



Stredoslovenská vodárenská
prevádzková spoločnosť, a.s.

Annual report

2014

Stredoslovenská vodárenská prevádzková spoločnosť, a. s.



content

2014

Key data	9	Responsibility	30
Editorial	10	Human resources	31
Organizational Structure	12	Internal communication	33
Our services	14	Staff education	33
Water production	15	Ethical code	33
Water management	15	Social dialog	34
Drinking water production and supply indexes	16	Safety and health care	35
Water losses	16	Environment	36
Water meters	17	Environmental education	36
Water system breakdowns	17	Biodiversity protection	36
Sewage and treatment	18	Wastewater management	37
Main indexes of the sewage and treatment	19	Quality polica	38
Sewer system survey and measuring	19	ISO	39
Sewage system breakdowns	19	Innovations	40
Water quality	20	Water preparation plants	42
Drinking Water	21	Sewage disposal plants	43
Wastewater	21	Pumping stations and water reservoirs	44
Investment realization	21	Sewage network	44
Customers	22	Power engineering	44
Customer services	23	Financial part	46
Servise SMS info	23	Comments on financial results	47
Personal clients account	23	Comments on maximal prices for 2014 49	
Structure of the clients	23	Cash flow overview	50
10 largest customers in 2014	24	Profit and loss statement	52
Client centre	26	Balance sheet	53
Public communication	26	Independent auditor's report	54
Satisfaction survey	28	Report of supervisory board	56
		Contacts	58

Basic data

Trade Name:
Stredoslovenská
vodárenská prevádzková
spoločnosť, a. s.

Company seat:
Partizánska cesta 5
974 01 Banská Bystrica

Legal Form:
Joint-stock company

Identification No: 36 644 030

VAT REG NO: SK 2022102236

Capital Stock: 34,000.- €

Trade Register
of District Court
in Banská Bystrica,
Section: Sa, Insert No.: 840/S

Registered on: 01. 01. 2006

object of activities

- operation of the public water supply systems of 1st up to 3rd categories
- operation of the public sewer systems of 1st up to 3rd categories
- consulting, technical and professional assistance in the area of production, treatment and supply of drinking and industrial water, operation of the water supply systems, sewer systems and wastewater treatment plants
- cleaning of water pipelines and sewer lines
- execution of inspections of sewer systems by instrumental techniques
- detection of hidden water leaks by correlation and electro-acoustic techniques
- setting of water supply and sewer systems and armatures, a determination of contact points for connecting of instrumental techniques
- measurement of wastewater volumes on measuring objects and sewer systems with the determination of immediate or cumulative flow by instrumental techniques
- physical-chemical, radiological, microbiological and hydro-biological analyses of drinking, industrial and waste waters, including technological analyses of water
- execution of water tightness tests of water management objects and equipment
- business activities in the area of disposal of non-dangerous waste
- execution of technical inspections of pipelines
- repairs and installations of water meters
- task designs, solutions and evaluation of hydro-geological survey, engineering-geological survey and geological environment survey
- electricity production in small hydroelectric power station with the output up to 5 MW
- power distribution
- purchase of goods for the purpose of its sale to other trade license holders (wholesale trade)

- purchase of goods for the purpose of its sale to final consumer (retail trade)
- intermediation in trade and services
- elaboration of documentation and projects of simple buildings, small buildings and changes of these buildings
- realization of simple buildings, small buildings and their changes
- realization of buildings and their changes
- execution of water management and engineering
- realization of activities of a site manager,
- realization of building inspection activities
- engineering construction
- supply and installation of chlorine equipment and dosing devices for chemicals
- repairs, service, maintenance and execution of professional inspections and professional testings of chlorine equipment and dosing devices for chemicals

- rental of machines, instruments and equipment
- public procurement
- national freight road transport
- rental of real estates
- repair and servicing of all types of pumps
- realisation of revisory and pressure tests of pressure tanks
- repair, installation, maintenance and service of electrical equipment
- carrying out of technical inspections and testing of specified electrical equipment
- organizing of training courses and seminars
- organizing of training courses and seminars – fire safety engineer
- accommodation and catering service in these accomodation establishments

The Company has no organizational unit abroad.

Profile of the company

Statutory Bodies

of the Company
on 31st December 2014

Board of Directors

**CHAIRMAN OF THE BOARD
OF DIRECTORS**
Philippe Guitard

**MEMBERS OF THE BOARD
OF DIRECTORS**

Ing. Martin Bernard, MBA
Ing. Róbert Tencer
Ing. Peter Martinka
JUDr. Soňa Šáliová

SUPERVISORY BOARD

Ing. Pavol Badinský
Tomáš Paclík
Ing. Jozef Barabas
Etienne Petit
Ing. Jozef Hegeduš
Jiří Pěč

Executive Management of the Company

MANAGING DIRECTOR
Ing. Peter Martinka

ECONOMIC DIRECTOR
Ing. Peter Dobrý

**DIRECTOR FOR
PRODUCTION-OPERATING
ACTIVITIES**
Ing. Robert Javorčík

COMMERCIAL DIRECTOR
Ing. Mária Vicianová

DIRECTORS OF PLANTS
Ing. Pavol Badinský
Plant 01 Banská Bystrica

Ing. Ladislav Solkový
Plant 02 Lučenec

JUDr. Vladimír Andrejovský
Plant 03 Prievidza

Ing. Branislav Jurík
Plant 04 Rimavská Sobota

PaedDr. Zoltán Balla
Plant 05 Veľký Krtíš

Ing. Milan Vlček
Plant 06 Zvolen, Žiar nad Hronom



Key data

Turnover of the Company	55,287,000 €
Profit after taxation	2,166,000 €
Number of supplied residents	657,667
Number of employees	1,088
Total production of own water	39,867 thousand m ³
Quantity of treated waste water	56,103 thousand m ³
Length of operated water supply system including connections	5,229 km
Length of operated sewerage network including connections	1,217 km
Number of pumping stations	40
Number of waste water treatment plants	41
Number of contracted customers	110,276
Number of charging water meters	115,622
Number of phone calls done on Customer Line (monthly average)	2,069
Number of visits in the Customer Centers (monthly average)	7,862

Editorial

Dear **Madams,**
Dear **Sirs,**

It is my honor and pleasure to present you the annual report of Stredoslovenská vodárenská prevádzková spoločnosť, a. s., where we summarize the results of our work in 2014.

Probably the most used words in the last year were efficiency and stabilization. We have implemented a number of projects with the intent to increase efficiency through the process of optimization in various areas of our operations. We have introduced some changes in the provision of employee benefits, we optimize purchases and technological processes, innovations are our priorities. As one of our main role is to ensure the quality of drinking water, the innovations in the field of the water treatment plant belongs to the most important. From all, I would like to mention the water treatment plant Klenovec and Málinec. After the reconstruction, the water treatment plant Prochot was put into operation. In cooperation with the Regional Public Health Office, we started preparatory work of the project „quality of drinking water and side products of disinfection“ for the water supply Kordíky and Osrbliie – Hronec, where the project aim is to verify the possibility of minimizing the water disinfection in public water supply. We have modernized the disinfection of water in the water tank Horné Plachtince. The pumping stations Kozelník, Banská Bela and Modrý Kameň



are now remote-controlled centers. In the field of the sewage and waste treatment plants, the most important projects were WWTP in Handlova, Veľký Krtíš and Detva WWTPs were brought to the permanent operation. The implementation of the project „Podbrezová WWTP - intensification“ started. The modernization of the control system and the visualization of

the sludge and gas management of Banská Bystrica WWTP was realized. These facts represent the quality drinking water, sewage treatment for thousands of residents and also the providing of the sewage treatment in accordance with the legislation of the European Union. From investment activities in 2014, I would like to mention the construction of „Divin WWTP – relief sewer, mechanical pre-treatment and a new tertiary level“ and the construction of „Tajov - water supply from VZ GPA Tajov“. In the field of Customer services, we focused on the implementation of a new client information system, which allows to obtain all relevant information about the customer in one place. The system will enable the development of electronic, mainly e-mail communication, which is the next step in approaching the services to the needs of the customer. The Environmental Management System that we follow, ensures that our activities are made under the environmental protection. In connection with the environmental policy of our company, we provide recovery of waste, we use renewable energy sources. We managed to produce 1,744 MWh of electricity and 1,726 thousands m³ of biogas from the biodegradable waste.

As a company with 1,088 employees, we fulfill our commitments to them by providing quality education and professional development, social benefits, we are also in the strict compliance with the rules of the safe and health care. Also in 2014, we realized in addition to our core business some learning projects for pupils and students (e.g. project Tracking the water, a poster Water cycle,...) as well as public education as a campaign „Let us behave responsibly“, which was aimed to increase connections to public sewers. I mentioned here, only a fraction of all that we succeeded in the last year. For the results presented in our annual report, I must mainly thank all employees, colleagues. I also express my thanks for the support from the managing and supervisory boards, I thank shareholders and business partners for their co-operation.


Ing. Peter Martinka
Managing Director StVPS, a. s.

