152,856	156,223
E.3.	Adjustment of receivable values	116	-445
III.	Other operating income	21,017	14,021
III.1.	Revenues from the sale of long-term assets	4,897	3,691
III.3.	Other operating revenues	16,120	10,330
F.	Other operating costs	-14,577	37,600
F.1.	Net book value of fixed assets sold	145	796
F.3.	Taxes and fees	2,292	2,424
F.4.	Position of operating reserves and complex accrued costs	-28,306	23,259
F.5.	Other operating costs	11,293	11,121
*	<b>Operating profit/loss (+/-)</b>	<b>88,509</b>	<b>20,637</b>
VI.	Revenue interest and similar returns	23,871	15,587
VI.2.	Miscellaneous revenue interest and similar returns	23,871	15,587
Article VII,	Other financial income	1	2
K.	Miscellaneous financial costs	112	147
*	<b>Financial profit/loss (+/-)</b>	<b>23,760</b>	<b>15,442</b>
**	<b>Profit/loss before taxation (+/-)</b>	<b>112,270</b>	<b>36,079</b>
L.	Income tax	47,762	15,106
L.2.	Deferred income tax (+/-)	47,762	15,106
**	<b>Profit/loss after taxation (+/-)</b>	<b>64,508</b>	<b>20,973</b>
***	<b>Profit/loss for the accounting period (+/-)</b>	<b>64,508</b>	<b>20,973</b>
*	<b>Net turnover for the accounting period</b>	<b>812,498</b>	<b>762,227</b>



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

Prepared on 23. 2. 2024

# CASH FLOW STATEMENT

for the period ending on 31 December 2023 (in thousands of CZK)

	Current accounting period	Previous accounting period
<b>P.</b> Initial balance of cash and cash equivalents at the beginning of the accounting period	403,226	348,703
<b>Cash flow from the main profitable activity (operations)</b>		
<b>Z.</b> Profit/loss before taxation (+/-)	112,270	36,079
A. 1. Adjustment by non-monetary operations	96,230	160,128
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 (+/-)	153,252	154,773
A. 1. 2. Change in adjustments, reserves and contingent accounts	-28,398	23,837
A. 1. 3. Profit (loss) from sale of fixed assets (-/+)	-4,753	-2,895
A. 1. 4. Revenues from shares of the profit (-)		
A. 1. 5. Accounting for interest paid (+) excluding interest included in fixed assets valuation, and account for interest received (-)	-23,871	-15,587
A. 1. 6. Potential adjustment by other non-monetary operations		
<b>A *</b> Net cash flow from operations before tax and changes in working capital	208,500	196,207
A. 2. Change in the non-monetary elements of working capital	-18,734	3,617
A. 2. 1. Changes in the position of receivables from operations (+/-)	-20,432	1,581
A. 2. 2. Changes in the position of short-term payables from operations (+/-)	1,705	1,992
A. 2. 3. Changes in inventory (+/-)	-7	44
A. 2. 4. Change of the position of short-term financial assets that are not in the category of cash and its equivalents		
<b>A **</b> Net cash flow from operations before tax	189,766	199,824
A. 3. Interest paid excluding interest included in fixed assets valuation (-)		
A. 4. Interest received (+)	23,871	15,587
A. 5. Income tax paid and supplementary taxes for previous periods (-)		
A. 7. Shares of the profit received (+)		
<b>A ***</b> Net cash flow from operations	213,637	215,411
<b>Cash flows from investment activities</b>		
B. 1. Expenses associated with acquisition of fixed assets	-297,387	-150,043
B. 2. Revenue from sale of fixed assets	4,897	3,691
B. 3. Change in investment advance payments, re-billing of investments	-190	-1,189
<b>B ***</b> Net cash flow related to investment activities	-292,680	-147,541
<b>Cash flows from financial activity</b>		
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		1,400
C. 2. Effect of equity changes on cash and its equivalents	-20,085	-14,747
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 (+)		
C. 2. 2. Payment of equity shares to partners (-)		
C. 2. 3. Other cash contributions from partners and shareholders (+)		
C. 2. 4. Compensation of losses by partners (+)		
C. 2. 5. Direct payments from funds (-)	-20,085	-14,747
C. 2. 6. Shares of profit paid including 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> Net cash flow related to financial activities	-20,085	-13,347
<b>F.</b> Net increase/decrease of cash	-99,128	54,523
<b>R.</b> Balance of cash and cash equivalents at end of the accounting period	304,098	403,226

