

FINANCIAL STATEMENTS
2009



ŽELEZNIČNÁ SPOLOČNOSŤ SLOVENSKO



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Individual Financial Statements reported pursuant to the International Financial Reporting Standards as on 31 December 2009

FINANCIAL STATEMENTS 2009

Ing. Milan Chúpek, PhD.
Chairman of the Board of Directors

Ing. Pavol Gábor
Vice-Chairman of the Board of Directors

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Statement of Financial Position

(in EUR)

Text	Notes:	as on 31 December 2009	as on 31 December 2008
Total assets		663,267,375	506,172,177
Fixed assets		578,537,289	466,982,872
Intangible assets - IAS 38	5, 5.2	6,467,065	7,376,951
Tangible assets - IAS 16, IAS, IAS 17	5, 5.1, 5.5	496,831,468	452,933,313
of which: Real estate/lands	5, 5.1, 5.5	3,968,466	3,209,354
Buildings and constructions	5, 5.1, 5.5	8,841,206	4,874,826
Machinery, devices and equipment	5, 5.1, 5.5	480,128,210	442,612,693
of which: vehicles	5, 5.1, 5.5	470,555,086	431,783,211
Long-term receivables	7	70,449,545	2,598,453
of which: State subsidies	7	68,189,112	0
Investment Property – IAS 40	5, 5.4	680,271	0
Long-term financial assets	6.2, 6.3	4,108,940	4,074,155
Current assets		84,728,628	34,405,995
Inventories	8	2,405,932	2,582,487
Trade receivables and other assets	7	46,898,205	20,502,391
of which: Trade receivables	5.1, 7	17,034,023	17,926,874
Receivables for advance payments on investment property	5.1, 7	27,628,045	1,279,460
Tax receivables	7	33,453,075	10,367,755
Cash and cash equivalents	9	1,971,416	953,362
Assets held for sale - IFRS 5	5, 5.3	1,458	4,783,310
Equity and liabilities		663,267,375	506,172,177
Equity and funds		240,880,233	213,729,471
Shareholders' equity	10	212,441,088	212,441,081
Capital funds	10	47,239,071	47,239,063
Business results of previous years	11	-45,950,658	-15,016,165
Business result of the current accounting period	13.1	27,150,732	-30,934,508
Long-term liabilities	12a	252,386,755	151,708,159
Loans	6.1.1	22,763,752	12,098,752
Financial lease liabilities	12a	0	711,180
Long-term financial assistance	6.1.3, 12a	139,950,000	121,600,013
Long-term reserves	12a, 14	9,120,149	7,404,435
of which: Reserves for fringe benefits	12b.2, 14	7,547,493	6,674,135
Reserves for environmental costs IAS 37	5.1, 14	16,597	285,148
Other long-term liabilities	12a	80,552,854	9,893,779
Short-term liabilities	12a	170,000,387	140,734,547
Loans	12a, 6.1.2	93,800,873	82,062,139
Financial lease liabilities	12a	711,167	913,563
Trade liabilities	12a	58,518,485	34,024,927
Liabilities towards employees	12a, 12b.1	3,756,499	3,605,922
Tax liabilities	12a	429,497	467,636
Short-term reserves	12a, 14	2,989,724	11,446,956
of which: Reserves for environmental costs IAS 37	5.1, 14	265,551	763,207
Other liabilities	12a	9,794,142	8,213,404

Statement of Comprehensive Income

(in EUR)

Classification by type

Text	Notes	as on 31 December 2009	as on 31 December 2008
Revenues from transport, sale of services and goods	15.1	96,737,378	99,092,278
Total subsidies	15.2	271,554,698	165,969,594
– compensation to cover costs on services in public interest	15.2, 15.3.1	270,338,575	165,969,594
– State budget subsidies on investments	15.2	1,216,123	0
– investment subsidies from EU Structural Funds	15.2	0	0
Increase of asset value	15.4	3,216,625	34,379
Revenues from sale of assets and material	15.2	1,649,651	2,126,336
Other revenues	15.2, 15.4	8,950,037	26,867,931
Total revenues	13.1	382,108,389	294,090,518
Consumed purchases and services	16.1	196,744,878	183,121,290
Costs for fringe benefits	16.2	69,622,055	66,298,413
Depreciation and amortisation	16.3	42,676,509	33,624,178
Impairment of asset value	16.4	29,107,679	11,542,880
Costs on sale of assets and material	16.3	1,206,889	1,456,350
Other costs	16.3, 16.4	15,599,647	28,981,915
Total costs	13.1	354,957,657	325,025,026
Profit/loss in the period	13.1	27,150,732	-30,934,508
Other components of the comprehensive income		0	0
Break-down of the funds from revaluation of assets held for sale, IFRS		0	0
Total comprehensive income for the period	13.1	27,150,732	-30,934,508