Organizational structure

GENERAL ASSEMBLY

SUPERVISORY BOARD

BOARD OF DIRECTORS

GENERAL DIRECTOR

Division of General Director

GENERAL DIRECTOR ASSISTANT
 MARKETING AND COMMUNICATION DEPARTMENT
 CRISIS MANAGEMENT DEPARTMENT
 QUALITY MANAGER
 PROJECT MANAGER
 BOARDING HOUSE VODÁR DONOVALY
 CONTROL DEPARTMENT
 ADMINISTRATIVE AND LEGAL DEPARTMENT
 QUALITY CONTROL DEPARTMENT
 DEPARTMENT OF INFORMATION TECHNOLOGIES
 HUMAN RESOURCES
 OSHA

Division of Economic Director

SECRETARIAT
 TAXES AND FINANCE DEPARTMENT
 ACCOUNTING DEPARTMENT
 PROPERTY EVIDENCE DEPARTMENT
 SUPPLY DEPARTMENT
 CONTROLLING DEPARTMENT
 PAYMENT REPORT DEPARTMENT

Division of Commercial Director

DEPARTMENT FOR WATER DEDUCTIONS AND WATER-METERS
 BACK OFFICE AND ASSETS & LIABILITIES DEPARTMENT
 FRONT OFFICE
 CUSTOMER CENTERS:
 01 Banská Bystrica
 02 Lučenec
 03 Prievidza
 04 Rimavská Sobota
 05 Veľký Krtíš
 06 Zvolen, Žiar nad Hronom
 07 Brezno
 CALL CENTRUM

Division of Director for Production operating activities (DPOA)

REGISTRY AND ASSISTANT OF DPOA
 DEPARTMENT FOR TECHNICAL OPERATING ACTIVITIES
 PROPERTY CARE
 DEPARTMENT ASRTP AND GIS
 PLANTS:
 01 Banská Bystrica
 02 Lučenec
 03 Prievidza
 04 Rimavská Sobota
 05 Veľký Krtíš
 06 Zvolen, Žiar n/Hronom

Our services >



WE PROVIDE THE SUPPLY OF DRINKING WATER FOR MORE THAN 657,667 RESIDENTS. THE RESIDENTS OF THE AMOUNT OF 416,692 ARE CONNECTED TO THE SEWERAGE SYSTEM OF STREDO-SLOVENSKÁ PREVÁDZKOVÁ SPOLOČNOSŤ A.S. THE WATER QUALITY IS REGULARLY MONI-

TORED AND EVALUATED BY THE ACCREDITED LABORATORIES. WE PROVIDE OUTSOURCING OF THE SERVICES WITHIN THE PRODUCTION AND DISTRIBUTION OF DRINKING WATER AND SEWAGE TREATMENT TO MUNICIPALITIES, INDUSTRIAL PARTNERS AND CUSTOMERS FROM THE SERVICE SECTOR.

Water production

In the all water facilities of our company, the total amount of 39,956,000 m³ of drinking water, from which of 11,973,000 m³ were of the surface water and the 27,983,000 m³ were of the groundwater. Comparing the year of 2013, it is a decline in production by 1,543,000 m³. This fact is related to the long-term decrease of supplied water, which was invoiced by the supplier. The quality of the supply water was, according to the valid legislation and was provided in 22 Water Treatment Plants. Mainly the big water treatment plants in Hriňová, Málinec, Klenovec and Tuček were used to treat the surface water for the drinking water supplies. According to the needs, some smaller water treatment plants were used for watercourses and when the quality of groundwater was insanitary also the plants for treatment of groundwater were used. In 2014, overall, the amount of 13,836,000 m³ of the raw water was treated in the water treatment plants.

Water managing

Also in 2014, the decline in the water consumption continued, which also corresponds with the decline of other indicators of the production and supply of water. In comparison with the previous year, the noticeable decrease of the invoiced water occurred – 3.2% in total. This decrease of the amount of the invoiced water, except the other indicators, effected the specific water consumption in the households. In 2014, the real specific consumption was 70.9 liters for a person and a day, that means a decrease by 6,2 l / person/ a day, compared to 2013.

The main indicators of production and supply of drinking water

Length of water distribution network, in km	4,464
Number of water junctions	114,571
Length of water junctions, in km	764
Number of pumping devices	224
Number of water treatment plants	22
Number of residents	657,667
Water for implementation, in thousand m ³	39,867
Water invoiced, in thousand m ³	25,149
Not invoiced water, in thousand m ³	14,718
Water losses in the pipe network, in th. m ³	13,242
The volume of water loss from the water to be implemented, in %	33.2

water losses

The water losses in water distribution network represent the biggest part of not invoiced water, so the main priority of our company is to reduce them. The quarterly assessment of water management in the storage zones and the following precaution at every plant take an important role in reducing water losses. The centralized search management of hidden water leaks and the purchase of the top technical equipment in 2007 had a large share in the process of decreasing of water losses. This activity is carried out by 4 working groups within the Search disorder department, a group of

Banská Bystrica and surroundings, a group of Lučenec, Rimavská Sobota, Veľký Krtíš, a group of Prievidza and a group of Zvolen and Žiar n. Hronom. When the faults had been traced by the department staff, the water leaks were removed by the individual plants according to their importance, thus preventing further increases of water loss. In 2014, the staff of the department itself checked 1,735 km of water supply networks and located 890 hidden leaks. They performed work in the amount of 3,668 Eur for the external customers.



water meters

115,622 PIECES OF THE BILLING WATER METERS HAVE BEEN SET UNTIL TO 31TH DECEMBER 2014

In 2014, the billed water-meters were set in the amount of 19,599 pieces, of which the periodic exchanges were in the amount of 19,070 pieces and 529 pieces were changed for other reasons, as meter damage, unworkable water meter, exchange on the customer request and others. Fourtynine pieces of the water meters were removed and sent to the official verification on the customer's request. The company received 37 results by the end of the year. In 2014, a total amount of 12,365 pieces of the water-meters were repaired, 4,101 pieces of these were repaired by the external contractor and 8,264 pieces as our own repairs. In 2014, our company did not use the water meters with remote control for invoicing.

water supply system breakdowns

In 2014, similar as in the previous year, there were less breakdowns in the water distribution network. It is mainly because of the milder winter and favourable weather conditions, but also thanks to the increasing level of prevention. There were 2,233 breakdowns solved altogether, of which 1,500 were on the supply and distribution pipelines and 733 on the junctions. Within

the bounds of breakdown prevention, the monitoring of the minimum night flows and a direct search of the hidden water leaks in the terrain. In 2014, in a part of the town of Banská Bystrica, 24 sensors with remote transmission for dispatching were set to monitor the state of the water supply network and they early warn the possible hidden leaks.

Diversion and treatment of wastewater



THERE ARE 417,503 INHABITANTS CONNECTED TO SEWERAGE OF STREDO-SLOVENSKÁ VODÁRENSKÁ PREVÁDZKOVÁ SPOLOČNOSŤ, A.S. WITH A TOTAL LENGTH OF 977 KM. A SMALL DIFFERENCE WAS RECORDED IN THE AMOUNT OF PURIFIED WATER, WITH AN ANNUAL DECREASE OF 1,647 THOUSAND m³, COMPARED TO THE YEAR OF 2013, IT IS 2.85 %.



The main indicators of collecting and treatment of wastewater

Length of sewer system in km	977
Number of sewer laterals	30,533
Length of sewer laterals in km	240
Number of pumping stations	40
Number of wastewater treatment plants	41
Number of inhabitants connected to sewer system	417,503
Number of inhabitants connected to WWTP	392,393
Invoiced wastewater in thousand m ³ /year	21,483
Treated wastewater in thousand m ³ /year	56,103

Survey and measurement of the sewer network

In the field of survey of sewer networks and investigation of connected producers, the technology of smoke testing of sewer networks were successfully used. This technology enable to detect breakdowns of the sewer pipes and sewer facilities, and also enable to localize unauthorized estate adjunctions, as well as rainwater adjunctions. In 2014, the two TV camera systems for the survey of the technical condition in the sewer pipelines were mostly used in the

operating and approved buildings. The new system IPEK was efficient and it enabled to measure a pipeline inclination and deformation of flexible pipelines. The older TV system Rausch was updated with digital camera system. Within the preparation for the reconstruction of the aeration chambers on the sewage networks, the measuring of the actual flow in these objects were carried out for the designers.

Sewer system breakdowns

The most common cause of the breakdowns on the sewerage network are seals that occur in winter and spring months as a result of washing off the grit on the roads, but also as a cause of the insufficient technical conditions of some of the sewer system, but also because of some producers, who throw the stuffs that

do not belong to the public sewer system. Other reasons for collisions were leaks that occurred as a result of damage of the pipeline network due to the earth movements and a load of the traffic. In 2014, there were 214 breakdowns solved, of which 189 were directly in the network and 25 on the junctions.

Water QUALITY

Drinking water

Drinking water quality in our company is controlled by the accredited laboratories that meets the requirements of the current legislation. In addition to the basic physical and chemical, microbiological, biological indexes, the presence of the metals, pesticides and organic substances are monitored in drinking water according to Slovak technical standards. Health safety of drinking water is ensured not only by controlling the quality, but also by a control system of the water resources, protection of water objects and their regular germi-

cide. In 2014, in the laboratories of the Quality management department, 4,053 samples were taken for microbiological and biological analyses, 4,747 samples for monitoring the physical and chemical parameters. In the year of 2014, there were altogether 120,412 biological and microbiological analyses carried out at the customer outlets. In the long - term condition, the water quality, which is supplied by our company was improved, the number of exceeded analyses expressed in percentage was only 0.48% in 2014.

Sewage

The implementation of the program of monitoring the quality of wastewater treatment in the sewers and sewage treatment plants in the maintenance of StVPS a. s. are provided by the accredited laboratories in Zvolen, Banská Bystrica and Lučenec. In 2014, 7,073 samples were taken at various stages of the WWTP, on the untreated

outlets. We carried out of 50,473 analyses. Exceeded limits were recorded mainly on untreated outlets, which had the regulations with the limits for the wastewater treatment plants and could not meet the limits without the treatment. The number of the taken samples on the untreated outlets was 631 with 4,157 analyses.

Realisation of investments

As in previous years, our company carried out a realization of the investments in 2014. This activity brought an annual yield of 1,660 mill. € and 17 buildings were completed. The buildings except the expanding of the infrastructure, also dealt with some urgent operational problems. The most significant investment was the building of „Divín WWTP – adding aeration, mechanical pretreatment and a new tertiary treatment“.

