



# Annual Report 2012

Stredoslovenská  
vodárenská  
prevádzková  
spoločnosť, a.s.



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# Basic Data

**Trade Name:**

Stredoslovenská vodárenská prevádzková spoločnosť, a. s.

**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,- eur

Trade Register of District Court in Banská Bystrica,

Section: Sa, Insert No.: 840/S

**Registered on:**

01. 01. 2006

## Basic Business Activities

- operation of the public water supply systems of 1st up to 3rd category,
- operation of the public sewer systems of 1st up to 3rd category,
- 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, determination of contact points for connecting of instrumental techniques,
- measurement of wastewater volumes on measuring objects and sewer systems with 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 designing, 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 buildings,
- 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.

The Company has no organizational unit abroad.



# Profile of the Company

## Statutory Bodies of the Company on 31st December 2012

### 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 Šáľiová

**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-Operational 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

Ing. František Oravčík - appointed by the Management

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	56 450 249 €
Profit after taxation	3 230 778,80 €
Number of supplied residents	657 549
Number of employees	1 110
Total production of own water	43 192 thousand m <sup>3</sup>
Quantity of treated waste water	45 533 thousand m <sup>3</sup>
Length of operated water supply system including connections	5 209 km
Length of operated sewerage network including connections	1 181 km
Number of pumping stations	25
Number of waste water treatment plants	41
Number of contracted customers	107 413
Number of charging water meters	113 369
Number of phone calls executed on Customer Line	1980
Number of visits in the Customer Centers /monthly average/	5247



# Editorial

Dear Madams and Sirs, Dear Shareholders,

Another year has passed as water. The following lines will explain to you what the year has brought to our Company.

As many other companies, we have been forced by current economic situation to take many rationalization measures and the year of 2012 was a year of change. Nevertheless, I would say it was a successful year.

In 2012, Stredoslovenská vodárenská prevádzková spoločnosť, a. s. provided the drinking water supply for 129,810 delivery points in its scope. Number of delivery points increased by 1540 compared with the year 2011 and 560 new contracts for water abstraction were made. The proportion of delivery points with evidence of failure to comply with water quality standards to the total number formed only 6.94%. Within the evaluation of quality standard drainage in 2012 and in 40 183 delivery points there were no incentives to breach technical parameters.

We were able to implement several investments. This activity has brought us an annual income of 2.01 million. €, and ten buildings were completed. A construction of "Malachov - sewer, II Stage" was financially the most significant event for our Company as its financing was provided by the European Union with the Cohesion Fund. Thanks to the centralized management of a trouble-shooting and a purchase of high-technology, we are able to reduce annual water loss and thus the financial losses of the Company.

Activities associated with the production of drinking water and cleaning of waste water are the main focus of our work and are closely connected with the nature. The environmental aspect is therefore an important element of many management and control processes. We carried out a number of projects through our environmental programs.

The Company's priority is energy recovery from sludge generated in the cleaning process of waste water.

The objective of this activity was except the economic effect also the reducing the environmental burden caused by the mining of fossil fuels and natural gas, and waste reduction from the urban waste water treatment. We have successfully passed recertification audit of the Environmental Management System, Safety Management System and Health protection at work and supervisory audit of a Quality Management System. In 2012, our Company also received a Certificate of Energy Management System.

We continue to provide quality customer service. We comply with underwriting liabilities of the customer service, we introduce innovations in electronic communication and we implement regular surveys that confirm high customer satisfaction with the services provided.

As a socially responsible company, we are permanently interested to raise awareness of environmental protection and we continue to organize our own educational projects and support activities of local governments and civic associations.

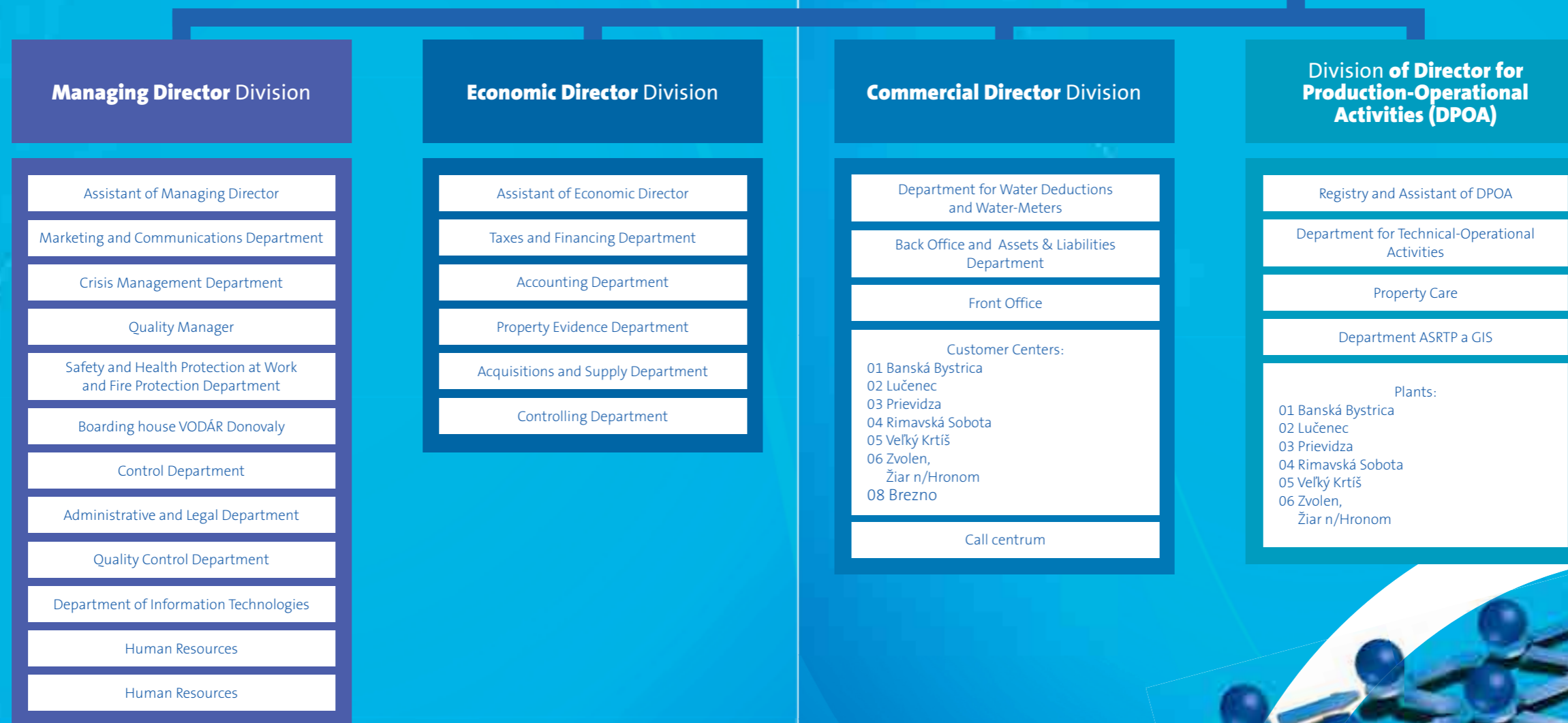
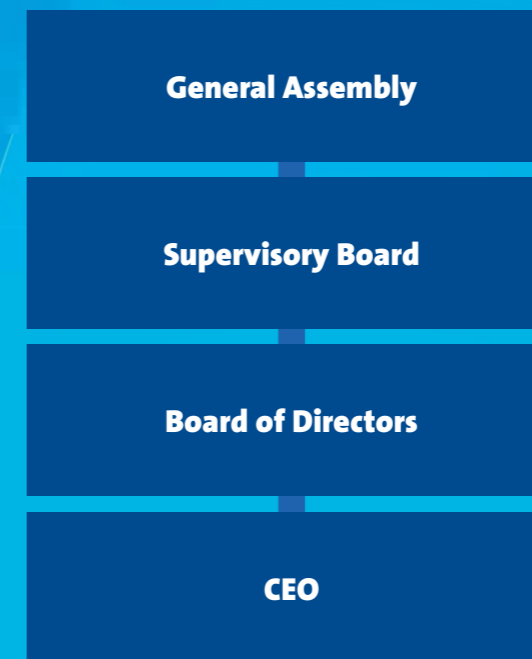
In spite of a high unemployment rate in Slovakia now, we are one of the largest employers in the region with the number of 1110 employees. Even with this high number of employees, we tend to retain the quality and safe working conditions, training and adequate salaries for all staff. We realize that the only connection of responsibility, effort, solidarity, right people and technology will help us continue to maintain a reputation of reliable water company.

Thank you for your support and all work done.



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

# Organizational Structure



# Our Services



Besides the main activities, which are the production and distribution of quality drinking water, sewerage and waste water treatment, our Company also provided several additional services to their customers. We conducted a laboratory analysis, research and measurement of the collecting system, deratization, etc. We continued to expand the offer of Customer Service and compliance with customer commitments. We always put emphasis on customer satisfaction.

We hold Certificates of Environmental Management System, the Management of Health and Safety at Work, Quality Management System. Our Company also received a Certificate of Energy Management in 2012.

