Výroční zpráva 2005

Annual report 2005

IMOS®

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Introduction Made by the Chairman of the Board of Directors and Managing Director

Dear business friends, ladies and gentlemen,

Let me, on behalf of the Board of Directors of the Company IMOS Brno, a.s., inform you about the results achieved in our Company last year.
In general, 2005 was another successful year for your Company, both from the point of view of winning and executing new contracts and further development, the evidence of which may be the construction production performance reaching the level of 5.5 billion CZK.

What is an essential and fundamental change is a new membership of the Board of Directors and Advisory Board, which took place at the beginning of this year. It was Ing. Jiří Rulíšek who stepped down from the post of the Chairman of the Board of Directors. We would all like to thank him for having been a long-term asset to the Company

As well as in the previous years, this year could not do without defence of certificates by the Certification Authority. It is my pleasure to say that we have managed to defend all of them. Above all, we have obtained the certificates in the domains of quality control or environment protection.

It is our top-priority aim to perform our work precisely, thus providing our clients with high-quality services, which we have always managed to. I do believe that such trend will, due to a joint effort, continue in the future. Owing to the diligence of our employees, I dare say that, in the years to come, our Cvompany will be able to maintain its position of one of the biggest civil engineering companies in the Czech Republic.

Dear business friends, ladies and gentlemen,
I am heartily pleased of your interest in our Annual Report and I would like to wish us all excellent cooperation not only in the following year, but also in the future.

Ing. Oldřich Štercl
Chairman of the Board of Directors and Managing Director

Basic Data Concerning the Company and Company Bodies

Name:	IMOS Brno, a.s.
Office:	Olomoucká 174, 627 00 Brno
Registered:	in the Commercial Register at the Regional Court in Brno, section B, insertion 2211
Registration Date:	1st January 1997
Identification no.:	25322257
VAT-Registration no.:	CZ25322257
Phone:	+420 548 129 111, 532 173 111
Fax:	+420 548 129 390, 532 173 390
Legal form:	Joint-stock company
Statutory body:	Board of Directors
Registered capital:	CZK 205,000,000
Sole shareholder:	IMOS holding, a.s.
Shares:	204 registered shares with a nominal value of CZK 1,000,000 2 registered shares with a nominal value of CZK 500,000

Supervisory Board

Ing. Jiří Rulíšek	Chairman of the Supervisory Board
Jan Kozubal	Member of the Supervisory Board
Ing. Radomír Vostal	Member of the Supervisory Board

Board of directors

Ing. Oldřich Štercl	Chairman of the Board of Directors and Managing Director
Ing. Ivan Sigmund	Deputy Chairman of the Board of Directors and Ostrava Branch Director
Jan Sniegon	Deputy Chairman of the Board of Directors and Ostrava Branch Director
Ing. Milan Karásek	Member of the Board of Directors and Building Constructions Brno Branch Director
Ing. Robert Suchánek	Member of the Board of Directors and Water Management Structures and Road Constructions Brno Branch Director

Objects

- Activity of organizational and economic consultants
- Activity of organizational and economic consultants in the field of roads
- Activity performed using mining processes
- Purchasing goods for reselling and selling
- Metal working
- Installation and repairs of selected gas devices
- Installation of technological equipment
- Repairs of road vehicles
- Business in the sphere of hazardous waste handling
- Technical services provision
- Construction designing and projecting
- Designing buildings and equipment for mining limited to surface structures used for processing and enriching minerals
- Movables lease and rental
- Hiring out non-residential rooms
- Leasing building mechanisms
- Performing constructions, their changes and removals
- Real estate agencies
- Reprographic work - copying
- Inland road transport of goods
- Bookkeeping, tax records management
- Land survey
- Manufacture, installation, and repairs of electric machines and devices
- Production of machinery and equipment for general purposes
- Locksmithing
- Testing the properties and quality of colours used for road marking
- Testing the properties of soils, aggregates, binders and their mixtures, verifying the quality of products made from them
- Mediating activity

A) Structural engineering:
- industrial plants
- shopping centres
- civic facilities – apartment blocks, health care, educational and cultural buildings

B) Water management structures and road construction:
- sewerage systems, waste water treatment plants, water ducts, and water course management structures
- complete networks of technical infrastructure, extensive earthwork
- expressways, roads, bridges, and engineering structures