Prepared on 23. 2. 2024



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

# STATEMENT OF EQUITY CHANGES

As at 31 December 2023 (in thousands of CZK)

Item	2021				2022				2023			
	Balance as at 1/1	Increase (+)	De-crease (-)	Balance as at 31/12	Balance as at 1/1	Increase (+)	De-crease (-)	Balance as at 31/12	Balance as at 1/1	Increase (+)	De-crease (-)	Balance as at 31/12
Registered capital – ordinary stock (account 411)	1,565,444	0	0	1,565,444	1,565,444	0	0	1,565,444	1,565,444	0	0	1,565,444
Capital funds (account 413)	2,689,251	3,240	2,821	2,689,670	2,689,670	1,273	562	2,690,381	2,690,381	4,116	1,702	2,692,795
Reserve funds, other funds from profit	339,709	15,211	14,869	340,051	340,051	17,637	15,160	342,528	342,528	21,428	20,539	343,417
Statutory reserve fund (account 421)	269,267	0	0	269,267	269,267	0	0	269,267	269,267	1,402	0	270,669
Total statutory and other funds, of which:	70,442	15,211	14,869	70,784	70,784	17,637	15,160	73,261	73,261	20,026	20,539	72,748
Cultural and social welfare fund (account 423)	36,781	6,901	6,538	37,144	37,144	8,947	6,788	39,303	39,303	7,011	7,420	38,894
Bonus fund (account 427 AE)	32,971	8,000	8,141	32,830	32,830	8,500	8,357	32,973	32,973	13,000	12,969	33,004
Social fund (account 427 AE)	690	310	190	810	810	190	15	985	985	15	150	850
Profit/loss from previous years	0	0	0	0	0	0	0	0	0	0	0	0
Profit/loss for the current accounting period	14,826	17,224	14,826	17,224	17,224	20,973	17,224	20,973	20,973	64,508	20,973	64,508
<b>TOTAL EQUITY</b>	<b>4,609,230</b>	<b>35,675</b>	<b>32,516</b>	<b>4,612,389</b>	<b>4,612,389</b>	<b>39,883</b>	<b>32,946</b>	<b>4,619,326</b>	<b>4,619,326</b>	<b>90,052</b>	<b>43,214</b>	<b>4,666,164</b>



Prepared on 23. 2. 2024

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

# NOTES ON THE FINANCIAL STATEMENTS

As at 31 December 2023

## 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-owned 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 designated 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 enterprise 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. 1. 2001

**Founder:** Ministry of Agriculture

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

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

In 2023 no changes were made by the Regional Court in Ostrava, Department of the Commercial Register concerning the Charter of Incorporation, nor any other entries.

### Governing body of the state-owned company (as at 31 December 2023):

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. Michaela Bachoríková, Economic Director.