The realization started in 2014 with the end in 2015. The total costs of the building are 1,180.33 thousand €. Another important project implemented in 2014 was the building „Tajov - water supply from VZ GPA Tajov“. The implementation of this building is projected in three year period with the estimated costs of 913 thousand €. The construction work began in late 2014 and 190,7 thousand € was invested that year.

Customers

WE HAVE CREATED A NETWORK OF CALL CENTERS FOR SERVICES RELATED TO THE SUPPLY OF DRINKING WATER AND SEWERAGE, WHICH ALLOWS PERSONAL CONTACTS WITH CUSTOMERS. WORKING HOURS IN THE CENTERS ARE ACCORDING TO THE CUSTOMER'S REQUIREMENTS, WHO RECEIVE ALL THE INFORMATION ABOUT THE SERVICES PROVIDED. WE GUARANTEE THE INFORMATION ACCESS FOR 24 HOURS A DAY, 7 DAYS A WEEK. WE SOLVE THE TECHNICAL EMERGENCIES 24 HOURS A DAY, 7 DAYS A WEEK AND WE GUARANTEE THE RESPONSE TO THE ACCIDENTS WITHIN 2 HOURS.



Customer Services

Stredoslovenská vodárenská prevádzková spoločnosť, a.s. is constantly trying to apply the latest trends in customer services. To fulfill the goals, the company successfully implemented a new customer information system USYS.net in 2014. The customer database is arranged in reciprocal forms,

which gives the opportunity to get all the important information in one place. The web application allows the development of electronic communication, especially e-mail communications. The significant graphic as well as functional changes on the Customer account were implemented.

Customers can check freely the basic information about their delivery points, data on deductions and payments and they can also make requests using the various forms from the comfort of their home. An unlisted customer can enter the Internet via 'General requirements'.

SMS info service

When activating SMS info service, customers receive free information about the water outages and breakdowns on water and sewage pipelines directly to their phones.

Sending invoices electronically

In this service, customers after the activation of the service, receive invoices for water and sewerage in electronic form on their e-mail addresses. There are several advan-

tages of electronic transmission. Service for sending electronic invoices is free of charge, the customer gets an easy and comfortable access to the invoices, that are sent in PDF format.

Personal customer account

Setting up the personal customer account allows a customer an easy transmission of the requirements as changes of deposit, self-reporting of water-meter quantity

status, an invoice complaint and reporting of the failures. Thanks to the personal accounts, a customer gets an overview of the water consumption, the amount of the

invoices and reports about the water-meters consumption status at their point of delivery.

Customer structure

	January	February	March	April	May	June	July	August	September	October	November	December	Average	Sum of the averages
The number of customers	97,456	97,860	112,336	112,425	112,481	112,591	112,686	112,813	113,016	113,154	113,237	113,269	110,277	110,276
thereof the households - individual customers	87,990	87,739	101,467	101,547	101,598	101,697	101,783	101,898	102,081	102,206	102,777	102,817	99,633	90.35 %
thereof the households - apartment buildings, cooperatives	2,150	2,677	2,465	2,467	2,469	2,471	2,471	2,471	2,476	2,479	2,304	2,304	2,434	2.21 %
thereof the others	7,316	7,444	8,404	8,411	8,414	8,422	8,431	8,431	8,459	8,469	8,156	8,148	8,209	7.44 %



largest

Customers for the year 2014



Invoicing

Billing Water + Sewerage (€ incl. VAT)

10 largest customers

StVPS, a.s. in the year 2014



	Name	Company ID	Period				
			1Q/2014	2Q/2014	3Q/2014	4Q/2014	1 - 12
1	Stavebné bytové družstvo Banská Bystrica	00170071	556,522.65	548,548.54	611,661.94	511,057.33	2,227,790.46
2	Housing Owners according to the delivery point v. z. Stavebné bytové družstvo Zvolen	00222054	385,386.68	401,261.00	375,808.10	421,716.58	1,584,172.36
3	Okresné stav. bytové družstvo Prievidza, družstvo	00173801	398,737.07	362,053.91	367,334.24	333,320.72	1,461,445.94
4	Okresné stav. bytové družstvo Rimavská Sobota	00173916	247,905.26	261,806.20	270,873.44	255,147.95	1,035,732.85
5	Stavebné bytové družstvo Lučenec	00171816	211,300.91	201,711.63	211,697.31	191,988.26	816,698.11
6	Stavebné bytové družstvo Žiar nad Hronom	00176192	189,552.71	185,494.70	191,830.25	198,743.24	765,620.90
7	BYTOS - správa bytov PRIEVIDZA, s.r.o.	36313009	203,015.64	180,688.16	194,810.24	149,942.81	728,456.85
8	Faculty Hospital with Policlinic of F. D. Roosevelt, B. Bystrica	00165549	182,061.32	176,986.12	184,952.23	170,798.84	714,798.51
9	SBD Brezno	00170143	155,511.00	141,973.07	102,746.29	189,146.34	589,376.70
10	SPOOL, a.s.	31586392	134,361.09	143,556.75	149,560.23	136,870.43	564,348.50

Client centres



Public Communication

One of the communication strategies of our company is also increasing the public awareness on the importance of water conservation and the environment in general. We informed the public regularly about the services and innovations in the field of water supply. We

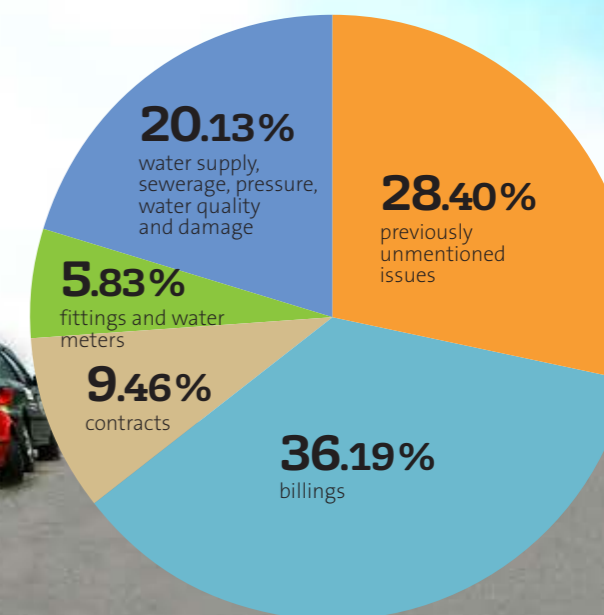
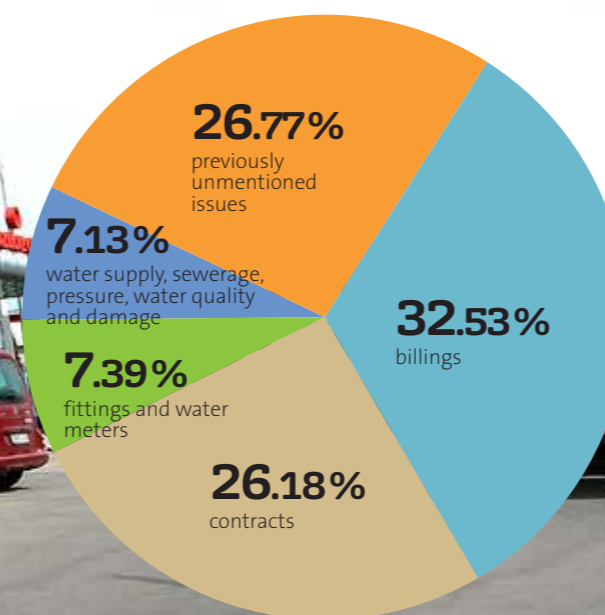
CONSIDERING THE VAST OPERATING TERRITORY OF STREDOSLOVENSKÁ VODÁRENSKÁ PREVÁDZKOVÁ SPOLOČNOSŤ, A.S. WE PROVIDE A SUPPORT BY THE EIGHT CLIENT CENTERS DURING THE UNIFORMLY ARRANGED OPENING HOURS. PROJECT COMMITMENTS OF OUR CUSTOMER SERVICES GUARANTEE THE SERVICES ACCORDING TO THE CUSTOMER REQUIREMENTS. WE HAVE REGULATED THE OPENING HOURS OF THE CLIENT CENTERS TO HELP THE CUSTOMERS TO DISCOVER THE EXCESSIVE WATER CONSUMPTION OR THE WATER LEAKAGE. WE MONITOR THE WATER CONSUMPTION AND INFORM THE CUSTOMERS ABOUT UNUSUAL FLUCTUATIONS. CALL CENTER 0850 111 234 IS AVAILABLE FOR THOSE CUSTOMERS, WHO PREFER THE TELEPHONE AND ELECTRONIC COMMUNICATION. ALL INFORMATION IS CLEARLY ACCESSIBLE ON THE WEBSITE WWW.STVPS.SK

Average number of the whole contacts of the customers in the month:

	Together	%
water supply, sewerage, pressure, water quality and damage	560	7.13 %
fittings and water meters	581	7.39 %
contracts	2,058	26.18 %
billings	2,558	32.53 %
previously unmentioned issues	2,104	26.77 %
Total	7,862	100 %

Average number of calls made to the call center per month:

	Together	%
water supply, sewerage, pressure, water quality and damage	416	20.13 %
fittings and water meters	121	5.83 %
contracts	196	9.46 %
billings	749	36.19 %
previously unmentioned issues	588	28.40 %
Total	2,069	100 %



publish a customer magazine Water for you (Voda pre Vás) twice a year, both in electronic and printed versions for our customers and the public. The published information is mainly an information about prices and quality of water, the choice of the content was based

on the results of the satisfaction survey. The important source of information is the website www.stvps.sk. In 2014, we organized two public awareness campaigns, by force of the leaflets, advertising and radio spots. The campaign „Let us behave responsibly“ had an intent to increase

the connection to the public sewer system. The campaign „We love tap water“ reported on the quality of drinking water from the public water supply. The proper relations with the media and regular communication are also a contribution to the increasing of the public awareness.