C) Design

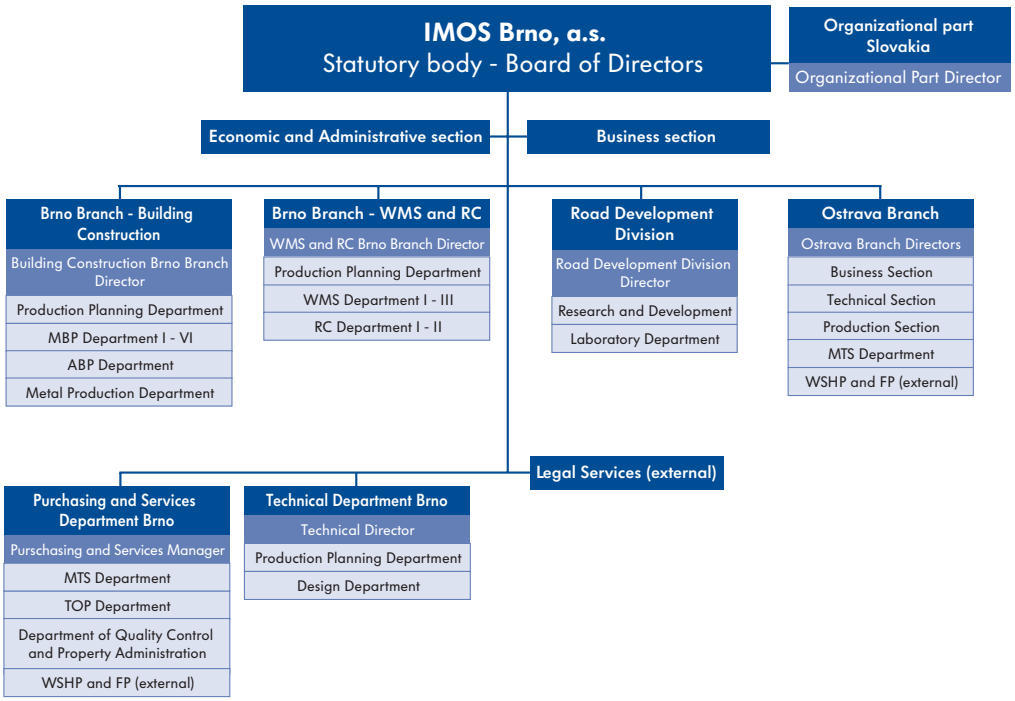
D) Road development and accredited testing laboratory

Integrated system of quality control, environment protection, work safety and health protection, and information security

All the Company's activities are focussed on the quality of the executed work, customers' needs and risk reduction, environment protection, work safety and health protection, and last but not least, on information security. This has meant that the Company has introduced gradually and maintained an integrated management system in the above-mentioned areas, thus following criterial norms and standards, in particular the following:

- ČSN EN ISO 9001:2001
- ČSN EN ISO 14001:2005
- OHSAS 18001:1999

Company Organizational Structure



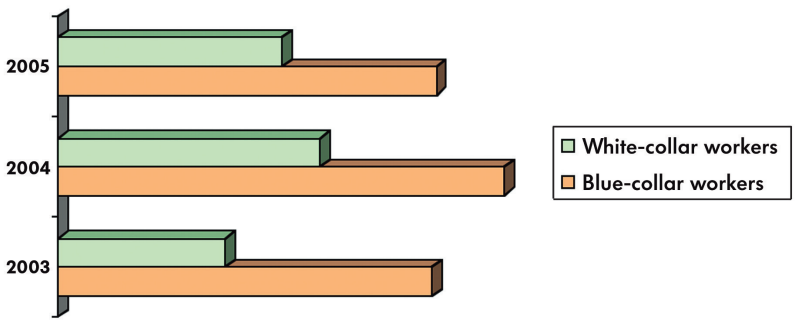
Legend:

WMS	Water Management Structures
RC	Road Construction
MBP	Main Building Production
ABP	Accessory Building Production
MTS	Material and Technical Supply
TOP	Technical Operation of Production
PP	Production Planning
WSHP	Work Safety and Health Protection
FP	Fire Protection
RDD	Road Development Division

Company Personnel Structure

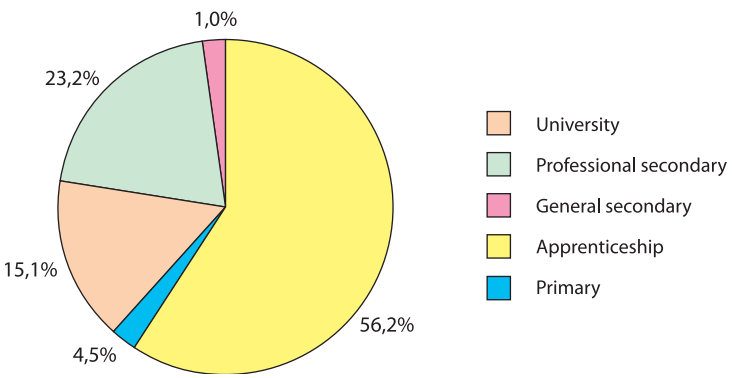
The Company has paid great attention to hiring top professionals, aiming at supporting them in broadening their professional knowledge and skills, which corresponds to an ever--growing number of authorised engineers or technicians (31 at present) who are employed in our Company.
The table below show an average annual number of employees over the past three years. The information concerning year 2006 is valid on 31 March 2006. Both the table and the chart include technical as well as blue-collar professions. The chart shows the proportion of blue-collar and white-collar employees.

Summary of average annual number of employees (total)			
2003	2004	2005	State on 31 March 2006
810	1046	890	884



Employees' educational background:

Educational background	Number of persons	%
University	127	15,1%
Professional secondary	195	23,2%
General secondary	8	1,0%
Apprenticeship	472	56,2%
Primary	38	4,5%
Total	840	100%



Important Events, Sponsorship, and Selected Constructions Realised in Economic Year 2005

Important events in economic year 2005

- Environmental management certificate according to ČSN EN ISO 14001:2005 issued by the certification authority QUALIFORM, a.s. on 30 August 2005
- On 2 January 2006 at its meeting, the Board of Directors of the Company IMOS Brno, a.s. decided to approve the changes in its statutory bodies, i.e. the Board of Directors and Supervisory Board.
- winning the contract for the Moravian Regional Archive Construction
- winning the contract for the construction of the Court House in Jihlava

Sponsorship and sport support in economic year 2005

We aim at supporting useful projects both in the sphere of education and culture, as well as in health care, covering not only the South Moravian region.