## Water Production

The total amount of 43192 thousands m<sup>3</sup> of drinking water were produced in water management facilities from the water surface in amount of 13 557 thousands m<sup>3</sup> and from groundwater the amount of 29635 thousands m<sup>3</sup>. Comparing the year of 2011, it is a decline in production by 639 thousands m<sup>3</sup>. Prescribed quality of the water for the customers was provided in 22 Water Treatment Plants /WTP/ to surface water and groundwater. Two Water Treatment Plants for underground water (Pôtor and Chrťany) were given to the owners, as these have not been making use of them for a long time and there is a tendency not to use them in the future. Water supply from these WTPs were replaced by construction „Supplying the southern part of District Velký Krtíš with drinking water“ in 2010, in which also a new water drill hole Ľuboreč was made.

## Water Consumption

Declining trend in water consumption and thus invoiced water continued in 2012, which also corresponds with the decline of other indicators of production and supply of water. The amount of 27 038 thousands m<sup>3</sup> of invoiced water, was fewer by 205 thousands m<sup>3</sup> in comparison with 2011, and it made a decrease of 0.75%. A slight decrease was recorded in specific water consumption in households - in fact the water consumption was 79.0 liters for a person a day in 2012, which is a decrease by 0,3 l / person / a day compared to 2011.



## The Main Indicators of Production and Supply of Drinking Water:

Water produced own in thousands m <sup>3</sup>	43 192
Water transferred in thousands m <sup>3</sup>	110
Water taken in thousands m <sup>3</sup>	5
Water for implementation in thousands m <sup>3</sup>	43 087
Water invoiced in thousands m <sup>3</sup>	27 038
Not invoiced water in thousands m <sup>3</sup>	16 049
Water for own use in thousands m <sup>3</sup>	1 326
Water losses in the pipe network in thousands m <sup>3</sup>	14 667
The volume of water loss from the water to be implemented in %	34,0



## Water Losses

One of the main priorities of each water company is reducing water losses in water networks.

Hidden water leaks have the largest share of water losses and their localization is difficult and requires the use of the latest technology and methods for the most accurate detecting and locating.

The centralized search management of hidden water leaks and the purchase of the top technical equipment for this activity had a large share in the process of locating hidden water leaks. In 2012, workers of the separate Breakdown search Department checked 1899 km of water networks and localized 1018 hidden water leaks. In 2012, the group made external measuring work worth 4 679€ while searching for water leaks and detecting pipelines.



## Water Meters

Measuring the consumption of drinking water was provided by billing water-meters, which were settled in amount of 113369 pieces up to 31st December 2012. Overall 23180 water-meters were exchanged in 2012, the periodic exchanges were of 21106 pieces and 2074 pieces were exchanged for other reasons, eg.: meter damage, unworkable water meter, exchange on the customer request and other.

On the customers' request, 52 water meters were removed and sent to the official verification.

In 2012, a total amount of 18 168 pieces water-meters were repaired, 9443 pieces were repaired by the external contractor and 8725 pieces as our own repair.

## Water Supply System Breakdowns

The most breakdowns occurred in February and March due to the enormous frosts and following defrosting of the soil. In other months, the incidence of the breakdowns was steady. We solved 3105 breakdowns altogether, of which 1974 were on the supply and distribution pipelines and 1131 on the junctions. To merge the reduction of breakdowns, the Company was focused especially on the reconstruction of the most defective networks. As the breakdown prevention and the reduction of water losses due to breakdowns with water flowing, we have undertaken the regular monitoring of the network with the aim to detect the hidden leaks earlier. We monitor the minimum night flows at the supervisory control and we search the field directly.

## Diversion and Treatment of Wastewater

418,153 inhabitants is connected to sewerage Stredoslovenská vodárenská prevádzková spoločnosť, a. s. with a total length of 943 km. A significant decrease was recorded in the amount of purified water compared to 2011 when an annual decrease of 3 991 thousands m<sup>3</sup> was recorded, which is 8.06%.

## The Main Indicators of Collection and Treatment of Wastewater

Length of sewer system in km	943
Number of sewer laterals	29 880
Length of sewer laterals in km	238
Number of pumping stations	25
Number of wastewater treatment plants	41
Number of inhabitants connected to sewer system	418 153
PNumber of inhabitants connected to WWTP	392 751
Invoiced wastewater in thousand m <sup>3</sup> /year	22 470
Treated wastewater in thousand m <sup>3</sup> /year	45 533
Quantity of produced sludge in m <sup>3</sup> /year	24 540



## Survey and Measurement of the Sewer Network

In the field of survey of sewer networks and investigation of connected producers, we successfully tested and implemented the technology of smoke testing of sewer networks. This technology can detect breakdowns of sewer pipes and sewers facilities, and can detect unauthorized real estate adjunctions, as well as rainwater adjunctions into the sewage system. In 2012, a TV camera system for a survey of the sewer pipelines was successfully introduced into service. The system includes a mobile device equipped with a TV camera and a 2D and a 3D scanner which enable the deflection measurements, cracks and defects measurements and possibility to measure a pipeline inclination, hardware and software equipment of one workplace at the Sewer Department for an expert who evaluate the data from the survey. The older system did not allow this and carried out video recordings made only with a rotating video camera. Such recordings were only about the technical conditions of the pipelines without a possibility to measure the pipeline parameters.

We can evaluate the quality of new sewer buildings in the process of approval and also specify the quality of the conditions for investment in the construction of the sewers for designers and investors thanks to the measuring the deformation of the pipelines and their inclinations.



## Sewer System Breakdowns

The most common cause of breakdowns on the sewerage network are seals that occurred in the winter and spring months as a result of washing off the grit on roads. Other reasons were leaks that occurred as a result of damage of the pipeline system due to earth movements and a load of the traffic. In 2012, 106 breakdowns were removed on the sewerage network, of which 100 were directly in the network and 6 on the junctions.

# WATER QUALITY

## Drinking Water

During the period from January to December 2012 we were monitoring the quality of sources, the water quality in the reservoirs, the network and the consumption places in the individual plants according to the microbiological, biological and physical-chemical indicators.

From the beginning of the year, totally 3 046 samples have been taken and 37 376 microbiological and biological analyses have been performed. The impurity by the samples made was 11,22 % and by the analyses 0,83 %.

The total impurity by the samples - the microbiological, biological and physical-chemical one – amounted to 9,87 % and by the analyses 0,88 % while the permitted level of impurities made by the samples is 15,14 % and by the analyses 2,0 %.



## Sewage

During the year 2012, the analysis of technological parameters of the sewage treatment plants in a compliance with the Regulation No. 315/2004 of Coll. and in accordance with respective resolutions were carried out. In that year, our Company met all the required parameters.

We also inspected a compliance of the Regulation for outlets without treatment, which are currently in figure of 39. The permitted limits are often exceeded because they were not linked by the owners of Stredoslovenská vodárenská spoločnosť, a. s. to the existing sewage disposal plants. At the beginning of the year 2011, new regulations were issued with limits as to wastewater treatment plants and these are difficult to comply without further purification.

In 2012, 952 samples have been taken from these outlets, while 194 did not meet the limits which makes 20,37%.

## Realisation of Investments

As in previous years, in 2012, our Company, apart from its main activity, worked in the field of investment. This activity has brought annual profit of 2.01 million. €, with 10 buildings completed. These buildings in addition to the expanding the infrastructure also deal with some urgent operational problems.

Financially the most significant event for our Company was the building „Malachov - sewer, II. Stage“, in the 2012, where the financing was provided by the European Union with the Cohesion Fund and with the aim to extend the previous stage and solve the issue of the sewerage of the village Malachov in order to comply with current legislation. We started with this building already at the end of 2011 and the contract of finishing date of submission and the whole building was given on November 2013. At the end of December 2012, 2208,5 meters of sewer pipelines were realized, what represented 81% of the entire building of that time.

We have reached with this investment apart from increasing the company's revenues as an economic goal, also the improvement of the operating infrastructure, which will certainly contribute to smoother operation of the infrastructure in the future and thus the satisfaction of our customers or producers.

# CUSTOMERS

As a customer-oriented company we continue in improving our services. One kind of effective means is the project Customer Service Commitments. Also thanks to that project we reduce the period required to deal with requirements and demands, opening hours have been adapted according to customers' requirements. We have expanded a range of electronic communication services as our customers have shown an increasing interest in them.

## Approach to Customers

Stredoslovenská vodárenská prevádzková spoločnosť, a. s. provides its services in eight customer centers during the opening hours, which are uniformly arranged. For customers who prefer telephone and electronic communications is available a helpline for Call Center non-stop. Opening Hours of the Call Center reflect the customers' long-time interest of opening time from Monday to Friday and from 7 a.m. to 5 p.m. o'clock. The Company monitors trends in customer services and each year brings new opportunities for their customers.

## Customer Service

Stredoslovenská vodárenská prevádzková spoločnosť, a. s. in a process of service improvements have introduced some new services to simplify and accelerate the process of communication with customers.

**Sending invoices electronically.** In this service a customer receives invoices for the water supply and sewerage in electronic form to his or her e-mail address after the successful activation of the service. There are more than one advantages of a sending invoices electronically. The service of sending electronic invoices to customers is free of charge, the customer gets an easy and comfortable access to the invoices, invoices are sent in PDF format and so the customer has a complete archive of invoices available at any time in his or her e-mail inbox. In 2012, except sending invoices electronically, what the company provides in cooperation with the supplier of the external printing invoice service via the portal [www.zelenapošta.sk](http://www.zelenapošta.sk), we also offer a direct payment of invoices through two portals, namely VUBpay and Tatrpay. It is a comfortable electronic payment of invoices with pre-filled basic customer data, which saves time and eliminates errors.

The Company currently begins with registration e-mail contacts of our customers to use the electronic communication, that will make possible, in an agreement with the customers, to send invoices electronically without an additional registration and also to send information about new services.