Customer's satisfaction survey

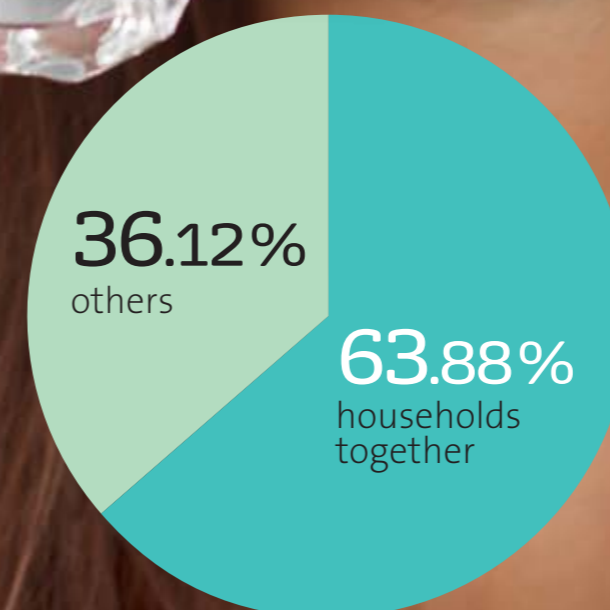
We carry out the internal survey of the customer satisfaction with the services provided at the eight customer centres by the method of filling the questionnaire. The questionnaire serves for collecting the data and it is available at every client centre, and it consists of three closed questions. The customer puts the filled questionnaire into the sealed up box. The sample of the respondents is made of the customers, who visited the client centre and filled the questionnaire. The latest

evaluation of the survey shows that the customers prefer the personal contact as the most effective kind of communication (67.11%), the phone calls follow (14.26%). The customers are the most interested in getting information related to the contracts – change of the owner, change of the deposit price, etc. (39.72%) and information about the invoices and price for water and sewer (32.58%). The employees approach to the customer acquired in total 99.56% satisfied customers.

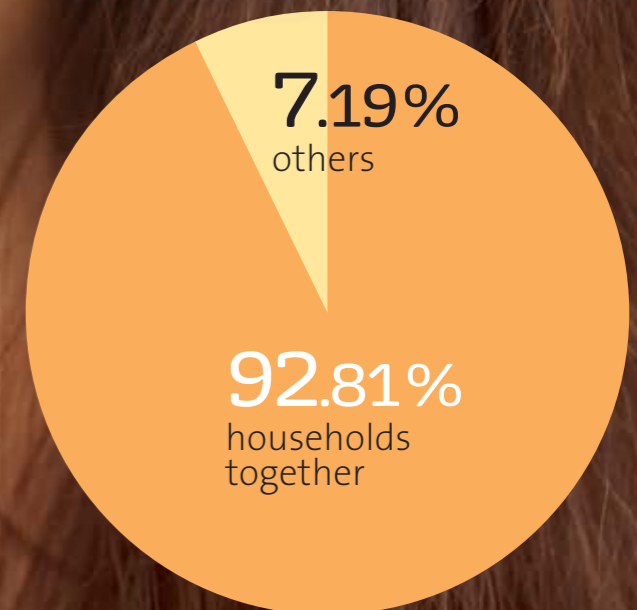
Average number of the whole contacts in the month:	7,862
Average number of the visits of the customers in the month:	4,500
Average number of the calls to the Call centre in the month:	2,069
Average number of the invoiced water meters in the month:	114,764

	Number of customers		Proportion	
	to 31 st December	%	Invoiced €	%
The number of customers altogether	113,269	100%	52,273,579	100.00%
thereof the households-individual customers	102,817	90.77%		
thereof the households housing associations	2,304	2.03%		
thereof households together	105,121	92.81%	33,394,224	63.88%
thereof the others	8,148	7.19%	18,879,354	36.12%

Structure according to the volumes of sales



Structure according to the numbers of customers



Responsibility

STREDOSLOVENSKÁ VODÁRENSKÁ PREVÁDZKOVÁ SPOLOČNOSŤ, A.S. BELONGS TO THE LARGEST EMPLOYERS IN THE REGION. AS A SOCIALLY RESPONSIBLE COMPANY, WE PROVIDE CARE FOR EMPLOYEES IN THE FIELD OF EDUCATION, SOCIAL SECURITY, HEALTH AND SAFETY. WE SEEK TO MINIMIZE THE IMPACT OF OUR ACTIVITIES ON THE ENVIRONMENT, E.G., BY PROCESSING OF NEW TECHNOLOGIES OR SHARING OF GOOD PRACTICE. THE ENVIRONMENTAL AREA BELONGS TO THE PRIORITIES WITHIN THE CSR STRATEGY.

Employees

The year 2014 was, from the viewpoint of human resources in Stredoslovenská vodárenská prevádzková spoločnosť, a.s., a year of increasing efficiency of the organizational processes and organizational structures. The Company

management focused on increasing the satisfaction of their employees through the optimization of providing benefits. On 31st December 2014, we employed 1,088 employees.

Employee structure working categories



679

Category Workers

326

Category Administrative Staff

83

Category Managing Staff

Number of the employees from the year 2010



1,208

2010

1,118

2011

1,110

2012

1,111

2013

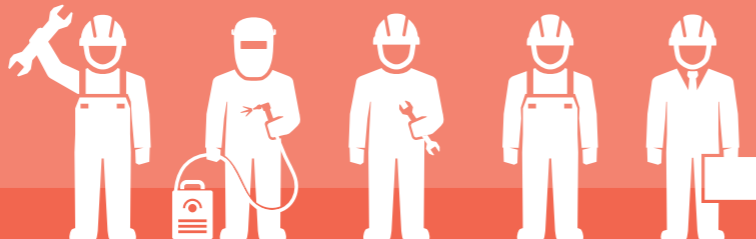
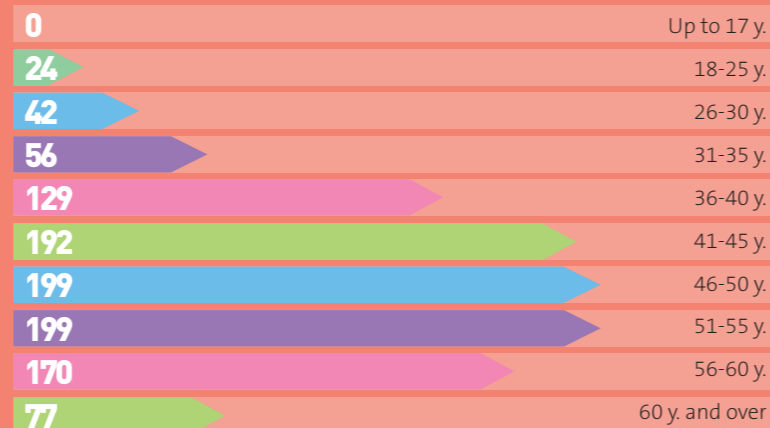
1,088

2014

This course is the result of the staff rationalization and streamlining business processes.

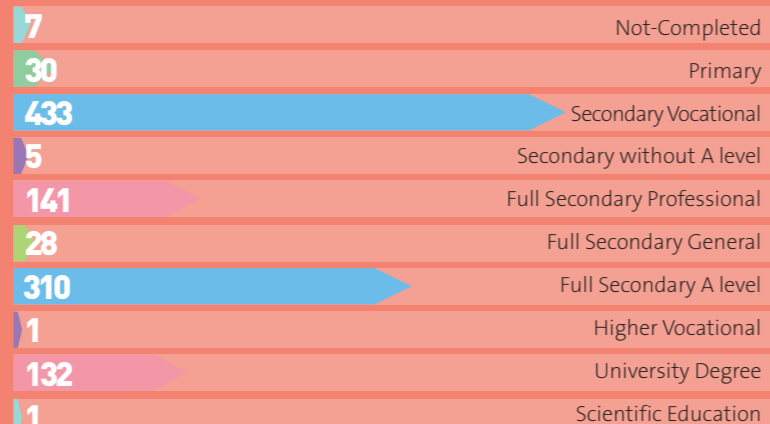
Age structure of employees:

Age structure	Together
Up to 17	0
18-25	24
26-30	42
31-35	56
36-40	129
41-45	192
46-50	199
51-55	199
56-59	170
Over 60	77
Together	1,088



Educational structure of employees:

Education	Together
Not-Completed Education	7
Primary Education	30
Secondary Vocational Education	433
Secondary Education without A level	5
Full Secondary Professional	141
Full Secondary General	28
Full Secondary A level	310
Higher Vocational	1
University Degree	132
Scientific Education	1
Total	1,088



Internal communication

The first-quality of internal communication influences not only the work performance, but also the company image and economic result. Except the regular training courses and meetings within the particular departments and divisions, we publish the employees' magazine *Voda je život* (Water is life) four times a year, where we inform

about news and current events at the company. The intranet is more and more appreciated source of information. A new project called *Employee grants* supports the involvement of employees with the benefits of the community activities. In this project, the employees with financial support of StVPS, a. s. in co-operation with

selected civic associations, schools, and other entities implementing projects in the following areas: social, environment, education and training, culture, science, health, civil and human rights, elimination of discrimination, amateur sport activities, children and youth.

Training of employees

Within the human resource development, we devote much attention to the professional and personal growth of our Employees, which is provided by means of company training. Each job position requires a specific approach for selecting the educational ac-

tivities to get improvement and upgrading the skills of the staff. We realize that, if we want to achieve the planned goals, we must invest in the development of the skills of the employees and their potentiality, because only the highly qualified and motivated

staff can bring the company success in the future. Apart from the training focused on specific positions, we try to develop the language skills of the employees, therefore we provide English language education in the form of group or individual courses.