- 04/05 - 03/06	- Basketbal Sport	- 2.242.000 CZK
- 04/2005	- Financial gift to the St. Anna's Faculty Hopsital	- 13.000 CZK
- 05/2005	- HURRAH HOLIDAYS! in Vyškov	- 20.000 CZK
- 09/05-04/06	- SHK Hodonín	- 83.300 CZK
- 10/2005	- University of Technology Brno - publication	- 300.000 CZK
- 10/2005	- Party Brno 2006	- 30.000 CZK
- 04/05-09/06	- SK Brno – Žabovřesky	- 135.000 CZK
- 12/05	- Golden Ski 2005/2006	

Selected constructions built in economic year 2005

Rajská Building for the University of Economics
Rehabilitation of the Reduta Theatre
Vaňkovka Gallery, Brno
Integrated Laboratories of Biomedical Technologies – ILBIT, Masaryk University, Brno
Business Centre Varyáda in Karlovy Vary
Čáslav – Phase III of NSIP infrastructure building completion
Car Parking Garage, Moravské Square/ Kounicova Sstreet, Brno
Building Market Znojmo
Business and Administrative Centre in Brno – Vinohrady
EXEL Pohořelice – logistic hall construction
Vyškov Hospital– addition and reconstruction of the main aisle - Phase IV
Ivančice Hospital – reconstruction and an annex
Avion Shopping Park Bratislava
Horoměřická - Vittera Centre
Geis district - 2nd developing measure - IInd hall - Nokian
Kaufland Mariánské Lázně
TESCO Kežmarok
TESCO Kroměříž Hypermarket
II/431 Bučovice, bypass road
Road II/379 Drnovice – bypass road
III/00220 Uherčice, bypass road
Sectional sewerage system Brno – Líšeň, master sewer A, road reconstruction, part I (main roads and communications), part II (local communications)
Sewerage and waste water treatment plant in Drnovice
Junction sewerage from the "U Vodárny" area
Brno, Bratislavská - sewerage and water duct reconstruction I
Jihlava, Třebíč – flood control structures
Vír Reservoir – building part, railing reconstruction
Stock zone Jirny – technical infrastructure

Credibility index

partial indicators		2003	2004	2005	index 2005/2003
cash flow / external sources	x_1	0,12	0,07	0,16	53,33%
celková aktiva / external sources	x_2	1,31	1,22	1,26	96,18%
pre-tax profit / total assets	x_3	0,11	0,08	0,09	77,27%
pre-tax profit / overall outputs	x_4	0,06	0,04	0,04	62,83%
stock / overall outputs	x_5	0,08	0,10	0,05	60,88%
overall outputs / total assets	x_6	2,01	2,15	2,26	112,19%
B = 1,5 . x1 + 0,08 .x2 + 10 . x3 + 5 . x4 + 0,3 . x5 + 0,1 . x6					
credibility index (B)		1,91	1,45	1,68	87,97%

Credibility index assessment

	Exceptionally poor	Very poor	Poor	Certain problems	Good	Very good	Exceptionally good
2003						■	
2004					■		
2005					■		
	-3	-2	-1	0	1	2	3