### Supervisory Board (as at 31 December 2023):

Ing. Jiří Duda

Ing. Jiří Pagáč

Mgr. Monika Brzesková

Ing. Antonino Milicia, PhD., MBA

Ing. Miroslav Krajíček

Ing. Jakub Sajdl

Ing. Ivana Mojžíšková

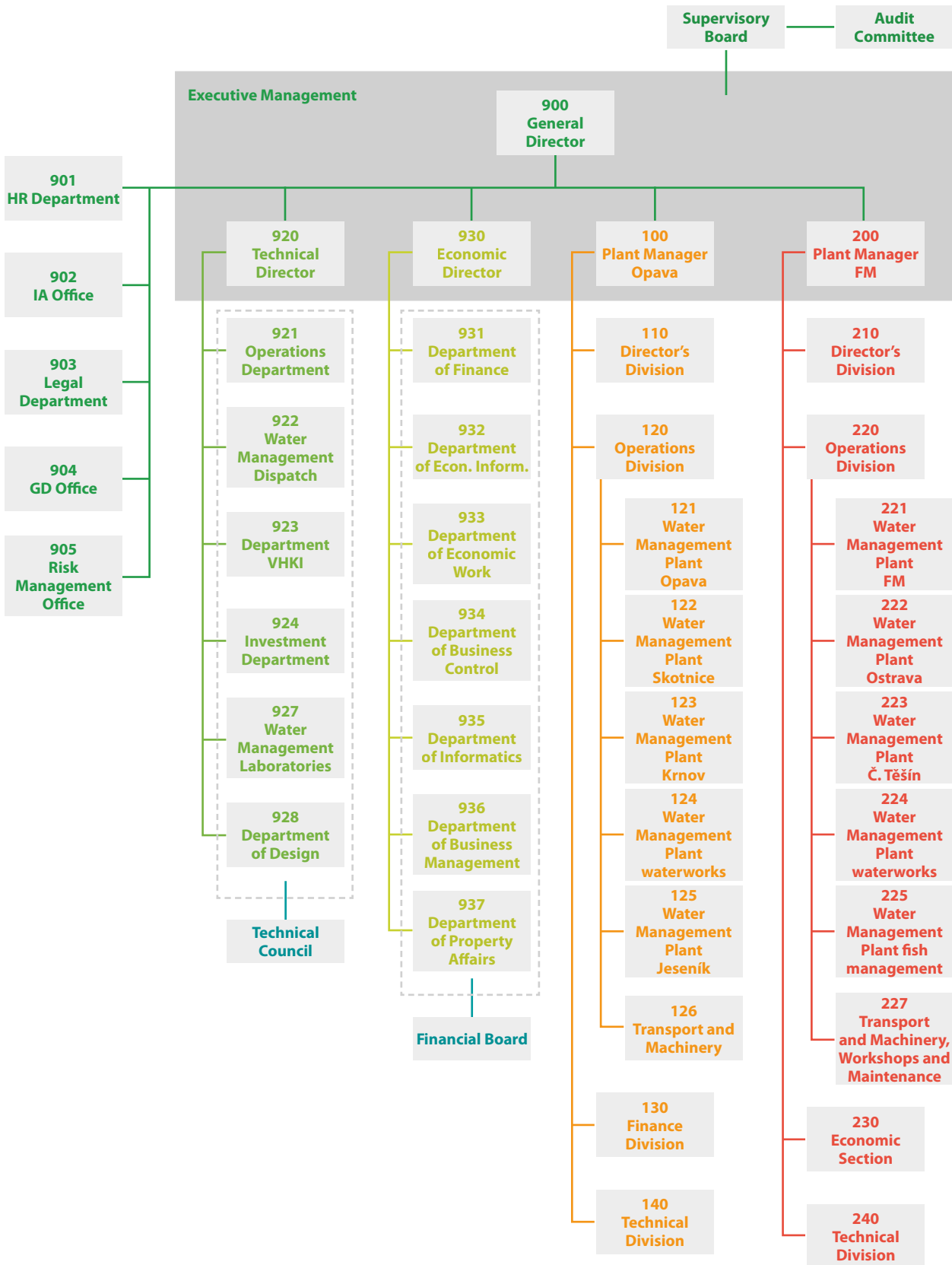
Ing. Radek Pekař

Ing. Dalibor Kratochvíl

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

In 2023 the Company's organisational structure did not change.

# ORGANISATIONAL CHART



## 2. BASIS FOR PREPARATION OF THE FINANCIAL STATEMENTS

**Balance sheet date:** 31. 12. 2023

**Date of preparation of the financial statements:** 23. 2. 2024

### 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 enterprise Povodí Odry keeps accounts in compliance with the Czech Accounting Standards.

The state-owned enterprise 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 expenses,
- decline in inventory (apart from fish) – FIFO,
- decline in fish volumes – weighted arithmetic average method,
- cash, valuables – nominal value,
- receivables, liabilities – 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 for as expenses 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 80,000. Tangible movables worth up to CZK 80,000 are accounted for as expenses 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 depreciation of fixed assets 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. Funds to cover the flood reserve, as per the founder's instructions, are allocated to a separate bank account. The overview of changes in the cash flow in the 2023 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

Adjustments 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 fixed 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 net book value,
- to inventory – created to slow-moving, outdated or otherwise temporarily degraded inventory on the basis of 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 2023 accounting period is presented in a separate statement of equity changes.

### RESERVES

The state-owned enterprise 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 enterprise as at the balance sheet date:

- reserve for flood risk,
- reserve for repairs of fixed assets,
- reserve for the medium-term component of wages, 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 receivables 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 enterprise'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 liabilities arising from unfinished construction projects of investment and operational nature.

### 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 enterprise 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 a grant for 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 price of surface water is prepared in accordance with Act No. 526/1990 Coll., on prices, as amended, 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 2023 accounting period.