**Setting up a personal customer account** on [www.stvps.sk](http://www.stvps.sk) allows the customers an easy transmission of the requirements relating to changes of deposit, self-reporting of water-meter quantity status, an invoice complaint and reporting failures. Thanks to the personal account, the customer gets an overview of his or her water consumption, the amount of the invoices and reports about the water-meters consumption status at their point of delivery.

When activating **SMS info** service, customers get free information about water outages and breakdowns on the water and sewage pipelines directly to their phones. SMS info service can be activated via the registration form on the page [www.stvps.sk](http://www.stvps.sk), or using a customer call service line 0850 111 234, or optionally by sending an SMS message.

## Customer Satisfaction Research

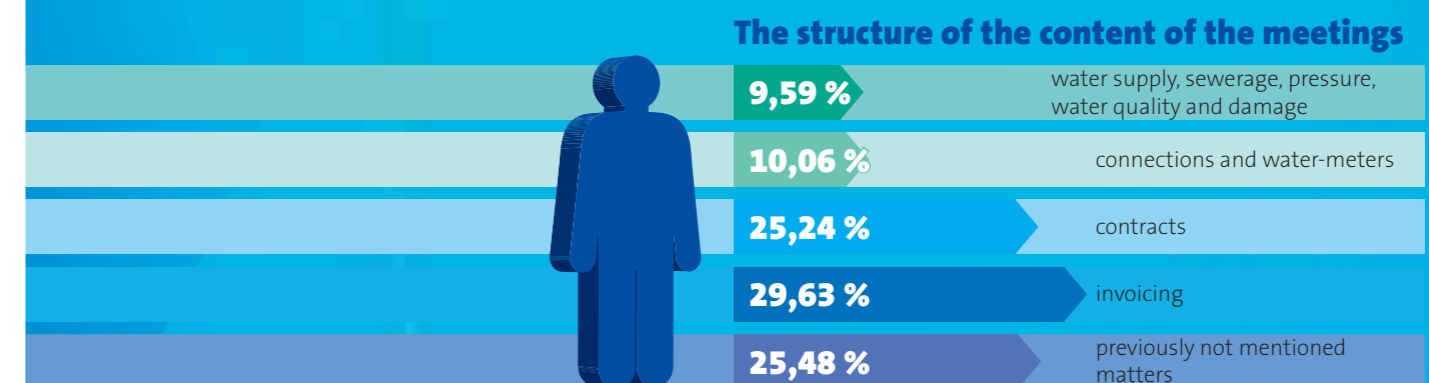
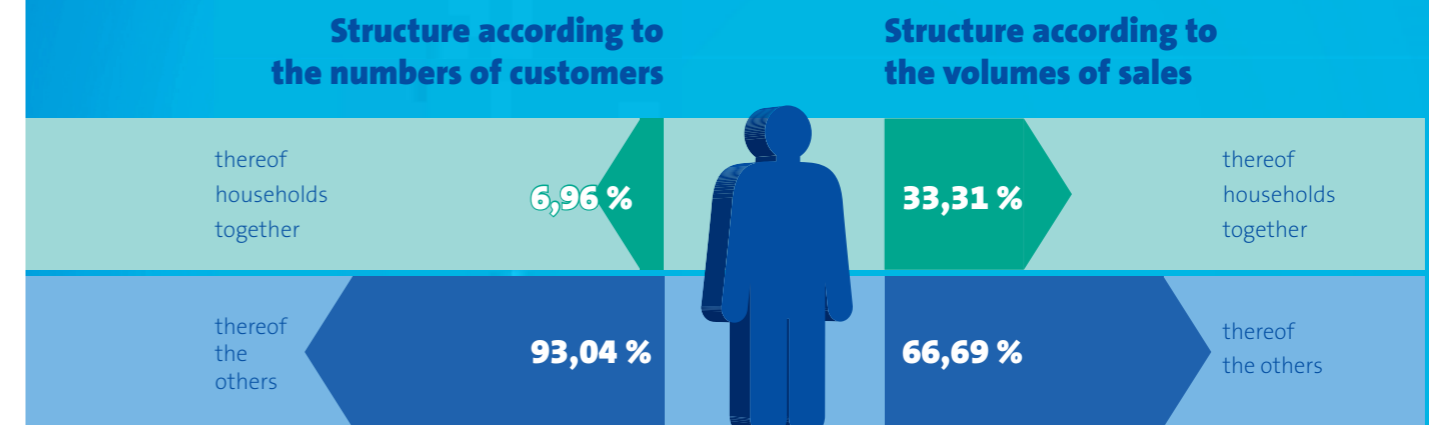
High satisfaction with the level of services has been demonstrated by the recent telephone survey. The satisfaction survey was provided by an external company for Stredoslovenská vodárenská prevádzková spoločnosť, a. s.

The participants were in amount of 1000 customers in categories: households, residential management companies, residential owners' associations and companies.

The parameters of water quality and a satisfaction with the non-stop water supply have the biggest impact on the customers satisfaction. In both of these parameters the satisfaction is high in all segments. 86.5% of respondents are satisfied with the quality of drinking water and 85.7% of respondents are satisfied with continuous supply of drinking water.

Overall, 89.9% of respondents are satisfied with the level of services provided by the supplier of drinking water and public sewer operators. The largest overall satisfaction is, as in previous years, by corporate customers (91%). This year, however, this position is shared with the house occupants (91.1%). Research has shown the importance of investing in human resource development, as 94.2% of respondents were satisfied with the professionalism of the staff. The quality of the customer service was confirmed by responses to the questions concerning the transparency of invoices (92,6% of satisfied customers) and types of payments (98,4% of satisfied customers).

Regarding the preference in kinds of information, and it is again confirmed, the users are the most interested in information in the field of water quality and pricing. In type of providing the information the first place still belongs to the leaflets and brochures at family homes, while company institutions prefer the Internet.



## 10 Top Customers in the Year 2012

1	Stavebné bytové družstvo Banská Bystrica (Cooperative Building Society Banská Bystrica)
2	Vlastníci bytov bytov. domu podľa odberného miesta v. z. Stavebné bytové družstvo Zvolen (Housing Owners according to Point of Supply represented by Cooperative Building Society Zvolen)
3	Okresné stavebné bytové družstvo Prievidza, družstvo (District Cooperative Building Society Prievidza)
4	Okresné stavebné bytové družstvo Rimavská Sobota (District Cooperative Building Society Rimavská Sobota)
5	Fakultna nemocnica s poliklinikou F. D. Roosevelta, Banská Bystrica (Faculty Hospital with Policlinic of F. D. Roosevelt, Banská Bystrica)
6	Stavebné bytové družstvo Žiar nad Hronom (Cooperative Building Society Žiar nad Hronom)
7	Stavebné bytové družstvo Lučenec (Cooperative Building Society Lučenec)
8	BYTOS - správa bytov Prievidza, s. r. o. (BYTOS – Housings Administration PRIEVIDZA, Ltd.)
9	SBD Brezno
10	SPOOL, a. s. Lučenec



## Public Communication

Stredoslovenská vodárenská prevádzková spoločnosť, a. s. communicates with the public on topics such as: protection of water resources, protection of nature and biodiversity, water quality and water savings. For this purpose we carried out various activities and projects:

- Open Days in the facilities and the sewage treatment plants combined with the professional lectures.
- Presentations to the public on the occasion of the World Water Day in shopping centers.
- Free analyses of individual water sources to determine the presence of nitrates.
- Customer magazine „Voda pre vás“ /Water for you/ published twice a year, which informs except the water quality also about new services and possibilities of water saving.
- Regular information on topics related to water protection and water quality are published in articles and media.
- Newsletters with themes of water quality, chlorine in drinking water, color of the water are available in all customer centres.
- Latest informations are regularly published on our website [www.stvps.sk](http://www.stvps.sk).

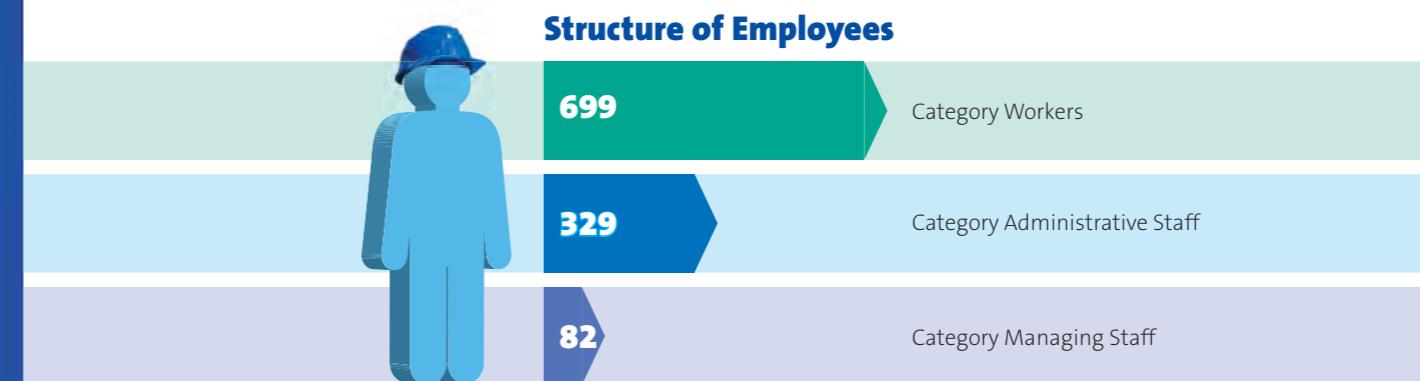
# Responsibility

Stredoslovenská vodárenská prevádzková spoločnosť, a. s. is a company that takes a responsible approach to their customers, but also to the employees. The part of the Company strategy is a social and environmental aspect, in compliance with ISO standards and safety at work.