Balance Sheet

a		b	row c	Current accounting period Gross 1	Adjustment 2	Net 3	Previous period Net 4
		TOTAL ASSETS (r. 02 + 03 + 31 + 62)	001	2 502 887	-216 713	2 286 174	2 433 214
A.		Receivables from subscriptions	002	0	0	0	0
B.		Fixed assets (r. 04 + 13 + 23)	003	299 852	-191 789	108 063	130 653
B. I.		Intangible fixed assets (r.05 to 12)	004	9 190	-9 020	170	1 575
B. I.	1	Incorporation expenses	005	0	0	0	0
	2	Research and development	006	0	0	0	0
	3	Software	007	9 190	-9 020	170	925
	4	Valuable rights	008	0	0	0	0
	5	Goodwill (+/-)	009	0	0	0	0
	6	Other intangible fixed assets	010	0	0	0	0
	7	Intangible fixed assets under construction	011	0	0	0	650
	8	Advance payments for intangible fixed assets	012	0	0	0	0
B. II.		Tangible fixed assets (r.14 to 22)	013	290 629	-182 769	107 860	129 045
B. II.	1	Lands	014	0	0	0	952
	2	Constructions	015	0	0	0	0
	3	Equipment	016	97 514	-74 321	23 193	29 682
	4	Perennial corps	017	0	0	0	0
	5	Breeding and draught animals	018	0	0	0	0
	6	Other tangible fixed assets	019	1 062	-815	247	403
	7	Tangible fixed assets under construction	020	1 487	0	1 487	2 371
	8	Advance payments for tangible fixed assets	021	0	0	0	0
	9	Adjustment to acquired assets	022	190 566	-107 633	82 933	95 637
B. III.		Long-term financial assets (r. 24 to 30)	023	33	0	33	33
B. III.	1	Shares in controlled and managed oranizations	024	0	0	0	0
	2	Shares in accounting units with substantial influence	025	33	0	33	33
	3	Other securities and shares	026	0	0	0	0
	4	Loans to controlled and managed organizations and to accounting unit with substantial influence	027	0	0	0	0
	5	Other financial investments	028	0	0	0	0
	6	Financial investments acquired	029	0	0	0	0
	7	Advance payments for long-term financial assets	030	0	0	0	0
C.		Current assets (r. 32 + 39 + 47 + 57)	031	2 183 183	-24 924	2 158 259	2 291 081
C. I.		Inventory (r.33 to 38)	032	251 214	0	251 214	532 286
C. I.	1	Materials	033	27 928	0	27 928	21 739
	2	Work in progress and semi-products	034	223 286	0	223 286	510 547
	3	Finished products	035	0	0	0	0
	4	Animals	036	0	0	0	0
	5	Merchandise	037	0	0	0	0
	6	Advance payments for inventory	038	0	0	0	0
C. II.		Long-term receivables (r. 40 to 47)	039	196 262	0	196 262	194 815
C. II.	1	Trade receivables	040	196 262	0	196 262	194 815
	2	Receivables from controlled and managed organizations	041	0	0	0	0
	3	Receivables from accounting units with substantial influence	042	0	0	0	0
	4	Receivables from partners, cooperative members and association members	043	0	0	0	0
	5	Long-term deposits given	044	0	0	0	0
	6	Estimated receivable	045	0	0	0	0
	7	Other receivables	046	0	0	0	0
	8	Deffered tax receivable	047	0	0	0	0
C. III.		Short-term receivables (r. 49 to 57)	048	986 953	-24 924	962 029	1 103 694
C. III.	1	Trade receivables	049	794 116	-24 924	769 192	800 813
	2	Receivables from controlled and managed organizations	050	0	0	0	18 505
	3	Receivables from accounting units with substantial influence	051	0	0	0	0
	4	Receivables from partners, cooperative members and association members	052	5 890	0	5 890	6 250
	5	Receivables from social security and health insurance0	053	0	0	0	
	6	Due from state - tax receivable	054	54 817	0	54 817	110 248
	7	Short-term deposits given	055	72 056	0	72 056	103 138
	8	Estimated receivable	056	7 585	0	7 585	1 600
	9	Other receivables	057	52 489	0	52 489	63 140
C. IV.		Short-term financial assets (r. 59 to 62)	058	748 754	0	748 754	460 286
C. IV.	1	Cash	059	3 558	0	3 558	2 503
	2	Bank accounts	060	745 196	0	745 196	457 783
	3	Short-term securities and ownership interests	061	0	0	0	0
	4	Short-term financial assets acquired	062	0	0	0	0
D. I.		Accruals (r. 64 to 66)	063	19 852	0	19 852	11 480
D. I.	1	Deferred expenses	064	18 903	0	18 903	10 915
	2	Complex deferred costs	065	0	0	0	0
	3	Deferred income	066	949	0	949	565

Balance Sheet

a		b		c	5	6
		TOTAL LIABILITIES	(r. 68 + 85 + 118)	067	2 286 174	2 433 214
A.		Equity	(r. 69 + 73 + 78 + 81 + 84)	068	463 779	430 303
A. I.		Registered capital	(r. 70 to 72)	069	205 000	205 000
	1	Registered capital		070	205 000	205 000
	2	Company's own shares and ownership interests (-)		071	0	0
	3	Changes of registered capital (+/-)		072	0	0
A. II.		Capital funds	(r. 74 to 77)	073	27 150	27 150
A. II.	1	Share premium		074	0	0
	2	Other capital funds		075	27 150	27 150
	3	Diferences from revaluation of assets and liabilities (+/-)		076	0	0
	4	Diferences from revaluation in tranformation (+/-)		077	0	0
A. III.		Reserve funds, statutory reserve account for cooperatives,				
		and other retained earnings	(r. 79 + 80)	078	19 571	12 773
A. III.	1	Legal reserve fund / indivisible fund		079	19 571	12 773
	2	Statutory and other funds		080	0	0
A. IV.		Profit / loss - previous year	(r. 82 + 83)	081	74 200	50 033
A. IV.	1	Retained earnings from previous years		082	74 200	50 033
	2	Accumulated losses from previous years		083	0	0
A. V.		Profit / loss - current year (+/-)		084	137 858	135 347
		/r.01 - (+ 69 + 73 + 78 + 81 + 85 + 118)/				
B.		Other sources	(r. 86 + 91 + 102 + 114)	085	1 814 510	2 002 911
B. I.		Reserves	(r. 87 to 90)	086	0	21 501
B. I.	1	Reserves under special statutory regulations		087	0	0
	2	Reserves for pension and similar payables		088	0	0
	3	Income tax reserves		089	0	21 501
	4	Other reserves		090	0	0
B. II.		Long-term payables	(r. 92 to 101)	091	349 293	255 351
B. II.	1	Trade payables		092	347 792	253 733
	2	Payables to controlled and managed organizations		093	0	0
	3	Payables to accounting units with substantial influence		094	0	0
	4	Payables from partners, cooperative members and association members		095	0	0
	5	Long-term advances received		096	0	0
	6	Issues bonds		097	0	0
	7	Long-term notes payables		098	0	0
	8	Estimated payables		099	0	0
	9	Other payables		100	0	0
	10	Deffered tax liability		101	1 501	1 618
B. III.		Short-term payables	(r. 103 to 113)	102	1 465 217	1 726 059
B. III.	1	Trade payables		103	654 834	664 915
	2	Payables to controlled and managed organizations		104	0	0
	3	Payables to accounting units with substantial influence		105	0	0
	4	Payables from partners, cooperative members and association members		106	64 090	62 121
	5	Payroll		107	18 607	31 669
	6	Payables to social securities and health insurance		108	5 973	5 988
	7	Due from state - tax liabilities and subsidies		109	994	1 042
	8	Short-term deposits received		110	253 922	473 464
	9	Issues bonds		111	0	0
	10	Estimated payables		112	459 063	470 778
	11	Other payables		113	7 734	16 082
B. IV.		Bank loans and financial accomodations	(r. 115 to 117)	114	0	0
B. IV.	1	Long-term bank loans		115	0	0
	2	Short-term bank loans		116	0	0
	3	Short-term accomodations		117	0	0
C. I.		Accruals (r. 119 + 120)		118	7 885	0
C. I.	1	Accrued expenses		119	1 932	0
	2	Deffered revenues		120	5 953	0