### CHANGES TO ACCOUNTING METHODS AS COMPARED TO THE PRECEDING REPORTING PERIOD

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

They do not occur in the 2023 accounting period.

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

They do not occur in the 2023 accounting period.

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

### LONG-TERM ASSETS

#### List of fixed assets – acquisition value (in CZK thousands)

Account group	Name	Balance as at 1 January 2023	Increase	Decrease	Balance as at 31 December 2023
01	Fixed intangible assets	175,622	4,926	49	180,499
02	Fixed tangible assets	7,872,098	148,810	21,056	7,999,852
03	Non-depreciated tangible fixed assets	533,450	9,823	1,852	541,421
04	Unfinished intangible and tangible fixed assets	278,232	481,396	343,839	415,789
05	Advance payments for intangible and tangible fixed assets	1,212	3,037	2,847	1,402
<b>Total</b>		<b>8,860,614</b>	<b>647,992</b>	<b>369,643</b>	<b>9,138,963</b>

Significant items in the area of long-term assets include completed reconstructions of the Morávka – Žermanice Feeder, the Vidnávká watercourse, and the dam wall of the Morávka waterworks.

#### Accumulated depreciation – fixed assets (in thousands of CZK)

Account group	Name	Balance as at 1 January 2023	Increase	Decrease	Balance as at 31 December 2023
07	Accumulated depreciation to intangible fixed assets	158,253	10,502	49	168,706
08	Accumulated depreciation to tangible fixed assets	4,160,631	142,356	21,055	4,281,932
<b>Total</b>		<b>4,318,884</b>	<b>152,858</b>	<b>21,104</b>	<b>4,450,638</b>

#### Adjustments to fixed assets (in thousands of CZK)

For 2023 they are not created as the physical stocktaking done has verified that there are no grounds for temporary impairment of the assets.

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

Land	As at 31 December 2022	As at 31 December 2023
– classification submitted for registration in the Land Register (not registered as at 31 December) unrecorded	330	506
– discharge submitted for registration in the Land Register (not registered as at 31 December) unrecorded	331	4

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

Purpose of grant / source	As at 31 December 2022	As at 31 December 2023
Flood prevention / state budget	48,900	160,549
Measures on small watercourses and small water reservoirs / state budget	3,944	16,341
Electric car / National Environmental Programme	-	254
<b>Total</b>	<b>52,844</b>	<b>177,144</b>

#### Assets acquired from grants for acquisition of fixed assets

The state-owned enterprise 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 thousands of CZK)

<b>Subsidised assets</b>	<b>As at 31 December 2022</b>	<b>As at 31 December 2023</b>
- partially subsidised assets	3,838,352	4,081,514
- fully subsidised assets	36,629	36,629

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

## CURRENT ASSETS

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

<b>Account</b>	<b>Name</b>	<b>As at 31 December 2022</b>	<b>As at 31 December 2023</b>
112	Material in stock	3,392	3,578
124	Young and other animals	5,126	4,948
	of which: fish	5,107	4,928
151	Advance payments for inventory	-	-
<b>Total</b>	<b>Total inventories</b>	<b>8,518</b>	<b>8,526</b>

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

For 2023 they are not created as the physical stocktaking made has verified that there are no grounds for temporary impairment of inventory.

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

<b>Receivables (short-term and long-term)</b>	<b>As at 31 December 2022</b>	<b>As at 31 December 2023</b>
Overdue receivables	1,762	8,290
of which: – Receivables that are more than 5 years overdue	1,070	1,016
Receivables with maturity longer than 5 years	-	-
Receivables covered by security in rem	-	-

The year-on-year increase in overdue receivables is caused by a slowdown in production from selected industrial consumers affected by the economic recession. The affected receivables will be part of the debtor's planned restructuring, and at the same time, lower anticipated surface water withdrawals are expected in future periods, which will be compensated primarily by revenues from electricity production. This will prevent any negative impact on future developments and ensure the continuous existence of the accounting entity.