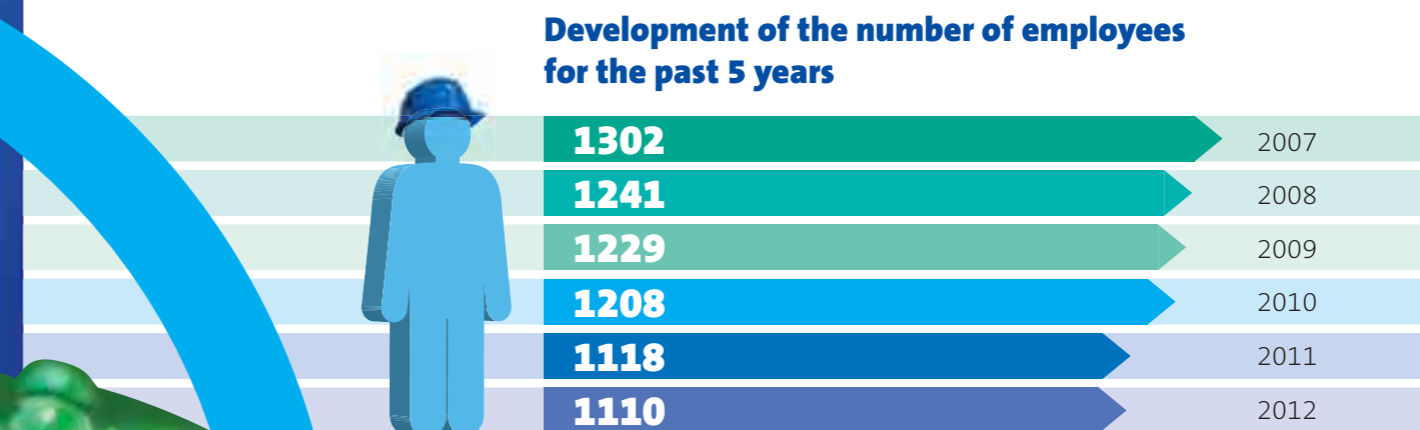
# Employees

The year 2012 was, from the viewpoint of human resources in Stredoslovenská vodárenská prevádzková spoločnosť, a.s., a year of stability and increasing care of employees. Throughout 2012 there has not been a greater reduction in numbers of the staff. The Company management, just the opposite is focused on increasing the satisfaction of their employees through the optimization of provided benefits. On 31st December 2012, we employed 1,110 employees. The educational structure of the company results from the nature of production and its summary is contained in the following table.

## Structure of Employees

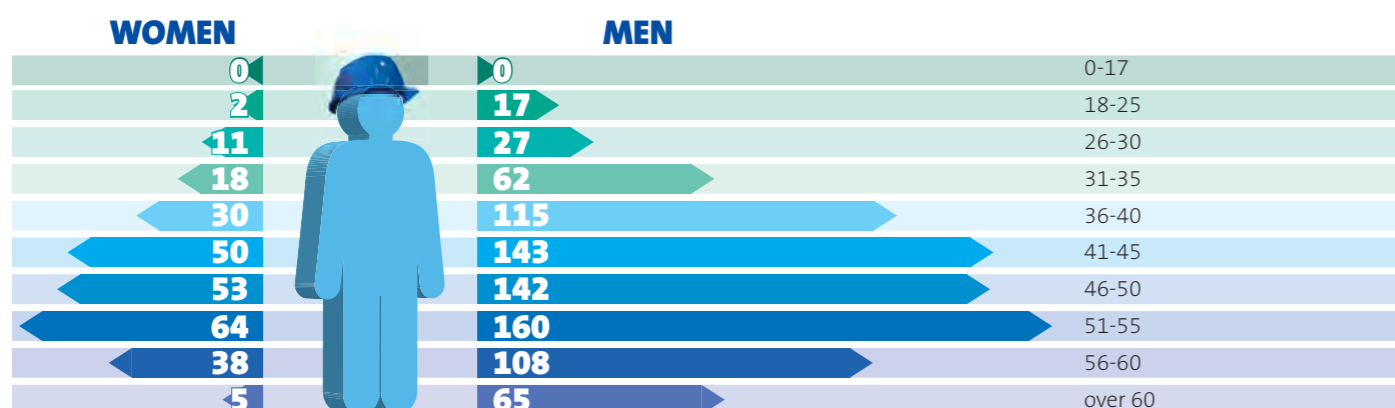


## Development of the number of employees for the past 5 years



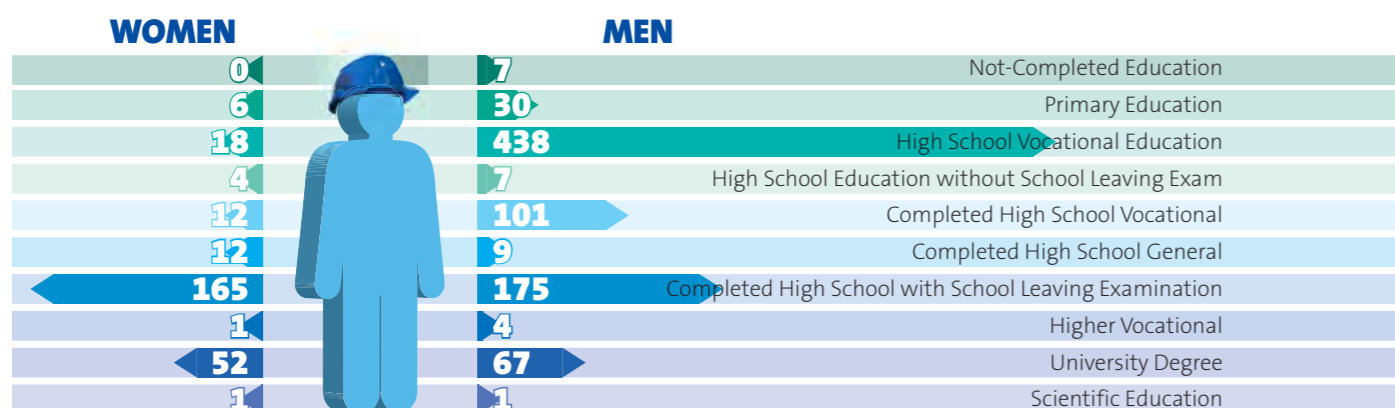
## Age Structure of Employees:

Age structure	Totally	Women	Men
0-17	0	0	0
18-25	19	2	17
26-30	38	11	27
31-35	80	18	62
36-40	145	30	115
41-45	193	50	143
46-50	195	53	142
51-55	224	64	160
56-59	146	38	108
over 60	70	5	65
<b>Spolu</b>	<b>1110</b>	<b>271</b>	<b>839</b>



## Educational Structure of Employees:

Education	Totally	Women	Men
Not-Completed Education	7	0	7
Primary Education	36	6	30
High School Vocational Education	456	18	438
High School Education without School Leaving Exam	11	4	7
Completed High School Vocational	113	12	101
Completed High School General	21	12	9
Completed High School with School Leaving Examination	340	165	175
Higher Vocational	5	1	4
University Degree	119	52	67
Scientific Education	2	1	1
<b>Totally</b>	<b>1110</b>	<b>271</b>	<b>839</b>



## Internal Communication

A well-functioning internal communication has a positive impact on the overall functioning of the organization, and therefore we are continually trying to build a trust between the Company Management and Employees. The approved tool for internal communication is the employees' magazine "Voda je život" /Water is life/, which has already been published for six years co-operatively with Podtatranská vodárenská prevádzková spoločnosť, a. s. four times a year. The magazine informs about current events at individual plants, but also about the latest news in a group VEOLIA VODA. The fastest source of information is the Intranet, where the news are published in real time and enable an immediate reaction of the staff. New learning opportunities are the content of an electronic magazine "Le Service" published on the Intranet.

The Employees receive information throughout the other communication tools, such as regular meetings, training and sport or cultural events organized by the Union.

In 2012, we prepared a volunteering activity "Čisté vody" /Clean waters/ in cooperation with the town, where our employees cleaned the water flows in the region of our scope on the World Water Day.

The Successful event was also the Employee Relay Participation in the Marathon of Banská Bystrica.

## Training of Employees

We devote much attention to the professional and personal growth of our Employees, which is provided by means of corporate training by force of The Human Resource Development.

Each job position requires a specific approach for selecting the educational activities to get improvement and upgrading of the employees' skills. We realize that, if we want to achieve the set goals, we must invest in skills of employees and their potentiality, because only 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 our staff, therefore we have been providing the English language education in the form of group or individual courses.



## Social Dialogue

In cooperation with our social partners, as in previous years, we managed to find social settlement in collective negotiations, which resulted in the consent of a Collective Agreement in 2012.

The most significant changes agreed in the social dialogue were:

- valorization of wages,
- providing a differentiated amount of remuneration when retiring.

Part of the Collective Agreement is a Supplement no. 1 - Rules on the use of social fund. The Social Fund is one of the basic sources of applied social policy in the Company. The creation of the social fund is fixed at the maximum legal limit of 1,5% of accounted gross wages and thanks to the adjusted making of the Social Fund, the Company manifests social responsibility to its employees. The collective negotiations have agreed a new contribution from the Social Fund, and it is a disposable contribution for transport to work and back. In 2012, The social fund achieved an amount of 125 thousands €.