Profit and Loss Statement

a			b		row c	Current period 1	Previous period 2
	I.		Revenues from sold goods		01	0	0
A.			Expenses on sold goods		02	0	0
	+		Sale margin	(r. 01-02)	03	0	0
	II.		Production	(r. 05+06+07)	04	5 156 458	5 243 517
	II.	1	Revenues from own products and services		05	5 369 919	5 074 680
		2	Change in inventory of own products		06	-213 534	163 839
		3	Capitalisation		07	73	4 998
B.			Production consumption	(r. 09+10)	08	4 623 539	4 709 189
B.		1	Consumption of material and energy		09	579 175	632 587
B.		2	Services		10	4 044 364	4 076 602
	+		Added value	(r. 03+04-08)	11	532 919	534 328
C.			Personnel expenses	(r. 12 to 16)	12	345 526	330 475
C.		1	Wages and salaries		13	257 689	245 977
C.		2	Renumeration of board members		14	0	0
C.		3	Social security expenses and health insurance		15	87 613	84 361
C.		4	Other social expenses		16	224	137
D.			Taxes and fees		17	5 235	7 729
E.			Depreciations of intangible and tangible assets		18	10 421	12 119
	III.		Revenues from disposals of fixed assets and materials	(r. 20+21)	19	12 516	129 216
	III.	1	Revenues from disposals of fixed assets		20	8 394	126 486
		2	Revenues from disposals of materials		21	4 122	2 730
F.			Net book value of diposed fixed assets and materials	(r. 23+24)	22	3 421	110 864
F.		1	Net book value of sold fixed assets		23	3 186	108 237
F.		2	Net book value of sold material		24	235	2 627
G.			Change in operating reserves and adjustments				
			and complex deferred costs (+/-)		25	30 229	2 926
	IV.		Other operating revenues		26	35 051	30 246
H.			Other operating expenses		27	13 850	21 866
	V.		Transfer of operating revenues		28	0	0
I.			Transfer of operating expenses		29	0	0
	*		Operating profit / loss /(r.11-12-17-18+19-22-25+26-27+(-28)-(-29)/		30	171 804	207 811
	VI		Revenues from sales of securities and ownership interests		31	0	12 000
J.			Sold securities and ownership interests		32	0	12 000
	VII.		Revenues from long-term financial assets	(ř. 34 + 35 + 36)	33	0	0
	VII.	1	Revenues from shares in controlled and managed organizations				
			and in accounting units with subsantial influence		34	0	0
	VII.	2	Revenues from others securities and ownership interests		35	0	0
	VII.	3	Revenues from other long-term financial assets		36	0	0
	VIII.		Revenues from short-term financial assets		37	0	0
K.			Expenses associated with financial assets		38	0	0
	IX.		Revenues from revaluation of securities and derivatives		39	0	0
L.			Cost of revaluation of securities and derivatives		40	0	0
M.			Change in financial reserves and adjustments (+ / -)		41	0	0
	X.		Interest revenues		42	6 146	6 928
N.			Interest expenses		43	770	804
	XI.		Other financial revenues		44	25 441	13 827
O.			Other financial expenses		45	7 968	39 252
	XII.		Transfer of financial revenues		46	0	0
P.			Transfer of financial expenses		47	0	0
	*		Profit / loss from financial operations (transactions)		48	22 849	-19 301
			/(ř.31-32+33+37-38+39-40-41+42-43+44-45-(-46)+(-47))/				
Q.			Income tax on ordinary income	(ř. 50 + 51)	49	56 795	52 017
Q.		1	Due tax		50	56 912	53 403
Q.		2	Tax deferred		51	-117	-1 386
	**		Operating profit / loss ordinary activity	(ř. 30 + 48 - 49)	52	137 858	136 493
	XIII.		Extraordinery revenues		53	0	0
R.			Extraordinery expenses		54	0	0
S.			Income tax on extraordinery income	(ř. 56 + 57)	55	0	528
S.		1	Due tax		56	0	528
S.		2	Tax deferred		57	0	0
	*		Operating profit / loss extraordinary activity	(ř. 53 - 54 -55)	58	0	-528
T.			Trasfer profit (loss) to partners (+/-)		59	0	0
	***		Profit / loss of current accounting period (+/-)	(ř. 52 + 58 - 59)	60	137 858	135 965
			Profit / loss before tax (+/-)	(ř. 30 + 48 + 53 - 54)	61	194 653	188 510