Ethical codex

Ethical codex is a new document, which include the fair and ethical principles for all employees in the company. The issue in brief summarizes the basic conventi-

on of behaviour for every employee in all branches and at all positions. Their basic principle is honesty, fairness, responsibility and respect. In addition to the publication,

e-learning education was prepared for the employees with the possibility to acquire certificates for those who passed.

Health and safety

Social dialogue

In cooperation with our social partner, as in previous years, we managed to find a social settlement in collective negotiations, which resulted in the consent of a Collective Agreement in 2014. The most significant changes agreed in the social dialogue were:

- Valorization of wages
- new way of drawing of the social funds via cafeteria (web-application Benefit plus, Ltd.)

A part of the Collective Agreement is Supplement no. 1 - Rules on the use of social funds. Social Funds are one of the basic sources of applied social policy in the company. The creation of the Social Funds is fixed at the maximum legal limit of 1.5 % gross wages. An introduction of the so-called cafeteria represents the significant change in the way how the funds are

spent. It is this modern method, which allows employees to spend social funds according to their preferences. It is a flexible, open and benefiting system that significantly has increased the individual use of the Social Funds.

SOCIAL FUNDS OVERVIEW

Social Fund Budget of StVPS, a.s.	Plan for 2014	Draw in € 31 st Dec. 2014
Initial status to the date of 1. 1. 2014	30,813.23	30,813.23
Social fund creation (1,5%)	130,302.23	133,367.24
Incomes in 2014 (from profit in 2013)	0.00	0.00
Social fund in total	161,115.46	133,367.24
Contributions at live anniversaries (50)	2,230.00	1,195.00
Contributions at retirement leaving	3,585.00	1,325.00
One-off non-returnable aid	1,660.00	996.00
Contribution to catering	81,170.40	78,541.20
Contribution to regeneration	16,365.00	0.00
Contribution to transport to work	30,000.00	0.00
Contribution for blood-donors	1,000.00	500.00
Contribution to child birth	700.00	245.00
Contribution to children activities	3,000.00	3,010.00
Sport games (competitions, VEOLIA)	0.00	0.00
Program Benefit Plus	0.00	7,561.81
Total Expenses	139,710.40	93,374.01
Reserve/presumptive balance 31. 12. 2014	21,405.06	70,806.46

of the staff

Like every modern company, we emphasise the systematic providing and improving of the employer's commitments in the field of the healthcare, where the basic intent here is a prevention of undesirable accidents and elimination of the working injuries. We set favourable working conditions at all workplaces. In 2014, the company's educational activities and their improvement had a considerable proportion in the fulfilling of the objective. We have changed, in some cases, the „formal“ education provided by external trainers to the education provided by managers with a specific focus on individual work professions. The total effort StVPS, a.s. in the safety, the pressure put on the employees' responsibility, the improvement of the checking activities and co-operation between the staff and the company management, as well as the preventive medical provision had positive impact on the occupational accident rate, where we achieved a reduction of 33% compared with the previous year. A fire protection is a part of the health and safety care at work, where we did not register any serious shortcomings in 2014 and our company was highly evaluated by the state fire inspection. Within StVPS, a.s., a system of health and safety management is applied, that is helpful in the transparency and proper responsibility in the fulfilling the health and safety goals. On the basis of the inspection activities and the audit bodies, we can state that the quality of the management system and realised safety principles in our company are rising.



The Environment

PROTECTION OF WATER RESOURCES, DEVELOPMENT OF NEW SOURCES FOR DRINKING WATER SUPPLY, SEARCH FOR HIDDEN WATER LEAKS, USE OF RENEWABLE RESOURCES, INCREASING THE EFFICIENCY OF WASTEWATER TREATMENT PROCESSES, INVESTMENT IN NEW TECHNOLOGIES, ENVIRONMENTAL MANAGEMENT, SUPPORT TO THE ENVIRONMENT, INNOVATIVE SOLUTIONS FOR THE BENEFIT OF THE ENVIRONMENT, ENVIRONMENTAL AWARENESS.

Awareness and education in the field of environmental protection

Besides the above mentioned activities, that are focussed to protect the environment, especially biodiversity and water resources, we perform several activities of the informational and educational nature for a long time. Their goal is to guide schoolchildren and the public to a responsible environmental behavior and to protection of the environment.

In 2014, we conducted the following activities:

- Events for World Water Day - the presentation to the public, lectures in schools;
- Partnership for *Water is Life* (Voda je život) exhibition organized by SAŽP + accompanying activities;
- a school project *Tracking the Water* (Po stopách vody);
- participation in the water management exhibition AQUA 2014;
- informational campaign *Let's behave responsibly* (targeted for ecological disposal of waste water)
- informational campaign *I love tap water* (drinking water quality, benefits of tap water compared to bottled water);
- cooperation in the film *Water is life* (VúVH, SAŽP ...)
- cooperation with UMB Banská Bystrica - bachelor thesis assignment - protecting biodiversity
- publishing and distribution of the coloring books for kindergartens – *What has a drop seen?* (Čo videla kvapka)(importance and protection of water)
- publishing and distribution of a poster for primary schools *Water cycle*

Protection of biodiversity

Already in 2013, we started the cooperation with the Faculty of Natural Sciences, Matej Bel University in Banská Bystrica, in which the themes for the final bachelor theses were assigned with the possibilities to fo-

llow to the master's theses, focusing on the issue of biodiversity support at the selected operation plants. For the bachelor thesis "*Evaluation of environmental conditions for the survival of amphibians and reptiles*

in the selected water treatment plants in the favourable conditions" was selected ÚV Rozgrund. At the end of 2014, the inspection of the operation and familiarity with the environment of operation was carried out.

Waste management

IN RELATION WITH THE ENVIRONMENTAL POLICY OF OUR COMPANY, WE GUARANTEED THE WASTE RECOVERY, WHICH HAD BEEN PREVIOUSLY LIQUIDATED THROUGH LANDFILLING. THE SAVED RESOURCES WERE REUSED TO IMPROVE THE ENVIRONMENT, PARTICULARLY IN THE AREA OF WASTE STORAGING IN OUR FACILITIES.

There were other activities in the field of waste management, in particular, the consistent separation of waste and improvement of the opportunities for its gathering in our operations. The company's priority is the sludge recovery, which arises in connection with the treatment of sewage. The aim of this activity was not only the economic effect, but also a reducing of the environmental burden caused by the mining of fossil fuels and natural gas, and waste reduction of sludge from the urban waste water treatment. We managed to get from the decomposable waste by means of another activity:

- The amount of electricity produced: 1,744 MWh
- The amount of biogas produced: 1,726 thousand m³

For the purposes of more efficient waste management, the relevant district authorities issued the approvals that enabled the transfer of the suitable waste from the households in 14 districts. In terms of legislation on waste management, we meet the reporting and fee obligation.

Total waste production in 2014 was 31,732 tons, of which:

Hazardous waste:	12 t
Other waste:	31,720 t
Of which:	
total production of sludge:	21,908 t
sludge from wastewater treatment:	21,221 t
sludge from clarification of water:	687 t

Another 10 types of waste according production:

excavated soil:	5,752 t
waste from grit catchers:	1,274 t
bituminous mixtures:	1,171 t
waste from sewage cleaning:	833 t
rakings from bar screens:	522 t
mixtures of municipal waste:	119 t
plastics:	62 t
mixed waste from construction:	41 t
grease & oil mixture from separator:	18 t
ash, slag and boiler dust	9 t



ISO

Policy of the quality

The Integrated Management System is a very convenient way to create a management system that takes into account not only the quality of products and services, but also the approach to the environment, health and safety at work, and energy

efficiency. In addition, the system approach assures the orientation in the legislative requirements and their implementing, it reduces the administrative difficulty and saves financial resources. In 2014, our company successfully passed the recertification

audit of quality management system STN EN ISO 9001: 2009 and surveillance audits of the environmental management system STN EN ISO 14001: 2005, Safety and Health Management System STN OHSAS 18001: 2009 and Energy



Management System STN EN ISO 50001: 2012. The audit reviewed selected articles of the regulations, ISO, OHSAS, once again, the agreement of our system with their requirements was certified. The Audits were carried out on plants and their facilities in Banská Bystrica and Prievidza. By the purchase and using the PEFC certified

paper, the company demonstrates its commitment to the social responsibility. Our company has adopted the commitment by signing of the „Memorandum on the promotion of sustainable forest management“ and declares it through its environmental policy. We use the logo of the PEFC Slovakia association on our own prints. Manage-

ment systems are now an integral part of the management control of our company and we use them in all production processes and activities. These systems have become an essential progressive element in a relation to the customers and also the basis for our constant improvement.

Innovations

WORK IN THE FIELD ASSOCIATED WITH THE ENVIRONMENTAL PROTECTION REQUIRES THE ACQUIRING OF A NUMBER OF SCIENTIFIC DISCIPLINES, SUCH AS CHEMISTRY, METROLOGY, OPTIMIZATION OF ENERGY MANAGEMENT, INFORMATION SYSTEMS, AND MORE.

WITH A MAXIMUM EFFECTIVITY AND PROFESIONAL OPERATION, WE PROVIDE INNOVATIVE SOLUTIONS AND OWN TECHNOLOGICAL KNOW-HOW. WE SYSTEMATICALLY REDUCE THE ENERGY BURDEN OF THE OPERATIONAL FACILITIES, AND INCREASE THE PRODUCTION AND USE RENEWABLE ENERGY.