A detailed overview of creation and spending of Social Fund is a table below:

<b>Social Fund Budget of StVPS, a.s.</b>	<b>Plan for 2012</b>	<b>Use in € 31. 12.2012</b>
Initial state to the date of 1st January 2012	17 700,60	17 704,50
Social fund creation (1,5%)	125 852,40	124 983,53
Incomes in 2012 (from profit in 2011)	0,00	0,00
Creation totally	143 553,00	142 688,03
Contributions at live anniversaries (50)	2 090,00	1 985,00
Contributions at retirement	3 555,00	2 390,00
One-time non-returnable aid	1 660,00	664,00
Contribution to catering	73 920,00	71 541,75
Contribution to recovery and culture	16 800,00	16 485,00
Contribution to transport to work	30 000,00	28 500,00
Contribution for blood-donors	678,00	847,00
Contribution by child birth	700,00	630,00
Contribution to activities for children	3 100,00	2 960,00
Sport games VEOLIA	0,00	0,00
Total Expenses	132 503,00	126 002,75
Reserve / presumptive balance to the date of 31st December	11 050,00	16 685,28

## Safety at Work and Health of Employees

Creating a safe and healthy working conditions, accident prevention and health protection of the employees is for us as the responsible company essential.

Talking about health prevention, the Employees of our Company participate in regular preventive medical examinations, the employees operating in field work are regularly vaccinated against encephalitis, the employees working at workplaces with biological risks are regularly vaccinated against hepatitis A. Our Company provides a contribution to the combined correction means in amount of EUR 135 euros to the employees who work with display units.

The second strategic point in the care of the staff is carrying out a regular training and teach the staff with health and safety regulations and fire protection. With the regular training and teaching of the employees, our Company tries to prevent accidents at work and especially lead the employees to compliance with work and safety procedures.

In 2012, our Company registered as in 2011, six accidents at work, which resulted in being out of work due to the accidents together 162 calendar days. Compared with 2011, the number of missed days declined by 154 calendar days. Work accidents occurred mainly in winter time, when there are often accidents on icy and snow covered terrain.

Our Company uses a safety management system and health protection at work according to the Regulation of Slovak Republic known as STN OHSAS 18001:2009, which also contributes and helps to meet the demands placed on health and safety at work.





## Public Education

Stredoslovenská vodárenská prevádzková spoločnosť, a. s. has long been devoted to carrying out its own educational projects aimed primarily at school youth. With their help we lead schoolchildren and the general public to responsible environmental behavior and environmental protection. With the external educational activities in 2012, we carried out the following projects and activities:

- Educational project for schools „EKOMAPA“ was carried out in cooperation with the civic association „ŽIVICA“ with the main intention of creating Eco-map of District Region Banská Bystrica. The interactive website map provides a complex overview of objects and areas related to protection of the environment and healthier way of life to all residents and visitors .
- The project „Čisté vody“/Clean waters/ was concentrated on practical environmental education, in which more than 700 high school students cleaned the banks of the watercourses from the rubbish. A part of the project was a competition for the best photo of the events.
- “Journeys for biodiversity - Water that binds us together“ was the name of the project of the students exchanges from Hungarian and Slovak High schools, which were organized in cooperation with the Hungarian VEOLIA VÍZ. The objective of the project was to enable the students to explore reciprocally their countries and their diversity with a special focus on water and water ecosystems.
- The support of the International Project „Carbon detectives“, in which pupils learnt to reduce their own carbon footprint.
- We distributed free worksheets „Secrets of Water“ at schools.
- The course „The Technologies for the Environment“ was specifically focused on the presentation of new technologies in the area of the wastewater collection and treatment and was determined to the professional community and to our employees.

## Protecting the Environment

The main activity of Stredoslovenská vodárenská prevádzková spoločnosť is closely linked to the environmental protection. The environmental aspect is therefore an important element in many managing and control processes. A number of projects with environmental programs were carried out in 2012. The reduction of treated wastewater, which do not meet permissible limits set by the EU and by Regulation of the State Water Management Authority, is continuously executed with the reconstruction and intensification of the sewage treatment plants. In 2012, the reconstruction and intensification of the Sewage Treatment Plant Tisovec and the Sewage Treatment Plant Filákovovo was completed and put into a trial operation.

In 2012, a covered dump of the sludge from purification plant Filákovovo was built and a reconstruction of the sludge of wastewater treatment field Tisovec was carried out, both under the Company's reconstruction and intensification process.

Stredoslovenská vodárenská prevádzková spoločnosť, a. s. successfully passed the Recertification audit of the Environmental Management System STN EN ISO 14001:2005, and we also declared the environmental responsibility by signing the „Memorandum on the promotion of sustainable forest management“ with the PEFC Company. The PEFC logo can be used to mark our prints and our Company demonstrates its commitment to the promotion of socially responsible business by purchasing and using the PEFC certified paper.



## Waste Management

In relation with the environmental policy of our Company, we ensured waste recovery, which have been previously liquidated through landfilling. The saved resources were reused to improve the environment, particularly in the area of waste storing in our facilities.

Other activities in the field of waste management were focused mainly on strict separation of waste and on improvement of the opportunities to gather the waste in our plants.

The company's priority is an energy recovery of sludge made in process of a treatment of the sewage. The objective of this activity was except the economic effect also the reducing the environmental burden caused by the extraction of fossil fuels and natural gas, and waste reduction - sludge from urban waste water treatment.

We managed to get from produced biodegradable waste:

- The amount of electricity produced: 1144 MWh, reduction of 36% compared to 2011,
- The amount of biogas produced: 1 905 thousand. m<sup>3</sup>, reduction of 6% compared to 2011.

Total waste 30 501 tons, of which:	
Hazardous waste:	7.4 t, increase in quantity compared to 2011 about 3.4 tons
Other waste:	30 494 t, reducing the amount compared to 2011 about 8,153 t, of which::
Sludge:	
total production of sludge:	24 292 t
sludge from wastewater treatment:	23 816 t
sludge from clarification of water:	477 t
Another 10 types of waste from production:	
Excavated soil:	2 794 t
waste from sewage cleaning:	1 107 t
waste from grit catchers:	861 t
bituminous mixtures:	597 t
rakings from bar screens:	371 t
mixed waste from construction:	138 t
unsorted municipal waste:	76 t
grease & oil mixture from separator:	15 t
mixtures of concrete, bricks, tiles:	14 t
concrete:	10 t

## The Quality of Discharged Wastewater

In the evaluation of the quality standard of the water drainage in 2012 there were no incentives to breach technical parameters under 40 183 delivery points. In the contrast to the previous year, the number of delivery points on public sewer grew by 546, and 395 new contracts for wastewater systems were contracted.

The valid regulation defines the quality standards of drinking water for public water supply and the quality standards of public wastewater sewerage system, which in addition to achieve the required water quality in terms of physical-chemical and microbiological aspect, determines the time to eliminate the causes of inadequate or insufficient amount of water or insufficient pressure in the distribution network. It also determines the periods for elimination of the causes of inadequate drainage or for example a deficient pressure or negative pressure in the sewer network and the quality of the service associated with the supply of drinking water and sewage treatment.

The quality standards level according to The Regulation Decree requires a compliance with at least 86%. We reached the level of more than 97% for water supply and 99% for wastewater.

## ISO

Energy is essential to the operation of an organization and can be a major cost item for an organization regardless of its activity. The better energy efficiency is able to provide some rapid benefits for an organization and maximize the use of its own energy resources, thereby the energy costs and consumption reduce.

For these reasons at the end of 2011, the Top Management of Stredoslovenská vodárenská prevádzková spoločnosť, a. s. Banská Bystrica decided to develop and implement energy management system according to standards STN EN ISO 50001:2012. At the same time we started the implementation of that standard in our Company in cooperation with a consulting firm Creative Energy, s.r.o.

Stredoslovenská vodárenská prevádzková spoločnosť, a. s., as the first organization in Slovakia, received in the month of June 2012 The Certification for Energy Management System according to the International standard STN EN ISO 50001:2012, certified by TÜV SÜD Slovakia s. r. o. Bratislava.

In 2012, our Company successfully passed the recertification audit for the Environmental Management System STN EN ISO 14001:2005, Safety and Health Management System STN OHSAS 18001:2008 and supervisory audit of Quality Management System STN EN ISO 9001:2009. The selected articles of standards ISO, OHSAS were reviewed by the audits, and again our system was assessed in a full compliance with their requirements. Audits were carried out in plants' facilities and premises in Lučenec and Rimavská Sobota.



# Innovations



New technologies, innovative practices and solutions, a modernization of existing equipment and a purchase of new ones - all these are necessary to improve and streamline the work. The result is then a positive economic performance, saving energy, reducing negative impacts on the environment and, finally, satisfied customers and employees.