Cash flow statement

P.			**Balance of cash on hand and financial equivalents as at the beginning of reporting period**	**460 286**
Cash flows from running activities				
Z.			Accounting profit/loss from running activities before taxation	194 653
A.	1		Adjustments by non-cash operations	8 565
A.	1	1	Depreciation of fixed assets and amortization of adjustments to acquired assets	23 125
A.	1	2	Change in balance of adjustments, reserves	-3 976
A.	1	3	Profit from sales of fixed assets	-5 208
A.	1	4	Revenue from dividends and shares in profit	0
A.	1	5	Accounted for interest expense, exclusive of interest capitalization and accounted for credit interest	-5 376
A.	1	6	Possible adjustments by other non-cash operations	0
A.	*		Net cash flow from running activities before taxation, changes in working capital and unusual/extraordinary items	203 218
A.	2		Change in non-cash items of working capital	142 436
A.	2	1	Change in balance of receivables from running activities, temporary assets accounts	114 321
A.	2	2	Change in balance of short-term payables from running activities, temporary liability accounts	-252 957
A.	2	3	Change in balance of inventory	281 072
A.	2	4	Change in balance of current liquid assets not included in cash or equivalents	0
A.	**		Net cash flow from running activities before taxation and unusual/extraordinary items	345 654
A.	3		Interests paid exclusive of interest capitalization	-770
A.	4		Interests received	6 146
A.	5		Income tax for running activities and additional tax assessments for previous periods	-56 912
A.	6		Income and expense on unusual and/or extraordinary items, including income tax	117
A.	***		Net cas flow from running activities	294 235
			Cash flows from investing activities	
B.	1		Expense on fixed assets acquisition	-3 721
B.	2		Income from fixed assets sales	8 394
B.	3		Loans to related parties	0
B.	***		Net cash flow from investing activities	4 673
			Cash flows from financing activities	
C.	1		Change in balance of long-term or short-term payables	94 560
C.	2		Impact of changes in equity on cash on hand and financial equivalents	-105 000
C.	2	1	Increase in cash on hand as a result of increased registered capital, share premium etc.	0
C.	2	2	Payment of share in equity to partners	0
C.	2	3	Other contributions of cash by partners and shareholders	0
C.	2	4	Loss coverage by partners	0
C.	2	5	Direct debit fund payments	0
C.	2	6	Dividends paid or shares in profit, including taxes paid	-105 000
C.	***		Net cash flow from financing activities	-10 440
F.			Net increase/decrease in cash on hand	288 468
R.			Balance of cash on hand and financial equivalents as at the end of reporting period	748 754

General data

1. Accounting unit description

Registration date in the Company register:	1 January 1997
Business name:	IMOS Brno, a.s.
Head office:	Brno, Olomoucká 174, 627 00
Identification number:	25322257 Regional Commercial Court in Brno, section B, insert 2211
Main business objective:	Executing constructions, including their modifications, maintenance work and removal
Legal form:	Joint stock company

Shareholders whose interest exceeds 20%:
IMOS holding, a.s., company registration number 25866681
Olomoucká 174, 627 00 Brno
Registered capital of 30,000,000 CZK
Registered capital share 100%

More than 20 % share in the registered capital in other companies
Housing society Táborského nábřeží (Táborský Quay), registration No. 26221861
Olomoucká 174, 627 00 Brno
Registered capital 117,000 CZK
Registered capital share 26%

Statutory company bodies:
Chairman of the Board of Directors:
Ing. Oldřich Štercl, born on 14 May 1964, Lesní 10, Klobouky u Brna, Břeclav District

Vice Chairman of the Board of Directors:
Ing. Ivan Sigmund, born on 1 October 1963, Pod skalkou 10, Nový Jičín
Ing. Jan Sniegon, born on 26 June 1964, Lyžbická 1191, Třinec

Member of the Board of Directors:
Ing. Milan Karásek, born on 25 July 1963, Ostružinová 498/3, Brno
Ing. Robert Suchánek, born on 8 April 1972, Tvaroženská 109, Jiřikovice

Advisory Board:
Chairman:
Ing. Jiří Rulíšek, born on 28 May 1951, Bochořákova 3126/14, Brno

Members:
Ing. Radomír Vostál, born on 18 August 1962, Kuršova 3, Brno
Jan Kozubal, born on 23 February 1962, Hnojník 261

Average number of employees during the accounting period:	884
Management:	7

Labour costs recapitulation (in '000 CZK):

	Employees	Management	Members of the Board of Directors
Labour costs	257 689	11 284	0
Health insurance and social security costs	87 613	3 949	0

Several of the executives of individual sections, divisions and departments are entitled to use company cars, which is, according to § 6 of the Act No 586/92 Col. as amended, considered as employee's income. Until now, members of statutory bodies or any other advisory bodies have not been provided with any loans by the company.