Water treatment

IN 2014, IN THE TECHNOLOGY OF DRINKING WATER AND WATER TREATMENT PLANT (WTP) THE FOLLOWING MEASURES AND INNOVATION WERE APPLIED:

- Preparation work for the reconstruction of the WTP Klenovec and WTP Málinec. In 2014, technological tests and the project documentation for planning permission were carried out
- The optimization of the stirrer operations at the WTP Klenovec
- WTP Prochoň went into operation after the reconstruction
- The reconstruction of Technologies at the WTP Behynce and WTP Hriňová, focusing on wastewater disposal, we met the permit conditions for wastewater discharges and modernization of ASRTP, planned completion date is in 2015
- Project preparation for the reconstruction WTP Kremnica and WTP Slaská started, with a focus on fulfillment of licence conditions for discharge of wastewater
- The monitoring of cyanobacteria was carried out at WTP Turček, Málinec, Hriňová and, the presence has been increased in 2014. The status is further monitored, the ecotoxicity tests and generic representations of living organisms are carried out in cooperation with ORK and RÚVZ.
- In relation to the risk of increased toxicity of the water, a necessary supply of powdered active carbon has been done at the WTP Málinec
- By contract with RÚVZ Banská Bystrica, the preparatory work of the project „quality of drinking water and disinfection byproducts“ for the water system in Kordíky and Osrblic-Hronec started. The project aims to verify the possibility of minimizing or possible total cancellation of the disinfection of water in the public water supply.
- The monitoring of occurrence of bromide and bromate formation as by-products of

the disinfection in the water supplied to the selected water systems.

- The laboratory and operational tests on the possibility of using the coagulant PAX 18 were carried out for WTP Rozgrund and WTP Hriňová with the satisfactory results.
- The outdated and inconvenient source of backup energy was replaced at the WTP Hriňová.
- For the water reservoir Lúčky in the locality of Jastrabá, the continual measurement of turbidity including the mechanisation and transmission to the control center was carried out with the intent to improve the quality of drinking water supplied
- The alkalization of the water supply started in WTP Turček, in order to eliminate increased amount of Fe in the supplied water.
- To improve the disinfection of water supply and its quality, several measures were implemented, for example a replacement of the obsolete metering equipment, checking the accuracy of the measuring instruments, organizational measures for proper use of chemical dosing, etc.

Wastewater treatment plant

IN THE FIELD OF WASTEWATER TREATMENT TECHNOLOGY AND OPERATION OF THE WASTEWATER TREATMENT PLANTS (WWTP) IN 2014, THE FOLLOWING MEASURES AND INNOVATION WERE IMPLEMENTED:

- The constructions WWTP Handlová, WWTP Veľký Krtíš and WWTP Detva were put into an operation after the trial operation was completed. These reconstructions were co-financed from EU funds and their aim was to ensure the wastewater treatment in compliance with current legislation.
- The construction of the WWTP Handlová- intensification“ started, its intent is to build a new technological line WWTP, which ensures the wastewater treatment in compliance with current legislation.
- The building of WWTP Divín – adding aeration, mechanical pre-treatment and a new tertiary treatment. The aim is to build an aeration stage, a new mechanical pre-treatment and intezification of a biological stage.
- The supply and installation of the sand separator in WWTP Rimavská Sobota were done and put into an operation. This investment started in 2013.
- The modernization of the control system and visualization of the sludge and gas management at WWTP Banská Bystrica was implemented.
- The modernization of the control system and at WWTP Rimavská Sobota, which is divided into three phases, was implemented.
- The building preparation for the sand separator in WWTP Rimavská Sobota was done, the supply and installation of the sand separator will be installed in 2014. The completion of the first stage of the construction, at the range of a pumping station is planned for 2015.
- The change of the concept of the sludge fixation was taken into a consideration at the WWTP Handlová and WWTP Veľký Krtíš. In 2014, the scientific studies that confirmed the validity of the transition from the anaerobic to the aerobic stabilization were processed.
- The public sewerage and WWTP Priechod was taken into an operation.
- Within the solution of the drainage and wastewater treatment in agglomerations, project documentation about the reconstruction and intensification has been prepared for WWTP Valaská, Kokava nad Rimavicou, Lehota pod Vtáčnikom, Hriňová and Žarnovica.
- The preparation of the implementation of the constructions „The system of sewerage and wastewater treatment in the district of Prievidza - Stage 1“, „Halič - Sewerage and WWTP extension“, „Poltár - Sewerage and WWTP intensification“ and „Krupina - sewerage and WWTP.“ These constructions will be realized in 2015.
- The contractual technical assistance in WTP and WWTP Peugeot Trnava for the company Slovenes continued



Pumping stations and reservoirs

IN THE PROCESS OF INNOVATION AND MODERNIZATION IN THE OPERATION OF THE PUMPING STATIONS AND RESERVOIRS, THE FOLLOWING ACTIONS HAVE BEEN IMPLEMENTED:

- The repairs of the building of the water reservoirs in the town of Banská Bystrica (Stráže, Radvaň I, Fončorda III, Sásová, Šachtičky) and in the localities Dolná Mičiná, Podkonice, Harmanec and the pumping stations in Banská Bystrica (Iliáš) and in Horná Mičiná.
- the reconstruction of the water tanks in B. Bystrica (Stráže, Pivovar, Malacho-

vské skalky, Sásová III. And IV.) and in the pumping stations of the localities in Dúbravica and Kozelník.

- The replacement of the electrical connection at the water reservoirs in Detva and the replacement of the electrical connection at the pumping stations in Kamenec pod Vtáčnikom.
- Replacement of pumps at service stations in Banská Belá, Hostišovce, Studená, Gemerské Dechtáre, Sobôtka, Dvorníky and Malá Čausa
- Fixation of a dosing pump in water tank in Studená and replacing of the dosing pumps in water tanks in Gemerské Dechtáre, Petrovce and Drienčany.
- Modernization of the disinfection process of water in water tank in Horné Plachtince.
- The construction of the electrical connec-

tion at the water reservoirs Vinica and assembly of the chlorination equipment ASRTP with a transmission to the dispatching.

- Providing of the remote control of pumping stations Kozelník, Banská Belá and Modrý Kameň with a transmission to the dispatching
- Replacement of a servo seal and a flow meter in Veľký Blh.
- Remote monitoring chlorine room in Harmanec and Motyčky through a central dispatch server.
- Construction of the new water reservoirs for the supply in Čierny Balog, in the part of Komov, which is equipped with chlorination equipment and ASRTP with a transmission to the dispatching.
- Installation of turbidity into the water reservoirs in Nová Baňa, Hrádza II.

Sewerage network

The company tries to minimize the impact of its activities on the individual components of the environment, whether using new technologies or responsible and safe operation of the existing facilities. In cooperation with the owner, the process

of preparation and implementation of the reconstruction of aeration facilities on the sewer networks started, that will lead to a rise of a proportion of WWTP wastewater to a wastewater relieved. The launch of a reconstruction of the storm drainage

premises in the public sewage system in Prievidza and Handlová. The preparation of the project documentation for the next stage of objects in Detva, Divín, Rimavská Sobota and Lučenec has started.

Energy

In the year of 2014, the consumption of the electric energy and natural gas in Stredoslovenská prevádzková spoločnosť, a. s. was run according the business contracts made on the basis of the financial offers.

THE SHARE OF THE PARTICULAR ENERGY COMPONENTS IN THE TOTAL ENERGY COSTS AND FUELS:

- 91.0 % electric power
- 8.3 % natural gas and heat
- 0.7 % other fuels

To improve the energy efficiency and the reduction of the energy burden of the processes in the monitored period, some tasks have been adopted like short-term and long-term energy goals, corrective and preventive measures.

In cooperation with Moravská vodárenská spoločnosť and the technical management, the Energy Meeting was organized with a participation of the staff from the Energetics. The meeting focused on the presentation of the current situation in the field of energy industry, environmental commitments, goals in the field of a decrease of the energy burden and questions in the energy and technological audit program

THE OCEAN. In 2014, according to the juridical and economic analysis, the purchasing of the power electricity was carried for the years 2015-2017 by means of a tender, where the RRP of the power electricity was € 44.99 / MWh, which represents a reduction of € 10.20 / MWh compared to the year of 2014. The use of OZE in electricity production from biogas by means of CHP units at WWTP Banská Bystrica, WWTP Zvolen and WWTP Lučenec in the amount of 1,744,836 MW meant the cost savings on electricity consumption in the amount of 179,000.00€ and an increase of the self-sufficient energy from 4.4% to 6.09% compared to 2013.



Financial part

Comments on financial results for 2014

The total financial situation of the Stredoslovenská vodárenská prevádzková spoločnosť, a.s. during the year 2014, was stable and the company has met all their financial obligations on time. The obligations were mainly for the staff, private and state institutions, partners and other contractors. The company reached the profit after taxation for the year 2014 in the amount of 2,161.91 th €. The company reached this result at the total yields of 55,725.03 th € and total expenses of 52,897.60 th €. The payable tax from the revenue was in the amount of 658.11 th €, the deferred tax was in the amount of 7.40 th €. Comparing the year 2013, the decrease of the economic result after taxation was caused mainly by decreasing yields by 0.3 % comparing the previous year. They have been affected by legislative changes, the impact of which is reflected in the decrease of income from the customers with a

flat-rate subscription and an increase in costs of 1.0%. Even despite the rationalization measures in the company, also this year the largest cost item was the Other services 21, 348.60 th €, of which the largest part accounted the rentals of the water and sewage infrastructure and subcontracts. Among the other significant cost items belongs the personal costs 15,785.87 th €, material costs 3,989.93 th €, energy consumption 3,815.32 th €, and repair and maintenance costs 3,185.15 th €. Within the group Veolia voda, the company made the cost on the trademark and administration (so-called Management fees). The total revenues of the company was 19,787.87 th €, of which non-circulating assets was in the residual value of 4,827.94 th €. The investments were in the amount of 1,307.00 th € and were spent on the modernization of the laboratory equip-

ment, computers, machines, personal and commercial vehicles. In 2014, the company paid an overdraft, but on the other hand it began to draw the medium-term loan in the amount of 4, 600.00 th € from Veolia Environnement Finance, Paris. The decrease in the equity was due to the partial payment of dividends to shareholders from retained earnings for the period 2006 - 2012 and from retained income for the calendar year 2013, totaling 4, 455.0 th €. The registered capital of the company remained unchanged in the value of 34.00 th € of the tangible property with the aim to increase the customers' satisfaction.