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

<b>Account</b>	<b>Name</b>	<b>As at 31 December 2022</b>	<b>As at 31 December 2023</b>
391-1	Statutory adjusting entries for receivables	730	738
391-2	Accounting adjusting entries for receivables	99	207
<b>Total</b>		<b>829</b>	<b>945</b>

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

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

**Profit/Loss and its distribution (in thousands of CZK)**

	<b>Founder's decision regarding the distribution of the 2022 profit/loss</b>	<b>Enterprise's proposal for distribution of the 2023 profit/loss</b>
<b>Profit/Loss for the current period</b>	<b>20,973</b>	<b>64,508</b>
- allocation to the cultural and social welfare fund	6,556	2,207
- allocation to the bonus fund	13,000	-
- allocation to the social fund	15	150
- allocation to the reserve fund	1,402	-
- contribution to the registered capital	-	62,151

**EXTERNAL RESOURCES****Reserves****Other (accounting) reserves – Account 459 (in thousands of CZK)**

<b>Purpose</b>	<b>As at 31 December 2022</b>	<b>As at 31 December 2023</b>
Reserve for floods	37,000	46,000
Reserves for major repairs to water management assets	47,400	36,000
Other reserves (medium-term component of wages, litigation and other risks)	28,899	2,993
<b>Total</b>	<b>113,299</b>	<b>84,993</b>

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

<b>Item</b>	<b>As at 31 December 2022</b>	<b>As at 31 December 2023</b>
Net book value of small assets (NBV)	3,457,177	3,470,350
Tax residual value of small assets (TRV)	1,832,154	1,772,937
Difference between book and tax prices (NBV – TRV)	1,625,023	1,697,413
19% (2022), 21% (2023)	308,754	356,457
Unpaid interest on late payments	-	284
19% (2022), 21% (2023)	-	59
<b>Total deferred tax liability</b>	<b>308,754</b>	<b>356,516</b>

Deferred tax liability	- balance of Account 481 as at 31 December 2022	308,754
	<b>- balance of Account 481 as at 31 December 2023</b>	<b>356,516</b>
	difference – Account 592 Debit	47,762

**Payables (in thousands of CZK)**

<b>Short-term liabilities</b>	<b>As at 31 December 2022</b>	<b>As at 31 December 2023</b>
Overdue liabilities	295	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.

Long-term liabilities	As at 31 December 2022	As at 31 December 2023
Overdue liabilities	-	-
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 payables – Account 479 (in thousands of CZK)

Contents	As at 31 December 2022	As at 31 December 2023
Guarantees received	6,980	6,980

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 enterprise, does not have any bank loans and financial assistance.

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

#### SELECTED ITEMS NOT REPORTED IN THE BALANCE SHEET BUT RECORDED IN THE OFF-BALANCE SHEET ACCOUNTS

Item	As at 31 December 2022	As at 31 December 2023
Fully subsidised assets	36,629	36,629
Low-value tangible and intangible assets	84,862	88,080
Documentary bank guarantees	186,450	190,100

#### SELECTED COST AND REVENUE ITEMS

##### HR costs

Item	As at 31 December 2022	As at 31 December 2023
Average number of employees (adjusted)	442.15	435.52
of which: – White-collar category	239.35	236.46
– Blue-collar category	202.80	199.06
Personnel costs incl. other personnel costs (in thousands of CZK)	219,725	221,859
Social security and health insurance costs (in thousands of CZK)	76,702	79,660
Remuneration for supervisory body members	2,150	2,202

##### Auditing services (in thousands of CZK)

Purpose	2022	2023
Mandatory audit of financial statements	174	166
Other auditing services	-	-

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

Grant purpose / source	As at 31 December 2022	As at 31 December 2023
Measures on small watercourses and small water reservoirs / state budget	500	4,209
<b>Total</b>	<b>500</b>	<b>4,209</b>

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

Type of activity	As at 31 December 2022	As at 31 December 2023
Surface water sales	627,925	625,501
Electricity sales	75,162	111,458
Fish sales	15,196	14,116
Rent revenue	7,272	8,096
Revenues from laboratory work	2,764	2,772
Other revenues	4,298	5,665
<b>Total (all in the Czech market)</b>	<b>732,617</b>	<b>767,608</b>

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

### THE GOING CONCERN PRINCIPLE

The Povodí Odry state-owned enterprise, 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 Povodí Odry state-owned enterprise as at 31 December 2022 were prepared assuming the future continuation of its activities 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 enterprise, which should be described in the notes to the financial statements.

The facts and data prescribed in the content specification of the notes to 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 enterprise, are not presented in these notes.



**Ing. Jiří Tkáč**

General Director

Ostrava, dated 23 February 2024



## POVODÍ ODRY, state-owned enterprise

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Execution and design: Agentura API s.r.o.

Photographs: archive of the state-owned enterprise Povodí Odry