2. Information concerning used accounting methods, general accounting principles and method of valuation

2.1.
The way of inventory pricing is set according to purchase prices. Additional acquisition costs of merchandise are concentrated in separate analytical accounts. These expenses are discharged in cost every month in proportion to the amount of consumed material. The way of keeping stock records is FIFO. Activated long-term tangible assets are valuated on the level of real costs.

2.2.
The way of replacement purchase price determination of property is based on the arithmetic mean of prices taken from expert opinions usually carried out by three different methods of replacement price determination. In this accounting period, no such property was acquired.

2.3.
Other accessory acquisition costs represent customs duties, additional charges, intermediary fees, carriage charges, etc.

2.4.
Fiscally effective rectifying items have been set up in accordance with the law, their total sum reaching 5,829,000 CZK. Furthermore, a non-fiscal rectifying item in the amount of 19,095,000 CZK has been created. See the Balance Sheet for the details.

2.5.
Accounting depreciations are carried out using a uniform depreciation method. The beginning of accounting depreciations is in the following month after filing.

Individual accounting groups are depreciated as follows:

Tax group 1	3 years
Tax group 1a	4 years
Tax group 2	5 years
Tax group 3	10 years
Tax group 4	20 years
Tax group 5	30 years
Tax group 6	50 years

The second and third tax groups are depreciated in an accelerated or, possibly, uniform way, depending on the property type. The first, fourth, fifth and sixth tax groups are depreciated in a uniform way. As far as the deposited assets are concerned, the original depreciation method is used further on.

2.6.
As far as the conversion of foreign currencies, a valid CNB rate on the day of the accounting operation is used. The record-keeping of foreign invoices is performed on the day when the invoice was delivered. As a payment, it is considered the day when the sum was sent from the account.

3. Additional information regarding the Balance Sheet and the Profit and Loss Statement

3.1. Tangible and intangible assets excluding claims
3.1.a)
Account 022 - Long-term assets - depreciated in accordance with the groups onto 31 March 2006

		082-Accumulated depreciation to TA
group 3 machinery	2 661 404	1 777 099
group 4 appliances	31 875 942	22 437 674
group 5 equipment	25 935 996	14 433 583
group 6 means of transport	9 572 427	8 460 337
group 7 inventory	1 089 592	833 436
	71 135 361	**47 942 129**

Small long-term assets (acquisition costs less than 40,000 CZK) acquired before 2002.

26 379 122	26 379 122
97 514 483	74 321 251

Account 013 - Software		073 - accumulated depreciation to software
State as per 1 April 2005	8 101 648	7 175 954
State as per 31 March 2006	8 859 398	8 689 328

Small long-term assets (acquisition costs less than 60,000 CZK) acquired before 2002.

331 002	331 002
9 190 400	9 020 330

3.1 c) Tangible long-term assets obtained by financial leasing
The total amount of monthly leasing instalment:

The amount payable in 2006	12,127,000 CZK
The amount payable in 2007	9,784,000 CZK
The amount payable in 2008	3,602,000 CZK
The amount payable in 2009	177,000 CZK

3.1 d) Increase and decrease of T&ILA according to the accounts in the period of 4/2005 - 3/2006

Account	**Initial state**	**Increase**	**Decrease**	**Final state**
013/10	8 101 648	810 000	52 250	8 859 398
022/10	85 787 661	4 583 502	19 235 802	71 135 361
029/10	815 489	0	0	815 489
029/11	820 600	0	820 600	0
029/12	561 757	0	561 757	0
031/10	951 703	0	951 703	0
032/10	262 100	0	15 000	247 100
Total	**97 300 958**	**5 393 502**	**21 637 112**	**81 057 348**

3.1.e) The sum of assets not stated in the Balance Sheet Low-value assets in the operative registration at the purchase price: 30,824,000 CZK

3.1.d) Assets specification burdened with lien As per 31 March 2006, the company does not have any assets burdened with lien.

3.2. Claims in thousands CZK

3.2.a. he sum of claims after their due date:	140 588
up to 30 days:	82 089
up to 90 days:	6 818
after 90 days:	51 681

3.2.c. Long-term claims
Long-term trade claims stated in the Balance Sheet are created by retention sums of payments based on contractual stipulations.

3.2.d. The sum of claims in the amount of 5,890,000 CZK made upon the association members is created by the claims made upon the association members of which we are members. This means the division of the net income, as well as the VAT payment, etc.

3.2.e. The company registers, in its accounting, a deposit bill of exchange upon the UNION Bank. This bill of exchange has been claimed in the bankruptcy proceedings. A rectifying item has not been created to this bill of exchange.
The received and issued collaterals and bills of exchanged are registered in the corresponding Balance Sheet.

3.3. Owned capital
3.3.a. The owned capital of the company on 31 March 2006 463,779,000 CZK
3.3.b The division of profit made in the previous accounting period
From the profit made in the accounting period 2004 in the amount of 135,965,000 CZK, the Board of Directors took the decision to deposit 5%, i.e. 6,798,000 CZK into the legal reserve fund.
The amount of 24,167,000 CZK was accounted onto the retained profit account. The dividends, in the total amount of 105,000,000 CZK were paid.