## Water Treatment

In a technology of drinking water treatment and operation of water treatment / WT / in 2012, the following measures and innovation were implemented:

- the building project „WT Hriňová - modernization of water treatment technology“ was completed and put into trial operation. Within this building some technological devices for direct water hardening by using hydrated lime and CO<sub>2</sub> were installed. The results of the pilot operation confirmed the anticipated benefits of new technology, especially the reduction of the content of secondary iron in supplied drinking water and at the extended lifetime of steel pipes.
- The project „Modernization of the technologies for drinking water treatment - Lom nad Rimavicou“ was completed and put into trial operation, in which the existing technologies were modernized and new technology for removing radon, aggressive CO<sub>2</sub> and reduction of secondary iron content in the supplied water was set up. First results confirm the satisfactory efficiency of the technology for reaching the required parameters.
- WT Jasenie - a reserve compressor was added to the existing technology and the automation of its operation was ensured by supplementing AS RTP, thereby we ensured the increased safety of drinking water for the public water supply Jasenie - Predajná - Nemecká.
- WT Klenovec – a new kind of slow mixing stirrers on the I. stage of WT was installed and verified with satisfactory results, all done under the warranty claim.
- WT Málinec - the intensification of water disinfection was carried out by fitting of the equipment for water disinfection with UV radiation from the manufacturer Siemens / Wallace-Tiernan / type Barrier M 2000. First results confirmed satisfactory effectiveness of the device.
- the water disinfection was improved and modernized in several user sites, for example Rimavská Sobota, Jesenské, Chanava and Lom nad Rimavicou including the continuous measurement of free chlorine, data transfer to dispatching and AS RTP.
- In WT Málinec, the possibility and suitability of recycling sedimentation of washing water was verified through year-long operation to get the washing water back to the drinking water production process, which resulted in costs saving, especially for raw water and chemicals.
- We approached to prepare and implement the recycling of washing water sedimentation in WT Hriňová with expected launch in 2013, all based on the positive results from WT Málinec in 2012.
- PS Studená - the replacing and modernization of electronic controlling heads of filters for water softening and filters for removing nitrates were implemented.



## Industrial Wastewater Treatment

In the wastewater treatment technology and operation of wastewater treatment plants (WWTP) in 2012 were implemented the following measures and innovation:

- We continued on construction sites „WWTP Handlová - intensification“, „WWTP Veľký Krtíš - intensification“ and „WWTP Detva - intensification“. All three buildings are co-financed from EU funds and their aim is to increase the capacity of the WWTP and to ensure the waste water treatment in compliance with current legislation.
- WWTP Filákov and WWTP Tisovec were put into trial operation after the intensification. Both works were co-financed from EU funds and their aim was to increase the capacity of the WWTP and ensure waste water treatment in accordance with current legislation.
- the building project „WWTP Ružiná - completing technology“ was finished and put into trial operation. Within this building project the step screenings were installed, the second line of biological level was put into operation and the reliever chamber reconstructed.
- The project preparation works „Podbrezová WWTP - intensification“ and „Valaská WWTP – intensification“ started, they will be financed by the owner. The aim of the buildings is to build a new technological WWTP lines, that ensure the quality of the treated waste water in compliance with current legislation.
- The project documentation has been prepared for the installation of a new wastewater treatment plant for sand separator WWTP Rimavská Sobota, the mere supply and installation will be completed in 2013.
- The contracting technical assistance in the WWTP PSA Peugeot Trnava for Sloveo Company has continued .
- The new steering system of the biological stage of the WWTP Brezno was launched in operation, which provides automatic control of aeration and mixing of circulatory activating tank based on-line measurement of ammoniated and nitrous nitrogen. By installing a new control system we have significantly reduced power consumption, for aeration of the biological level.
- We carried out the cleaning, inspection, testing of gas-tightness and water tightness and made pipe coatings of the north digester tank at the WWTP Banská Bystrica to its commissioning. Operation of both digesters will provide greater stability of the process of anaerobic fermentation and higher production of the biogas.
- The operation of WWTP Hliník nad Hronom was terminated. It had been operated by the contract with the owner. WWTP will be further operated directly by the owner, what is the municipality of Hliník nad Hronom.

## Pumping Stations and Reservoirs

In the process of innovation and modernization of the operation of pumping stations and reservoirs have been implemented the following actions:

- repairs of the building - a renovation of the coverings and facade were carried out at the water reservoirs in villages Polomka (Ždiarska), Pohorelá / (Clementisova) and in the town of Brezno (Diel).
- the modernization of water disinfection - pipe extrusion to the water tank was fitted with a new dispensing kit ChemAd - A in the water reservoir Križmanovo in Brezno.
- a new pump and a new frequency converter were fitted, and another pump was replaced with new one in the pumping station Lom nad Rimavicou.
- a new electrical connection was built at the pumping station Biotika Slovenská Ľupča.
- outdated or wrongly functional pumps were exchanged with new ones at the stations in villages Budiná (No.1), Hostice, Jestice, Horné Plachtince (PT-2), Dúbrava, Závada, Pravica (Imrov Kopec), Príbelce, Hontianske Tesáre (Dvorníky) and Dobrá Niva
- a repair of the Electrical Distribution board by replacement was done at the water reservoir in Prievidza II. pressure zone.
- an electrical connection to the building was done, in order to ensure the pumping of the water into the reservoir for II. pressure zone in the water reservoir Poruba, I. pressure zone.
- a roof repair and a reconstruction of a part of the building at the water reservoir Handlová (II. pressure zone) was realized.
- a modernization of the fittings was carried out and transmission systems AS RTP was introduced at the water reservoirs in Svätý Anton and Banský Studenec
- a modernization of the fittings was realized and a transmission system AS RTP was introduced in Krupina.

## Sewerage Network

The Company tries to minimize the impact of their activities on various environmental components either by using new technologies or by responsible and safe operation of existing facilities.

To reduce the infiltration and exfiltration of wastewater, the trenchless technologies were used in the reconstruction of the main sewer on the public sewerage Zvolen - Sliach - Kováčová in 2012.

In a partnership with Stredoslovenská vodárenská spoločnosť, a. s., the process of preparing and implementing the reconstruction of the relief buildings on the sewerage networks with the equipment to capture floating material from relief water and the adjustment of mixing ratio of the facilities has started, thereby to increase the share of treated wastewater at WWTP to relief wastewater. The reconstruction of the relief buildings were done on the public sewers in Tisovec and on some buildings in Zvolen. The project documentation for the relief buildings in Hriňová in Brezno and the next phase of the buildings in Zvolen has began.

The I. stage of the construction was completed in Brezno to abolish the untreated sewage diffuseurs. The implementation of the II. stage of this work was carried out in 2012, but the final inspection has been postponed to the next year.

The relief building on the public sewerage system in Nova Bana was built in Knaufinsulation Company by their own staff to protect their premises, which had been flooded by surface sawege water and from overloaded sewers.

The draft of the technical standards for building sewer networks and the standards for facilities on the sewer networks was prepared and the process of reunification and adoption of this document by the proprietorial company has begun. These standards provide the enhancement of the quality of the pipe sections of the constructed sewerage networks and determine the conditions for technical solutions of facilities such as pumping stations and relief chambers, the quality of work performed, the procedure of a quality control of works at handover, draft of the technical specifications for a contract with a designer and a contractor. The main objective of these standards is to increase the quality of infrastructure assets, the significant life extension of the sewer networks and reducing the operating costs. An important contribution is a more efficient use of the financial resources spent on the building of the infrastructure.

## Energetics

The share of the total cost of energies and fuels in Stredoslovenská prevádzková spoločnosť, a. s. :

- 88% electric power
- 11% natural gas and heat
- 1% other fuels

Stredoslovenská prevádzková spoločnosť, a. s. has introduced the Energy Management System (EMS) as an effective tool for an efficient management and a change of the situation in energy consumption, following with a Certification ISO 50001 SEGM, which justify our Company to use the Certification Mark. The implementation and certification of Energy Management in our Company will benefit in many areas.

To improve the energy efficiency and reduce the energy intensity of the processes, some tasks have been adopted as short-term and long-term energy goals, corrective and preventive measures.

The specific recommendations based on the professional assessment for finding savings have been designed to optimize consumptions and energy costs :

- replacement of overcharged pumps in PS Banská Belá, PS Kozelník, Turček,
- replacement of external lighting to low energy at the facilities in Turček,
- performing the energy balance of heating objects WWTP Detva,
- replacement of outdated backup power source in Hriňová.

# Financial Part



## Comments on Financial Results for 2012

The year 2012 for our Company in the financial sector was once again full of challenges but also opportunities. We had to face to some significant cost increase, mainly to those which related to the repair and maintenance of the water infrastructure and energy. On the other hand, we have successfully launched projects of the savings - Project Convergencia, and its part „Mutualizácia“/ Mutuality (cooperation with the Company Veolia Environnement - Dalkia Slovakia) and a part of the Danube ( the increasing of the efficiency of the water companies Veolia VODA group).

Stredoslovenská vodárenská prevádzková spoločnosť, a. s. in 2012 met the financial targets set by the main shareholders - Company VEOLIA VODA S. A., with a seat address 52 Rue d'Anjou in Paris. An increase of the overall efficiency led to annual increase of the economic profit and a significant decline of indebtedness at the same time.

With a total revenues of 56 450.25 thousand € and a total cost of 53 219.47 thousand €, the economic result of our Company has increased of 3 230.78 thousand € after taxation compared to 2011. Compared to 2011, the Company reported an increase of the total revenues by 8.5% and maintained its intensity of the cost increase of 6.1%.

