

Annual Report 2003 - Summary

The budget of the State Fund of Transport Infrastructure (SFDI) for 2003 was prepared as balanced. Total budgeted income and expenditure reached 46,000 million CZK.

Income and expenditure

Income of SFDI is composed of:

- tax income, approved at the amount of 18,200 million CZK,
- subsidies from the National Property Fund (NPF) at the amount of 27,800 million CZK.

There was also other income available in 2003:

- unused funds returned by the final recipients up to 15 January 2003 within the financial settlement of 2002,
- received interest on the accounts of SFDI to 31 December 2003,
- subsequently returned funds from previous periods.

Actual income of SFDI reached 48,569 million CZK.

| million CZK | | | | | |
|---------------------|-----------------------|-------------------------|-----------------------|----------|--------------|
| type of income | 2002 actual income | 2003 modified budget | 2003 actual income | % 3/2 | % 3/1 |
| | 1 | 2 | 3 | 4 | 5 |
| 20% of petrol tax | 10,886.4 | 10,700 | 11,410.1 | 106.6 | 104.8 |
| road tax | 5,508.0 | 5,800 | 5,740.9 | 99.0 | 104.2 |
| toll stickers | 1,896.7 | 1,700 | 2,058.8 | 121.1 | 108.5 |
| total tax income | 18,291.1 | 18,200 | 19,209.8 | 105.5 | 105.0 |
| NPF subsidies | 23,800.0 | 27,800 | 27,800.0 | 100.0 | 116.8 |
| other income | 1,545.7 | x | 1,559.6 | x | 100.9 |
| total income | 43,636.8 | 46,000 | 48,569.4 | x | 111.3 |

Balances of income are transferred to the following calendar year at the end of each year. Consequently total resources available amounted to 56,269 million CZK in 2003.

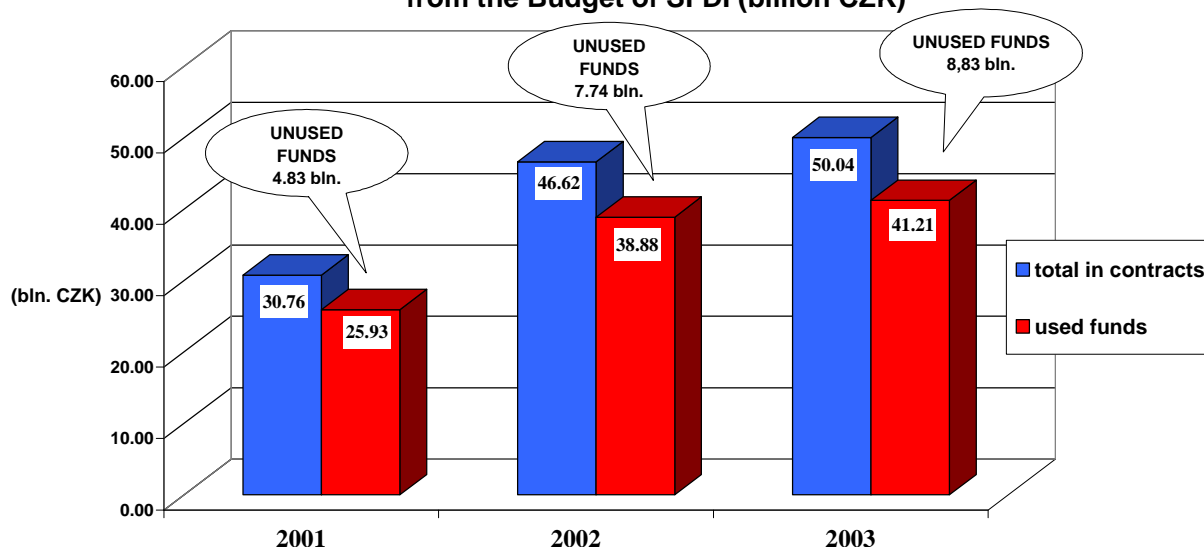
The final recipients received 41,296 million CZK to 31 December 2003. 50 million CZK was returned within the financial settlement in the beginning of 2004, so that actual expenditure amounted to 41,246 million CZK.

| million CZK | | | |
|---|----------------------------|----------------------------|----------------|
| area of financing | 2002 actual expenditure | 2003 actual expenditure | % 2003/2002 |
| motorways and expressways | 6,980.4 | 8,094.9 | 116.0 |
| 1 st class roads | 7,282.2 | 7,683.5 | 105.5 |
| 2 nd and 3 rd class roads | 7,057.3 | 9,211.9 | 130.5 |
| individual sections of roads | 502.0 | 215.2 | 42.9 |
| national railways | 16,416.7 | 15,433.0 | 94.0 |