3.3.c. Registered capital
The amount of the registered capital is 205 million CZK.
The registered capital is in the form of 204 pieces of shares in the nominal value 1,000,000 CZK and 2 pieces of shares in the nominal value of 500,000 CZK.

3.4. Trade liabilities in thousands CZK

3.4.a. The sum of liabilities after the due date:	66 084
up to 30 days:	36 676
up to 90 days:	10 467
after 90 days:	18 941

3.4.b. Among them, the liabilities to the companies in the group 0
3.4.c. The company does not have any liabilities covered by lien.
3.4.d. The company does not have any liabilities not stated in the bookkeeping on 31 March 2006.
3.4.e. Long-term trade liabilities stated in the Balance Sheet are created by retention sums of payments based on contractual stipulations. The long-term liability to persons under direction is based on a financial loan.

3.4.1. Liabilities to employees

wage liabilities in the month of March	15,504,000
other liabilities to the employees	298,000
liabilities due to in-house savings	2,805,000
	18,607,000

3.5. Reserves
3.5.a. A reserve concerning long-term tangible assets repairs has not been made.
3.6. Company revenues divided according to main activities:

Activity	**Amount in thousands CZK**
Transport	5 925
Locksmith's workshops	5 706
Laboratories, research and development	10 757
Mechanization	6 336
Repair shops	2 526
Design	10 133
Building construction	3 905 963
ABP	18 218
Roads and bridges	556 921
Administration of buildings	4 301
Company management	25 597
Water management structures	683 231
Total	**5 235 614**

The performance includes the revenues from the sales of the company's products and services, revenues from sales of its assets and materials, other operating revenues, and revenues from company's financial activities.

3.7. Shares in persons under direction
The company IMOS Brno,a.s owns shares in their purchase price in the following companies:

Share in the Táborský Housing Association	33 000 CZK
	33 000 CZK

4. Estimated pre-paid items
The sum of estimated items in the amount of 7,585,000 CZK is created by the estimated items based on so far non-disclosed insurance claims or uninvoiced services.

5. Estimated expenses or losses
The sum of estimated items in the amount of 459,063,000 CZK is created by the estimated items based on uninvoiced supplies from subcontractors.

6. Income tax

State - tax obligations and subsidies	605 000 CZK	dependent activity tax
road tax	388 000 CZK	
total	993 000 CZK	
State - tax receivables		
tax prepayments	56 182 000 CZK	
income tax - economic year 2005	-45 233 000 CZK	
income tax - economic year 2005		
(organisational part)	176 000 CZK	
consumption tax	128 000 CZK	
VAT claim	43 564 000 CZK	
total	54 817 000 CZK	

The calculation of the postponed tax obligation is created by the difference between the balance tax and the property book value, and the amount is 1,501,000 CZK.
A report entitled "Report on the relations between interconnected persons as per 31 March 2006 has been elaborated. The report is deposited in the Company's head office.
No significant change occurred in the period leading up to setting up the financial statement.

AUDITOR'S REPORT
on the Audit of the Financial Statements and Annual Report for the Economic Year from 1 April 2005 to 31 March 2006

We have carried out the audit of the financial statements of the joint stock company IMOS Brno, a.s. for the accounting period from 1 April 2005 to 31 March 2006. The statutory body of the Company holds the responsibility for preparing the financial statements. On the basis of an audit, it is our task to issue a statement concerning these financial statements.

The audit was carried out in conformity with the Act No. 254/2000 Coll. on the Code of auditors, and the subsequent auditing guidelines issued by the Chamber of Auditors of the Czech Republic. These guidelines require an audit to be planned and performed so that the auditor may be sufficiently certain that the financial statements are free of any substantial incorrectness. Through a selective manner, the audit comprises verification of the completeness and conclusive evidence related to the amounts and information provided in the financial statements. Furthermore, the audit also includes the examination of accounting procedures and substantial estimates made by the Company, as well as the overall presentation assessment of the financial statements. We are convinced that the performed audit provides an adequate foundation necessary for issuing a statement. On behalf of the auditing company, the verification was made by ing. Ludvík Novotný (Auditor's Licence No. 0132 issued by the Chamber of Auditors of the Czech Republic)

In our opinion, the submitted financial statements, in all significant respect, give a true and fair view of assets, liabilities, equity capital and financial situation related to the joint stock company IMOS Brno, a.s. for the accounting period from 1 April 2005 to 31 March 2006, and the trading income is in conformity with the Accounting Law and other relevant regulations of the Czech Republic.

As for the elapsed period, we have verified the information conformity concerning the audited company as stated in this annual report with the verified financial statements. In our opinion, the submitted information is, in all significant respects, in conformity with the financial statements from which it has been taken.

It is the statutory body of the Company that holds responsibility for the completeness and correctness of the report on relations between interconnected persons. We have verified the factual correctness of the data mentioned in this report, not discovering any substantial wrongness.

In Brno, 25 May 2006

(Signature illegible) (Signature illegible)

(stamp)
TOP AUDITING s.r.o.
Kotlářská 53, 602 00 Brno

TOP AUDITING
Private limited company
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