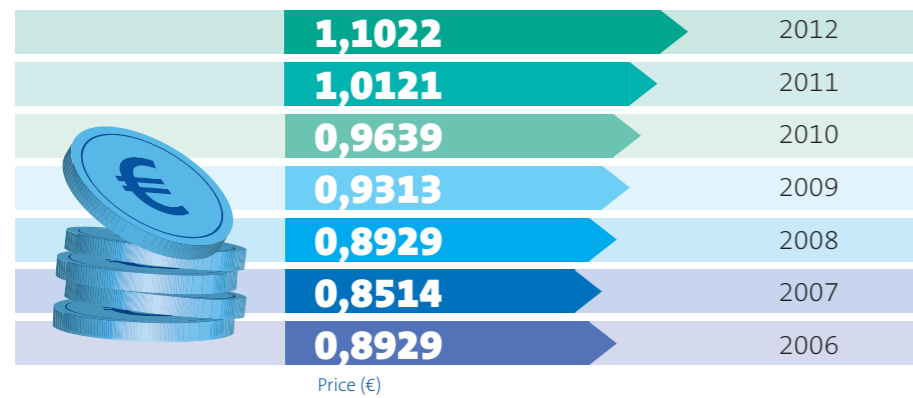
The company achieved the largest percentage of the total revenues from the public water supply I. to III. categories and the public sewer I. to III. categories, which are our dominant trade commodities, and which in value terms amounted to 94.9% of total revenues.

By paying income tax the company used the opportunity to support some activities of civic associations, nonprofit organizations and foundations through assignation of 1.5% in the amount of 12 799.03€.

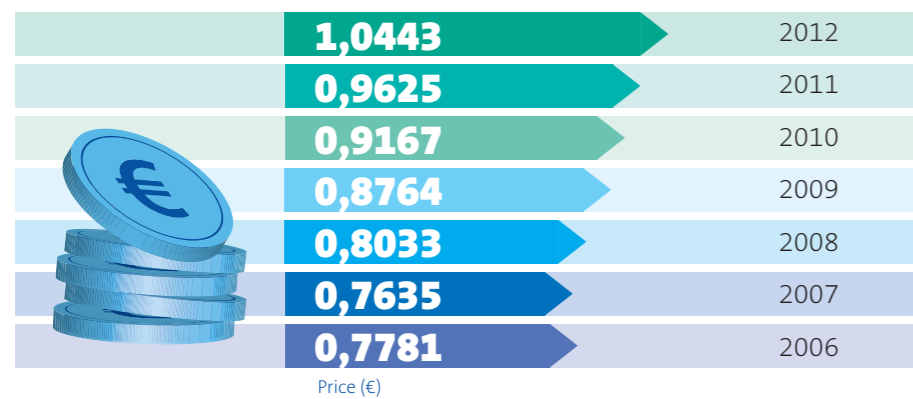
By the Resolution of the Regulatory Office for Network Industries No. 0069/2012/V dated 30th November 2011 the following maximum prices were determined for our Company (without VAT):

- The maximum price for the production and supply of drinking water throughv public supply system € 1.1022 / m<sup>3</sup>,
- The maximum price for distribution of drinking water public water supply system € 0.6622 / m<sup>3</sup>,
- The maximum price for diversion and treatment of waste water public sewer system € 1.0443 / m<sup>3</sup>.

**DEVELOPMENT OF PRICE FOR WATER UTILITY  
WITHOUT VAT IN THE YEARS 2006 – 2012**



**DEVELOPMENT OF PRICE FOR WASTEWATER  
WITHOUT VAT IN THE YEARS 2006 – 2012**



The value of the total assets was 19 881.80 thousand €, of which fixed assets amounted to balance value of 4827.20 thousand €. Investments of the amount of 1 238 thousand € were oriented to upgrade computer equipment, machine holding, passenger cars and commercial vehicles and laboratory equipment.

We can conclude that the overall financial situation was stable during the calendar year. The partly financing of the operational needs of the company was through external sources - bank current accounts, as the negative trend of poor payment discipline continued, especially among selected customers, mainly healthcare facilities. To the date of 31<sup>st</sup> December 2012 the Company recorded the unpaid overdue receivables of 2 477.73 thousand €.

The achieved positive economic result contributed to an increasing the equity 8 384.11 thousand €, which represents an increase compared to 2011. The registered capital of the Company has remained unchanged, 34 thousand €. In this regard Board of Directors shall submit a proposal to the General Assembly for the payment of dividends from the retained earnings of 1 500 thousand €.

The company prepared their separate financial statements on 31<sup>st</sup> December 2012 according to Law No. 431/2002 at statute book about Accounting, Measures of the Ministry of Finance of Slovak republic No. 4455/2003-92 for entrepreneurs maintaining accounts in the double entry bookkeeping.

# BALANCE SHEET 31<sup>st</sup> December 2012 (in EUR)

Code	ASSETS	Line	Current Accounting Period Immediate		Previous Accounting Period	
			Gross – Part 1			
a	b	c	1	Correction - Part 2	Net 2	Net 3
	Total assets l. 002 + l. 030 + l. 061	001	28 082 822		19 881 799	20 185 182
A.	Non-current assets l.003 + l.011 + l.021	002	8 201 023		4 827 200	5 199 335
A.I.	Total long-term intangible fixed assets (l. 004 to l. 010)	003	11 517 723		358 401	396 968
2.	Softwer	005	6 690 523		358 401	396 968
A.II.	Long-term intangible fixed assets in acquisition (l. 012 to l. 020)	011	1 144 756		4 446 941	4 780 509
2.	Buildings	013	786 355		6 119	6 707
3.	Individual movable assets and sets of movable assets	014	1 144 756		4 082 454	4 212 122
7.	Tangible fixed assets	018	786 355		358 368	386 795
8.	Advance payments for tangible fixed assets	019				174 885
A.III.	Non-current financial assets total (l. 022 to l. 029)	021	10 351 109		21 858	21 858
A.III.1	Shares and participations in subsidiaries	022	5 904 168		16 858	16 858
2	Shares and ownership interests with substantial influence	023	7 050		5 000	5 000
B.	Current assets l. 031 + l. 038 + l. 046 + l. 055	030	931		14 978 862	12 108 285
B.I.	Inventory total (l. 032 + l. 037)	031	16 489 362		565 331	596 881
B.I.1.	Material	032	1 510 500		528 077	530 924
5.	Goods	036	648 452		36 888	65 236
6.	Advance payments for inventory	037	83 121		366	721
B.II.	Long-term receivables total (l. 039 až l. 045)	038	611 198		175 693	49 153
B.II.1.	Trade accounts receivable	039	83 121		57 643	5 778
7.	Deferred tax assets	045	21 046		118 050	43 375
B.III.	Current receivables total (r. 047 až r. 054)	046	14 008 443		12 602 110	11 343 092
B.III.1.	Trade accounts receivable	047	1 406 333		12 504 268	11 070 270
2.	Net value of contract	048	13 910 601		25 715	206 994
8.	Other receivables	054	1 406 333		72 127	65 828
B.IV.	Total financial accounts (l. 056 to l. 060)	055	72 127		1 635 728	119 159
B.IV.1.	Cash in hand	056	1 635 728		103 162	87 163
2.	Bank acconts	057	103 162		1 532 566	31 996
C.	Total accruals and deferrals (l. 062 to l. 065)	061	75 737		75 737	2 877 562
C.1.	Long-term prepaid expenses	062	3 199		3 199	2 826
2.	Short-term prepaid expenses	063	72 538		72 538	2 874 736

Code	EQUITY AND LIABILITIES	Line	Current accounting period	Immediately preceding accounting period
	TOTAL EQUITY AND LIABILITIES l. 067 + l. 088 + l. 121	066	19 881 799	20 185 182
A.	Equity capital l. 068 + l. 073 + l. 080 + l. 084 + l. 087	067	8 384 105	5 153 326
A.I.	Total registered capital (l. 069 to l. 072)	068	34 000	34 000
A.I.1.	Registred capital	069	34 000	34 000
A.II.	Total capital funds (l. 074 to l. 079)	073	3 271 876	3 271 876
A.II.1.	Capital surplus	074	3 320	3 320
2.	Other capital funds	075	4 444 123	4 444 123
3.	Legal reserve fund from capital deposit	076	3 319	3 319
4.	Valuation differences from revaluation of property and liabilities	077	-1 178 886	-1 178 886
A.III.	Total funds from profit (l. 081 to l. 083)	080	3 481	3 481
A.III.1.	The statutory reserve fund	081	3 481	3 481
A.IV.	Profit/Loss from previous years l.085 + l.086	084	1 843 969	
A.IV.1.	Previous years retained earnings	086	1 843 969	
A.V.	Profit for the period after taxation (+/-) l.001 - (l.068+l.073+l.080+l.084+l.088+l.121)	087	3 230 779	1 843 969
B.	Liabilities l. 089 + l. 094 + l. 106 + l. 117 + l. 118	088	11 497 256	15 031 418
B.I.	Provisions total (l. 090 to l. 093)	089	2 315 800	3 305 015
2.	Legal short term reserves	091	916 026	2 290 658
4.	Other short term reserves	093	1 399 774	1 014 357
B.II.	Long-term liabilities total (l. 095 to l. 105)	094	27 501	28 521
B.II.1.	Long-term trade liabilities	095	10 816	10 816
9.	Social fund liabilities	103	16 685	17 705
B.III.	Short-term liabilities total(l. 107 to l. 116)	106	5 881 102	4 589 043
B.III.1.	Trade payables	107	3 273 149	2 432 973
3.	Uninvoiced supplies	109	163 405	206 277
7.	Liabilities to employees	113	672 510	617 375
8.	Social insurance payables	114	468 031	433 580
9.	Tax liabilities and subsidies	115	1 300 738	872 278
10.	Other payables	116	3 269	26 560
B.IV.	Short-term borrowings	117		
B.V.	Bank loans l. 119 + l. 120	118	3 272 853	7 108 839
B.V.1.	Long-term banks loans	119		
2.	Current bank loans	120	3 272 853	7 108 839
C.	Total accruals and deferrals (l. 122 to l. 125)	121	438	438
4.	Deferred revenue short term	125	438	438