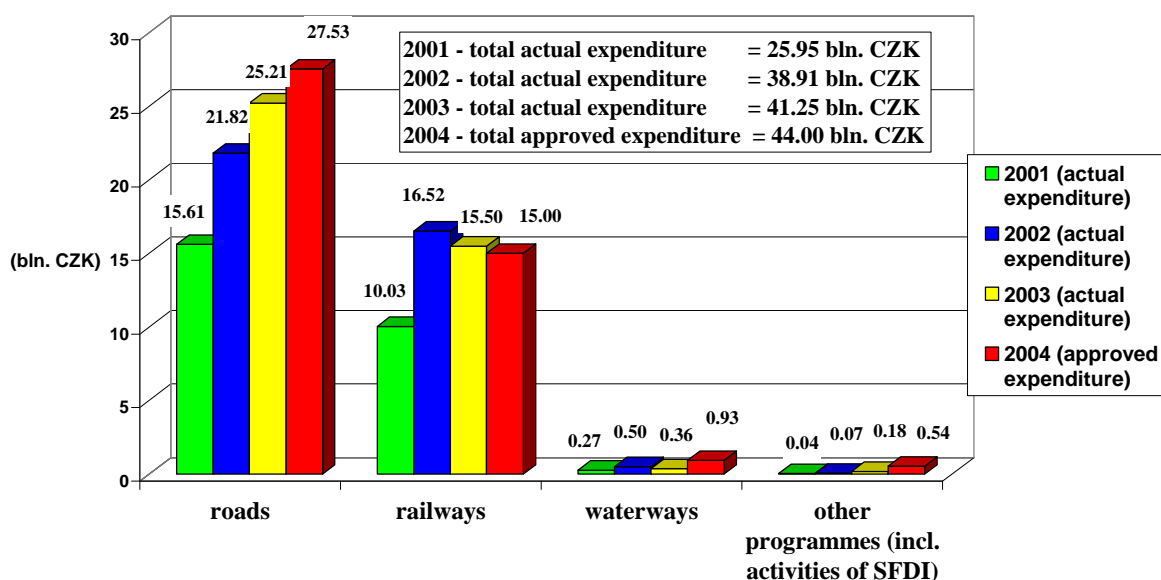
| | | | |
|------------------------------------|-----------------|-----------------|--------------|
| regional railways | 98.6 | 70.3 | 71.3 |
| inland waterways | 504.5 | 355.8 | 70.5 |
| research and design work | 1.1 | 38.8 | 3,527.3 |
| transport safety and accessibility | 13.4 | 61.5 | 459.0 |
| cycling paths | 22.2 | 48.7 | 219.4 |
| activities of SFDI | 28.2 | 32.7 | 116.0 |
| total expenditure | 38,906.6 | 41,246.3 | 106.0 |

SFDI concluded contracts totally amounting to 50,039 million CZK with 101 recipients in 2003. Unused and returned funds reached 8,825 million CZK (17.6%). These funds will have to be released in 2004 in addition to the approved budget and will be subject to evaluation of liabilities of 2003 transferred to 2004.

Comparison of Funds Available According to Contracts and Used Funds from the Budget of SFDI (billion CZK)



Budget of SFDI in 2001 - 2004



Other entities than SFDI, that take part in construction of transport networks, participated in financing of individual projects comprised in the budget of SFDI at total amount of 9.359 million CZK (in addition to resources of SFDI) which surpassed their contribution in 2002 by 1.8 billion CZK.

Total actual financing of individual projects comprised in the budget of SFDI thus reached 50.573 million CZK in 2003, i.e. by 4.1 billion CZK more than in the previous year.

| | billion CZK | |
|--------------------|--------------------|--------------|
| | 2002 | 2003 |
| SFDI | 38.88 | 41.21 |
| other resources | 7.57 | 9.36 |
| incl. EU resources | 0.37 | 0.70 |
| credits | 6.90 | 8.05 |
| other resources | 0.30 | 0.61 |
| total | 46.45 | 50.57 |

Control activities

The plan of main control activities was based on the evaluation of results of control activities in 2002. Two additional control actions were supplemented to the plan in the course of the year.

All parts of transport infrastructure became subject to control actions, according to specific subjects of activity of corresponding recipients. Observation of directives, instructions and legal regulations related to management and decision-making procedures in SFDI and fulfilment of contractual duties were also part of these control activities.

Findings of inspection teams from previous years were confirmed: some of the entities subject to control do not adopt appropriate measures to rectify detected shortages in a systematic way. Other shortages were caused by different interpretations of Rules of financing. The Rules were elaborated so that to eliminate this problem.

The control action of the Supreme Audit Office in SFDI that started in August 2002 finished in April 2003. Based on its results, 12 measures were imposed to realize to the management of SFDI by the Committee of SFDI. 10 of these measures were completely fulfilled by the end of 2003 and 2 of them have been fulfilled continuously. Another two control actions of the Supreme Audit Office started in 2003.

There were three internal audits of quality management carried out in 2003, within the framework of quality management certified according to standard ČSN EN ISO 9001:2001. They were focused on income and expenditure parts of the budget and on the process of preparation of the budget for 2004.