After 31st December 2014, there were no events that would affect the fair presentation of the facts, which are the subject to the bookkeeping.

Comment on maximum prices for the year 2014

The prices for the production, distribution and delivery of the drinking water in the public water system and the public sewerage are determined according to the regulation n.195/2013 of the Regulatory Office for Network Industries, which regulate the extent, structure and the amount of the authorized costs, the method of the determination of the adequate profit, price proposal, the method for submitting the price proposal, the method of the maximum price calculation for the production, the distribution and delivery of drinking water and diverting and treating the wastewater and the amount of the adequate profit and also the conditions for price applying. According to the determination made by the Regulatory Office for Network Industries n. 0088/2014/V the maximum prices (without VAT) were set on 21st November 2013 that are valid from 1st January 2014:

▶ Maximum price for production and supply of drinking water by means of public water networks **1.1504 €/m³**

▶ Maximum price for producing and distributing drinking water by means of public water **0.6622 €/m³**

▶ Maximum price for the disposal and treatment of waste water by public sewerage **1.0983 €/m³**

Given that, there has been a significant change in economic parameters, which were the basis for price determination in 2013, the company proposed to change the Decision no. 0088/2014/V dated on 21st November 2013. ÚRSO changed its decision in June 2014, and the new decision no. 0136/2014 / V dated on 23rd July 2014 determined the maximum prices valid from 1st August 2014 to 31st December 2014:

▶ Maximum price for the production and supply of drinking water by means of public water networks **1.1700 €/m³**

▶ Maximum price for producing and distributing drinking water by means of public water **0.6622 €/m³**

▶ Maximum price for the disposal and treatment of waste water by public sewerage **1.0983 €/m³**

Prices are without VAT.

Changes in price for sewerage without VAT in the years 2006 - 2014

1.0983€	2014
1.0663€	2013
1.0443€	2012
0.9625€	2011
0.9167€	2010
0.8764€	2009
0.8033€	2008
0.7635€	2007
0.7781€	2006

Changes in price for water without VAT in the years 2006 - 2014

1.1700€	2014
1.1169€	2013
1.1022€	2012
1.0121€	2011
0.9639€	2010
0.9313€	2009
0.8929€	2008
0.8514€	2007
0.8929€	2006

BALANCE SHEET 31st December 2014 (in EUR)

Code a	ASSETS b	Line c	Current Accounting Period Immediate		Previous Accounting Period
			Gross- Part 1 Correction- Part 2 1	Nett 2	Nett 3
	Total assets l. 02 + l. 33 + l. 74	01	30,485,422 10,697,557	19,787,865	18,980,103
A.	Total long-term intangible fixed assets (l. 04 to l. 10)	02	13,969,838 9,141,900	4,827,938	4,549,259
A.I.	Long-term intangible fixed assets sum (l. 04 to l. 10)	03	1,622,493 1,099,490	523,003	354,716
2.	Software	05	1,622,493 1,099,490	523,003	354,716
A.II.	Long-term intangible fixed assets in acquisition (l. 12 to l. 20)	11	12,338,711 8,042,410	4,296,301	4 172,685
2.	Buildings	13	7,050 2,107	4,943	5,531
3.	Individual movable assets and sets of movable assets	14	12,053,589 8,040,303	4,013,286	4,129,050
7.	Tangible fixed assets	18	2,717	2,717	38,104
8.	Advance payments for fixed assets	19	275,355	275,355	
A.III.	Non-current financial assets total (l. 22 to l. 29)	21	8,634	8,634	21,858
A.III.1	Shares and participations in subsidiaries	22	3,634	3,634	16,858
2	Shares and ownership interests with substantial influence	23	5,000	5,000	5,000
B.	Current assets l. 34 + l. 41 + l. 53 + l. 66 + l. 71	33	16,406,640 1,555,657	14,850,983	14,341,026
B.I.	Inventory total (l. 35 + l. 40)	34	579,246 3,276	575,970	588,282
B.I.1.	Material	35	578,848 3,276	575,572	581,044
5.	Goods	39			6,362
6.	Advance payments for inventory	40	398	398	876
B.II.	Long-term receivables total (l. 42 + l. 46 + l. 52)	41	5,782	5,782	133,412
B.II.1.	Trade accounts receivable (l. 43 + l. 45)	42	5,782	5,782	133,412
1.c.	Other trade accounts receivable	45	5,782	5,782	133,412
B.III.	Current receivables total (l. 54 + l. 58 + l. 65)	53	13,290,150 1,552,381	11,737,769	12,992,000
B.III.1.	Trade accounts receivable	54	13,240,265 1,552,381	11,687,884	12,787,901
1.c.	Other trade accounts receivable	57	13,240,265 1,552,381	11,687,884	12,787,901
2.	Net value of contract	58			23,080
7.	Deferred tax assets	63	21,969	21,969	156,699
9.	Other receivables	65	27,916	27,916	24,320
B.V.	Total financial accounts (l. 72 to l. 73)	71	2,531,462	2,531,462	627,332
B.V.1.	Cash	72	15 824	15,824	15,735
2.	Bank accounts	73	2,515,638	2,515,638	611,597
C.	Total accruals and deferrals (l. 75 to l. 78)	74	108,944	108,944	89,818
C.1.	Long-term prepaid expenses	75	3,481	3,481	11,038
2.	Short-term prepaid expenses	76	105,463	105,463	78,780

Code a	EQUITY AND LIABILITIES b	Line Number c	Current accounting period	Immediately preceding accounting period
			4	5
	TOTAL EQUITY AND LIABILITIES	79	19,787,865	18,980,103
	l. 80 + l. 101 + l. 141			
A.	Equity capital l.81+l.85+l.86+l.87+l.90+l.93+l.97+l.100	80	7,245,417	9,552,228
A.I.	Total registered capital (l.82 to l.84)	81	34,000	34,000
A.I.1.	Registered capital	82	34,000	34,000
A.II.	Share premium account	85		3,320
A.III.	Other capital funds	86	4,444,123	4,444,123
A.IV.	Legal reserve fund (l.88+l.89)	87	10,120	6,800
A.IV.1.	Legal reserve fund, indivisible fund	88	10,120	6,800
A.V.	Other funds from profit (l.91+l.92)	90		
A.VI.	Revaluation differences sum (l.94+96)	93	-1,192,110	-1,178,886
A.VI.1.	Revaluation differences of assets and liabilities	94	-1,192,110	-1,178,886
A.VII.	Profit/Loss from previous years l.98 + l.99	97	1,787,374	3,574,748
A.VII.1.	Previous years retained profit non-devided	98	1,787,374	3,574,748
A.VIII.	Profit for the period after taxation (+/-) l.01 – (l.81+l.85+l.86+l.87+l.90+l.93+97+101+141)	100	2,161,910	2,668,123
B.	Liabilities l. 102+118+121+122+136+139+140	101	12,536,861	9,427,354
B.I.	Provisions total (l. 103+107+117)	102	4,778,712	142,133
B.I.1.	Long-term trade payables (l. 104+l. 106)	103		10,816
1.c.	Other trade payables	106		10,816
4.	Other liabilities within the participating interests excluding those owed by affiliated accounting units	109	4,600,000	
9.	Social fund liabilities	114	70,807	30,813
12.	Deferred tax liabilities	117	107,905	100,504
B.IV.	Short-term liabilities total (l.123+127+135)	122	6,219,689	4,199,309
B.IV.1	Trade payables sum (l. 124+126)	123	3,639,632	1,741,279
1.c.	Other trade payables	126	3,639,632	1,741,279
2.	Net value of contracts	127	6,029	
6.	Liabilities to employees	131	855,795	668,813
7.	Social insurance payables	132	525,439	482,250
8.	Tax liabilities and subsidies	133	986,421	1,243,117
10.	Other payables	135	206,373	63,850
B.V.	Short-term reserves (l.137+138)	136	1,538,460	2,487,713
B.V.1.	Statutory reserves	137	966,947	1,817,763
2.	Others reserves	138	571,513	669,950
B.VI.	Current bank loans	139		2,598,199
C.	Total accruals and deferrals (l. 142 to l. 145)	141	5,587	521
C.1.	Long-term accrued expenses	142	5,283	
4.	Short-term deferred revenues	145	304	521

Profit and Loss Account Statement to 31st December 2014 (in EUR)