## Profit and Loss Account Statement to 31<sup>st</sup> December 2012 (in EUR)

Code	Item	Line	Real status	
			Current accounting period	Immediately preceding accounting period
a	b	c	1	2
I.	Revenue from sale of goods	01	172 831	47 259
A.	Expences of goods sold	02	160 135	43 932
+	Commercial margin l. 01 - l. 02	03	12 696	3 327
II.	Production l. 05 + l. 06 + l. 07	04	56 072 043	51 773 634
II.1.	Incomes from sales of own products and services	05	56 034 361	51 730 377
3.	Own work capitalized	07	37 682	43 257
B.	Production consumption l. 09 + l. 10	08	33 693 145	31 069 322
B.1.	Consumed material, energy and other non-inventory items	09	10 233 866	9 757 174
2.	Services	10	23 459 279	21 312 148
+	Added value l. 03 + l. 04 - l. 08	11	22 391 594	20 707 639
C.	Personnel costs total (l. 13 to 16)	12	14 948 508	15 060 407
C.1.	Wages and salaries	13	10 338 928	10 218 427
2.	Remuneration of board and co-operative members	14	98 785	102 537
3.	Social insurance cost	15	3 752 667	3 755 018
4.	Social costs	16	758 128	984 425
D.	Taxes and charges	17	135 064	112 887
E.	Depreciations and rectifying items to long-term intangible and long-term tangible fixed assets	18	1 435 112	1 437 968
III.	Revenues from sales of fixed assets and inventory	19	10 523	61 080
F.	Net book value of fixed assets and inventory sold	20	4 737	44 241
G.	Creation and accounting of rectifying items to receivables	21	122 112	-272 550
IV.	Other operating incomes	22	193 790	125 681
H.	Other operating expenses	23	1 850 590	1 934 566
*	Operating profit or loss l.11-l.12-l.17-l.18+l.19-l.20-l.21+l.22-l.23+(-l.24)-(-l.25)	26	4 099 784	2 576 881
X	Interest incomes	38	1 033	2 442
N.	Interest expenses	39	70 038	213 201
XI.	Exchange rate profits	40	29	231
O.	Exchange rate losses	41	1 199	1 224
P.	Other financial costs	43	20 766	28 590
*	Profit / loss from financing activities l.27-l.28+l.28+l.29+l.33-l.34+l.35-l.36-l.37+l.38-l.39+l.40-l.41+l.42-l.43+(-l.44)-(-l.45)	46	-90 941	-240 342
**	Profit / loss from ordinary activities before tax r. 26 + r. 46	47	4 008 843	2 336 539
S.	Income taxes on ordinary activities l. 49 + l. 50	48	778 064	492 570
S.1.	- current	49	852 739	377 886
2.	- deferred	50	-74 675	114 684
**	Net profit / loss from ordinary activities l. 47 - l. 48	51	3 230 779	1 843 969
T.	Extraordinary costs	53		
*	Profit / loss from extraordinary activities before tax l. 52 - l. 53	54		
*	Profit / loss from extraordinary activities after l. 52 - l. 53	58		
***	Profit / loss for the accounting period before tax(+/-) (l. 47 + l. 54)	59	4 008 843	2 336 539
***	Net profit / loss for the accounting period (+/-) (l. 51 + l. 54 - l. 60)	61	3 230 779	1 843 969

## Cash Flow Statement to 31<sup>st</sup> December 2012

	2012	2011
<b>Cash flow from operational activities</b>		
Cash flow from current activities	6 985 948	8 481 992
Interests paid	-70 038	-213 201
Interests received	1 033	2 442
Corporate income tax paid	-504 057	-229 888
Dividends paid	0	0
Cash flow before extraordinary items	6 412 886	8 041 345
Receipts from extraordinary items	0	0
<b>Net cash flow from operational activities</b>	<b>6 412 886</b>	<b>8 041 345</b>
<b>Cash flow from investment activities</b>		
Purchase of long-term assets	-1 065 525	-1 287 898
Receipts from sale of long-term assets	5 194	17 877
Acquisition of investments	0	0
Dividends received	0	0
<b>Net cash flow from investment activities</b>	<b>-1 060 331</b>	<b>-1 270 021</b>
<b>Cash flow from financial activities</b>		
Revenues from capital increase	0	0
Receipts from loans	0	0
Installments of long-term liabilities	0	-825 478
Installments from received credits	-3 369 183	-4 033 061
<b>Net cash flow from financial activities</b>	<b>-3 369 183</b>	<b>-4 858 539</b>
Decrease) increase of cash and cash equivalents	1 983 372	1 912 785
Cash and cash equivalents at the beginning of the accounting year	-3 620 497	-5 533 282
<b>Cash and cash equivalents at the end of the accounting year</b>	<b>-1 637 125</b>	<b>-3 620 497</b>

## Cash Flow from Current Activities

	2012	2011
<b>Net profit (before deduction of interests, taxes and extraordinary items)</b>	<b>4 077 848</b>	<b>2 547 298</b>
Adjustments by non-cash transactions:		
Depreciations of long-term tangible and intangible assets	1 437 659	1 437 968
Rectifying item to receivables	122 112	-382 388
Rectifying item to inventories	16 263	11 982
Reserves	-989 215	308 773
Other non-cash items	-5 195	-17 877
Profit from current activities before change in working capital	4 659 472	3 905 756
Change in working capital:		
Decrease) increase of receivables from business relation and other receivables (including accruals and deferrals of assets)	1 368 464	4 822 948
Decrease (increase) of inventories	15 653	1 377
(Decrease) increase of liabilities (including accruals and deferrals of liabilities)	942 359	-248 089
<b>Cash flow from current activities</b>	<b>6 985 948</b>	<b>8 481 992</b>

# Independent Auditor's Report



KPMG Slovensko spol. s r.o.  
Dyčková 11  
P.O. Box 7  
820 01 Bratislava 20  
Slovakia

Telephone: +421 932 99 99 61 11  
Fax: +421 932 99 99 42 22  
Internet: [www.kpmg.sk](http://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 accompanying financial statement of the Company Stredoslovenská vodárenská prevádzková spoločnosť, a. s. containing the balance sheet as of December 31st, 2012, the profit and loss statement for the year ending on December 31st 2012 and 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 representation in accordance with the Slovak Accounting Act and for the internal controls considered to be necessary for the preparation of the financial statement not containing any considerable 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 conducted our audit in compliance with the International Standards on Auditing. According to these standards we are obliged to observe the ethical requirements and to plan and perform the audit so that we become sure that the financial statement does not contain any considerable errors.

The part of 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 Slovensko 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 E. 4864/B  
Commercial register of District court Bratislava I, section Sro, file No. 4864/B

ICO/Registration number: 31 348 238  
Evidenčné číslo licencie audítora: 96  
Licence number of statutory auditor: 96



### 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, that provides 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 lease and operating contract of the water and sewage infrastructure, and of which valuation arose the goodwill of 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 increase of the amount 21 815.5 thousand EUR and profit would be reduced by the annual depreciation of the amount 948.5 thousand EUR to the date of 31st December, 2012.

### Conditional Verdict

In our opinion, apart from the effects on the financial statements referred in Part Reasoning of our view, the financial statements give a true and accurate image of the financial position of the Company to 31st December 2012 and the results of its operations for the year ended on 31st December 2012 in compliance with the Slovak Accounting Act.

27th March 2013  
Bratislava, Slovak Republic

Audit Company:  
KPMG Slovensko spol. s r.o.  
SKAU Licence No. 96



Responsible Auditor:  
Ing. Marek Žuffa  
UDVA Licence No. 1086

## Viewpoint of Supervisory Board

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

The Annual Financial Statement and the Annual Report of the Company were verified by the audit company KPMG Slovensko, spol. s r.o. appointed for the year 2012.

The Supervisory Board at its meeting examined the Regular Financial Statement in compliance with the Paragraph 198 of the Commercial Code and the Article XII, Clause 4 of the Company Statute.

After the examination of the Annual Financial Statement and in connection with the Auditor's Report the Supervisory Board states that the Company conducts the accounting system in compliance with the Accounting Act and the other related regulations. By investigation of the data listed in the Financial Statement for the year 2012 no objections were found restraining the approval of the Annual Financial Statement and the Annual Report of the Company.

In the year 2012 the Company made a profit after taxation of 1,843,969 EUR.

The Supervisory Board also discussed the Proposal of the Board of Directors for the distribution of the profit in the amount of 1,500,000 EUR of retained profit of the last years ( year 2011), as well as the accounting of the reached profit for the year of 2012 to the retained profit of the last years, which will represent the total amount of 3,574,748 EUR.

The Supervisory Board makes no objections against the Proposal of the Board of Directors and recommend to the General Assembly the Annual Financial Statement, the Annual Report and the Proposal for the payment of the dividends and the accounting of the reached economic outturn for the year 2012 to **authorise**.

In Banská Bystrica, on June 12th, 2013



Tomáš Paclík  
Chairman of the Supervisory

## **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

#### **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, 961 50 ZH

##### **Zvolen**

Ľ. Štúra 2208/15, 961 05 ZV