Statement of Changes in the Equity

(in EUR)

Text	Share capital	Capital funds	Statutory reserve fund	Evaluation differences from revaluation of assets and liabilities	Business result of previous years	Total
Opening balance as on 31 December 2008	212,441,081	26,326,894	20,912,169	0	-15,016,165	244,663,979
Change in business results of previous periods	0	0	0	0	0	0
Change in accounting rules	0	0	0	0	0	0
Difference due to euro introduction	0	15	0	0	15	30
Opening balance as on 1 January 2009	212,441,081	26,326,909	20,912,169	0	-15,016,150	244,664,009
Surplus after revaluation of assets	7	-7	0	0	0	0
Surplus after revaluation of financial investments	0	0	0	0	0	0
Settlement of business results of previous periods	0	0	0	0	-30,934,508	-30,934,508
Business result – not stated in the profit and loss statement	x	x	x	x	x	x
Business result of the current accounting period – stated in the profit and loss statement	0	0	0	0	27,150,732	27,150,732
Other allocation	0		0	0		0
Final balance as on 31 December 2009	212,441,088	26,326,902	20,912,169	0	-18,799,926	240,880,233

Cash Flow Statement as on 31 December 2009

(using indirect method of cash flow reporting)

(in EUR)

	Notes:	31 December 2009	31 December 2008
Profit/loss before taxation		27,150,732	-30,934,508
Adjustment by non-cash operations		72,770,684	10,024,464
Depreciation and amortisation		42,676,509	33,624,178
Interests reported as costs		4,979,250	8,351,856
Profit/loss resulting from sale of long-term tangible assets		-3,217	-128,394
Change in reserves		-6,741,518	-1,009,859
Amortisation of State subsidies		0	0
Other non-monetary items		4,708,928	121,191
Impact of changes in working capital		-20,827,514	9,735,810
Change in receivables and other assets		-117,332,226	5,068,346
Change in liabilities		96,328,157	5,298,413
Change in reserves		176,555	-630,950
Cash flows from operating activities		51,943,170	19,760,274
Received interests		0	0
Paid interests		-4,423,459	-8,351,856
Net cash flows from operating activities		47,519,711	11,408,418
Procurement of long-term intangible and tangible assets		-85,449,607	-66,474,441
Subsidies on procurement of long-term assets		18,349,987	0
Income from sale of long-term intangible and tangible assets		21,380	691,828
Net cash flows from investment activities		-67,078,240	-65,782,613
Income from loans and credits		21,490,158	40,322,744
Instalments resulting from financial lease liabilities		-913,576	0
Net cash flows from financial activities		20,576,582	40,322,744
Net increase or net decrease of cash and cash equivalents		1,018,053	-14,051,451
Balance of cash and cash equivalents at the beginning of the accounting period	14	953,363	15,004,813
Balance of cash and cash equivalents at the end of the accounting period	14	1,971,416	953,363

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1 General information

1.1 Company description

Železničná spoločnosť Slovensko, a.s. (hereinafter the Company) as an operator of transport by rail provides for transport services in compliance with the interests of the State transport policy and market demand. The services in passenger transport are delivered in accordance with the State transport policy of the Slovak Republic and are based on the Contract on provision of services in public interest concluded pursuant to § 30 and the subsequent articles of Act of the Slovak National Council no. 164/1996 Coll. on railways as amended, between Železničná spoločnosť Slovensko, a.s. as the transport operator and the State (represented by the Ministry of Transport, Post and Telecommunications) as the contracting authority.

The Company is a joint-stock company with the registered office in the Slovak Republic, established on 13 December 2004 and registered in the Companies' Register as of 1 January 2005, when it was allocated the company identification number 35914939. Its seat is at Rožňavská 1, 832 72 Bratislava.