Code	Item	Line Number	Real status	
			Current accounting period	Immediately preceding accounting period
a	b	c	1	2
*	Net turnover (part acc. 6 under the Law)	01	55,725,027	
**	Revenues from economic activity Total Total (l. 03-09)	02	55,724,831	55,880,720
I.	Revenue from sale of goods	03		32,011
III.	Revenues from services	05	55,495,560	55,220,836
V.	Activating	07	22,705	30,675
VI.	Sales of fixed intangible assets tangible fixed assets and materials	08	14,736	3,614
VII.	Other revenues from economic activity	09	191,830	593,584
**	Operating expenses in total l.11+12+13+14+15+20+21+24+25+26	10	52,864,874	52,327,204
A.	Costs incurred to acquire the goods sold	11		29,565
B.	Consumed material, energy and other non-inventory items	12	9,250,255	9,992,487
C.	Adjusting items to provisions	13	15,773	-69,967
D.	Services	14	24,623,691	24,349,876
E.	Personnel costs total	15	15,785,865	15,302,707
E.1.	Wages and salaries	16	10,907,376	10,556,589
2.	Remuneration of board and co-operative members	17	98,254	109,990
3.	Social insurance cost	18	3,925,116	3,837,265
4.	Social costs	19	855,119	798,863
F.	Taxes and charges	20	127,812	152,437
G.	Depreciations and rectifying items to long-term intangible and long-term tangible fixed assets (l.22+23)	21	1,290,287	1,386,370
G.1.	Depreciation of intangible and tangible assets	22	1,290,287	1,386,370
H.	Net book value of fixed assets and inventory sold	24	262	59
I.	Provisions for receivables	25	196,741	72,677
J.	Other operating expenses	26	1,574,188	1,110,993
***	Profit from operations (l. 02 to l. 10)	27	2,859,957	3,553,516
*	Added value (l.03+04+05+06+07) – (l.11+12+13+14)	28	21,628,546	20,981,561
**	Income from financial activities in total (l.46+47+48+49+52+53+54)	29	196	565
XI.	Interest income (l. 40 + l. 41)	39	184	122
XI.2	Other interest income	41	184	122
XII.	Foreign exchange gains	42	12	443
**	Income from financial activities in total (l.46+47+48+49+52+53+54)	45	32,727	39,935
N.	Interest expenses (l.50+51)	49	9,598	11,186
N.1.	Interest expense to related entities	50	5,283	
2.	Other interest expense	51	4,315	11,186
O.	Exchange losses	52	891	1,745
Q.	Other expenses on financial activities	54	22,238	27,004
***	Profit / loss from financing activities (from l. 29 to l. 45)	55	-32,531	-39,370
****	Economic result for the period (+/-) (l. 27 + l. 55)	56	2,827,426	3,514,146
R.	Income tax (l. 58 + l. 55)	57	665,516	846,023
R.1.	Income tax payable	58	658,114	627,469
2.	Income tax deferred	59	7,402	218,554
****	Profit / loss from extraordinary activities after taxation	61	2,161,910	2,668,123

Cash Flow Statement to 31st December 2014 (in EUR)

	2014 (EUR)	2013 (EUR)
Cash flow from operational activities		
Cash flow from current activities	6,393,379	3,532,256
Interests paid	-9,598	-11,186
Interests received	184	121
Income tax paid	-458,423	-1,249,798
Cash flow before exceptional items	5,925,542	2,271,373
Income from exceptional items	0	0
Net cash flow from operational activities	5,925,542	2,271,393
Cash flow from investment activities		
Purchase of long-term assets	-1,582,190	-1,108,470
Receipts from sale of long-term assets	14,474	3,335
Net cash flow from investment activities	-1,567,716	-1,105,135
Cash flow from financial activities		
Incomes from credits	4,600,000	
Dividend payment	-4,455,497	-1,500,000
Revenue from long-term liabilities		0
Repayments on loans	0	0
Net cash flow from financial activities	144,503	-1,500,000
(Decrease) increase of cash and cash equivalents	4,502,329	-333,742
Cash and cash equivalents at the beginning of the accounting year	-1,970,867	-1,637,125
Cash and cash equivalents at the end of the accounting year	2,531,462	-1,970,867

Cash Flow from Current Activities

	2014 (EUR)	2013 (EUR)
Net profit (before deduction of interests, taxes and extraordinary items)	2,836,840	3,525,209
Adjustments by non-cash transactions:		
Depreciations of long-term tangible and intangible assets	1,290,287	1,386,370
Rectifying item to receivables	196,741	72,677
Rectifying item to inventories	15,773	-69,968
Reserves	-949,253	171,914
Other non-cash items	-14,474	144,238
Profit from current activities before change in working capital	3,375,914	5,230,440
Change in working capital:		
Decrease (increase) of receivables from business relation and other receivables (including accruals and deferrals of assets)	1,088,608	-431,752
Decrease (increase) of inventories	15,320	-47,017
(Decrease) increase of liabilities (including accruals and deferrals of liabilities)	1,913,537	-1,219,415
Cash flow from current activities	6,393,379	3,532,256

Independent Auditor's Report



KPMG Slovensko spol. s r. o.
Dvořáckovo nábrežie 10
P.O. Box 7
820 04 Bratislava 24
Slovakia

Telephone +421 (0)2 59 98 41 11
Fax +421 (0)2 59 98 42 22
Internet www.kpmg.sk

Independent Auditor's Report

To the Shareholder, Supervisory Board and Board of Directors of the Company Stredoslovenská vodárenská prevádzková spoločnosť, a. s.:

We have audited the enclosed financial statement of the Company Stredoslovenská vodárenská prevádzková spoločnosť, a. s. („Company“), which contains the balance sheet of December 31st, 2014, the profit and loss statement for the year ending on December 31st 2014 and the notes.

Responsibility of the statutory body of the Company

The statutory body of the Company is responsible for the preparation of the financial statement which provides a true and faithful description in accordance with the Slovak accounting act and for the internal controls considered to be necessary for the preparation of the financial statement, which does not contain any significant errors, either in consequence of a fraud or a mistake.

Responsibility of the auditor

Our responsibility is to express the opinion on this financial statement based on our audit. We have conducted our audit in compliance with the International standards on auditing. According to these standards we are obliged to observe the ethical requirements, to plan and perform the audit so that we become sure that the financial statement does not contain any considerable errors. The part of the audit is to make the realization of procedures aimed at acquisition of audit evidence about amounts and data showed in the financial statement. The selected procedures depend on the auditor's judgement, including the consideration of risk of considerable errors in the financial statement, either in consequence of a fraud or a mistake. By consideration of this risk the auditor takes into account the internal controls relevant for the preparation of the financial statement, in order to be able to elaborate the audit procedures reasonable under the given circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the accounting entity. The audit also includes the evaluation of appropriateness of the applied accounting principles and accounting methods and the reasonableness of significant accounting assumptions realized by the statutory body of the company, as well as the evaluation of the presentation of the financial statement as a whole.

We are convinced that the audit evidence we have obtained is sufficient and appropriate as a basis for our conditional verdict.

KPMG Slovakia spol.s r.o. a Slovak limited liability company and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative („KPMG International“), a Swiss entity.

Obchodný register Okresného súdu Bratislava I, oddiel Sro, vložka č. 4864/B
Commercial register of District court Bratislava I, section Sro, File No. #864/B.

IČO/Registration number: 31 348 238
IČO/Registration number: 31.948.238
Licence number of statutory auditor: 986



Reasoning of our Verdict

As stated in Part F of the notes of the financial statement, the Company has depreciated a value of goodwill 24,661 thousand Eur. all at once in expenses in tax period 2010. In our view, the given procedure is not in compliance with the Slovak accounting act, which determines that goodwill has to be depreciated over the estimated period of using according to the corresponding consumption of the future economic benefits from assets. The estimated time of having economic benefits is twenty-six years, what is based on the period of the rental and operating contract of the water and sewage infrastructure, and of which valuation arose the goodwill for the Company. By using this lifetime the annual amount of depreciation would amount to 948.5 thousand Eur. Taking into account the necessary adjustments, the value of intangible long-term assets and equity would be increased of the amount of 19,918.5 thousand Eur and a profit would be reduced by the annual depreciation of the amount of 948.5 thousand on 31st December, 2014.

Conditional Verdict

In our opinion, apart from the effects on the financial statements referred in the part Reasoning of our view, the financial statements give a true and accurate image of the financial position of the Company on 31st December 2014 and the results of its operations for the year ended on 31st December 201 in compliance with the Slovak accounting act.

25th March 2015
Bratislava, Slovak Republic



Auditing company:
KPMG Slovakia spol. s r.o.
Licence SKAU n.96

Responsible auditor:
Ing. Marek Žuffa
Licence UDVA n. 1086

Supervisory Board Statement 2014



REPORT OF SUPERVISORY BOARD OF THE COMPANY StVPS, a. s.

The Supervisory Board at its meeting examined in the compliance with the § 198 of the Commercial Code and the Article XII, Clause 4 of the company statutes the regular financial statement and evaluated the proposal of the annual report of the company for the year 2014. After the examination of the *Annual Financial Statement* and the *Independent Auditor's Report* of the company, KPMG Slovakia, Ltd., the Supervisory board declares that the company conducts the accounting system in compliance with the accounting act and the internal regulations. It is as well aware of the conditional auditor's opinion about the only depreciation of the goodwill value in the year of 2010 made on the basis of the decision of the only one shareholder. We declare that no objections were found restraining the approval of the annual financial statement and the annual report of the company for the year 2014. In the year 2014, the company made a profit after taxation in the amount of 2,161,910 EUR.

The Supervisory board has also discussed and examined the proposal of the board of directors for the distribution of profit. The supervisory board makes no objections against this proposal and recommends to the general assembly the annual financial statement, the annual report and the proposal for distribution of profit to authorise.

Tomáš Paclík
Chairman of the Supervisory

20
14



Stredoslovenská vodárenská
prevádzková spoločnosť, a.s.

Stredoslovenská vodárenská prevádzková spoločnosť, a. s.

Partizánska cesta 5, 974 01 Banská Bystrica

Tel.: 048/ 4327 111, e-mail: info@stvps.sk, www.stvps.sk

Call centrum

0850 111 234

e-mail: cc@stvps.sk | fax: +421 48 4327 888

www.stvps.sk

Customer Centers

Banská Bystrica

Partizánska 73, 974 01 BB

Prievidza

V. Clementisa 52, 971 55 PD

Lučenec

Komenského 4, 984 53 LC

Rimavská Sobota

Duklianskych hrdinov 42, 979 01 RS

Veľký Krtíš

Banícka 39, 990 01 VK

Brezno

Sekurisova 4, 977 01 BR

Žiar nad Hronom

SNP 125, 965 01 ZH

Zvolen

Ľ. Štúra 2208/15, 960 01 ZV