1.2 Members of the company bodies

Statutory body: Board of Directors

Name	Position	From:
Ing. Ing. Milan Chúpek, PhD.	Chairman	11 October 2006
Ing. Pavol Gábor	Vice-Chairman	16 October 2006
Ing. Igor Krško	Member	11 October 2006
Ing. Ján Kováčik	Member	11 October 2006
Ing. Michal Vereš	Member	11 October 2006

Supervisory body: Supervisory Board

Name	Position	From:
Ing. Stanislav Bořuta	Chairman	24 October 2006
Ing. Milan Mojš	Vice-Chairman	12 December 2006
Mgr. Matej Augustín	Member	24 October 2006
JUDr. Miroslav Baláž	Member	24 October 2006
Mgr. Jozef Schmidt	Member	01 January 2005
Ján Grieč	Member	01 January 2005

Other bodies of the company: Director General
Ing. Milan Chúpek, PhD. (from 11 October 2006)

1.3 Structure of partners and shareholders

In terms of the Statutes of the joint-stock company, Železničná spoločnosť Slovensko, a.s., the sole shareholder of the company is the Slovak Republic. The rights of the shareholder are executed by the Ministry of Transport, Post and Telecommunications of the Slovak Republic at the General Assembly. In compliance with this fact, Železničná spoločnosť Slovensko, a.s. does not form part of any consolidated entity.

1.4 Date of approval of the Financial Statements for the previous year

The Individual Financial Statements reported pursuant to the International Financial Reporting Standards were adopted by the General Assembly on 25 June 2009.

1.5 Legal reason for reporting of the Financial Statements pursuant to IFRS

These Financial Statements are regular financial statements of the Company. They were elaborated for the accounting period starting from 1 January 2009 and ending on 31 December 2009 pursuant to the International Financial Reporting Standards in accordance with the Regulation of the European Parliament and of the Council (EC) no. 1606/2002 of 19 July 2002 on the application of international accounting standards.

1.6 Accounting basis

The Financial Statements were elaborated on the assumption that the Company will continue its activities as a sound and functional business entity, and will observe the business plan as adopted by the shareholder.

2 Summary of significant accounting principles

2.1 Basis for preparation of the Financial Statements

The Individual Financial Statements were prepared in accordance with the International Financial Reporting Standards and their interpretations as adopted by the European Union ("IFRS-EU").

The accounting methods and principles were used thoroughly for all periods presented in the Financial Statements. The Company has accepted all new and revised standards and interpretations as issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) at IASB and as adopted for use within the EU, effective as of 1 January 2009.

NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS		Efficient as of
IFRS 3	Business combinations – amendments effective as of 1 July 2009	31/03/2004
IFRS 8	Operating segments – a new standard	01/01/2009
NEW AND REVISED INTERNATIONAL ACCOUNTING STANDARDS		
IAS 1	Presentation of financial statements - amendments effective as of 1 January 2009	01/01/2005
IAS 14	Segment reporting – superseded by IFRS 8 as of 1 January 2009	01/07/1998
IAS 23	Borrowing costs – amendments effective as of 1 January 2009	01/01/1995
NEW AND REVISED INTERPRETATIONS		Concerning:
IFRIC 15	Agreements for the construction of real estates	IAS 1, 8, 11, 18, 37 IFRIC 12, 13 01/01/2009
IFRIC 16	Hedges of a net investment in a foreign operation	IAS 8, 21, 39 01/10/2008
IFRIC 17	Distributions of non-cash assets	IFRS 3, 5, 7 IAS 1, 10, 27 01/07/2009
IFRIC 18	Transfers of assets from customers	KR, IFRS 1, IAS 8, 16, 18, 20, IFRIC 12 01/07/2009

The Company adopted the revised standards IAS 1 and IAS 23 as they are relevant for its activities. Adoption of these standards had no impact on changes in the accounting methods of the Company.

The Company did not decide to apply the revised standards before their effective dates.

Changes resulting from amendment to IAS 1 and IAS 23 were incorporated into the internal directives of the Company and the Financial Statements were prepared pursuant to the requirements of the revised IAS 1 standard.

The accounting rules presented below were applied in a consistent manner during all periods presented in the Financial Statements since the transfer to reporting pursuant to the International Accounting Standards.

2.2 Conversion of foreign currencies

Functional and presentation currency

This Individual Financial Statements are presented in euro (EUR), i.e. in the functional currency of the Company and also the presentation currency of the Financial Statements. All financial data presented in euro were rounded to whole numbers.

Foreign currency - transactions in the foreign currency

Foreign currency transactions are translated into the respective functional currency according to the reference exchange rate as published by the European Central Bank (ECB) or the National Bank of Slovakia (NBS) on the day preceding the given accounting case.

In case of a purchase or sale of foreign currency for euro, the accounting unit shall use the exchange rate which was used during the purchase or sale of these values. Should the purchase or sale of foreign currency take place at an exchange rate different than the one provided by the bank, the subsidiary of a foreign bank or an exchange office shall make use of the exchange rate in the exchange list, which the bank or the subsidiary of a foreign bank or an exchange office provide for the purchase or sale of the currency in its exchange list on the date of transaction. If the purchase or sale is not done via a bank, a subsidiary of a foreign bank or an exchange office, the exchange rate provided by ECB or NBS on the day preceding the transaction date shall be used.

Exchange rate yields and losses after settling these transactions and resulting from conversion of assets and liabilities in foreign currency by the exchange rate at the end of year are reported in the Statement of Comprehensive Income, except when reported as the equity. At the date of the Financial Statements, the financial assets and liabilities in a foreign currency are translated into the functional currency using the reference exchange rate published by ECB or NBS prevailing on the given date.

2.3 Property, plant and equipment

Newly purchased property, plant and equipment are revaluated as on the day of transaction by their acquisition price. As on the day of transition to IFRS, property, plant and equipment were evaluated in their fair value, excluding any adjusting entries pursuant to IFRS 1. The Company makes use of cost model (model of acquisition costs) pursuant to IAS 16 when evaluating property, plant and equipment.

Property, plant and equipment as on the day of Company establishment present assets purchased in the process of the split-up of Železničná spoločnosť, a.s. into two independent legal entities. These assets were entered into the books in the value of an expert's evaluation as on 1 January 2005.

Increase and decrease in the carrying amount of assets due to their revaluation as on the date of transition to International Financial Reporting Standards, i.e. as of 1 January 2006, was carried out pursuant to IFRS 1. It was revaluation in fair value during the first transition to IFRS with the subsequent use of the acquisition cost model.

Differences due to asset revaluation were reflected in the business results of previous periods.

The most significant item under IAS 16 Property, Plant and Equipment is rolling stock included in the category of transport vehicles. A component reporting approach was applied to this category, divided into: motor part, interior, and other parts.

Based on the Company decision, a new category of assets was created in 2009 – Low-value tangible assets. The category includes assets with acquisition costs from EUR 332 to EUR 1,700 and an assumed lifespan of 5 years.

Strategic spare parts for rolling stock are reported as assets in compliance with IAS 16 Property, Plant and Equipment. The strategic spare parts are depreciated from the moment the future economic benefits start, i.e. it is possible to relate income to the costs (write-offs) or capitalise their consumption as an investment – costs on general repairs. The strategic spare parts were revaluated in accordance with the principles of IAS 36, i.e. evaluated in the recoverable amount as it was lower than their carrying amount.

Expenses related to property, plant and equipment after being put into use, including replacement of a part of assets, are capitalised (i.e. their carrying amount is increased) in case the Company may expect future economic profit above

the original use and it is possible to estimate the acquisition price in a reliable manner.

Other costs on repairs and maintenance are reported in the Statement of Comprehensive Income as costs of the accounting period, in which the given work was carried out.

The carrying amount and lifespan of assets are revaluated and if necessary, modified as on each balance sheet date. At the same time, and in compliance with IAS 36, the assets are tested for impairment.

In case the carrying amount of assets is higher than their recoverable amount, the carrying amount of these assets is immediately reduced by the loss resulting from asset impairment, i.e. it is evaluated in the recoverable amount. Profit or loss resulting from disposal or discarding of an asset is established as the difference between the profit and the carrying amount of the asset and is reported in the Statement of Comprehensive Income.

Depreciation

Lands are not depreciated. Depreciation of the remaining assets is calculated as a linear function, starting from the difference between the acquisition price of an asset, or its value after revaluation, and the residual value during the following period of anticipated economic lifespan.

The estimated useful life of buildings and equipment in individual categories is as follows:

Buildings, halls and constructions	20 to 50 years
Machinery, devices and equipment	4 to 20 years
Transport vehicles	5 to 34 years
Inventory	6 to 25 years
Low-value tangible assets	5 years
Lands plus the reserve on the disposal of contaminated soil under diesel locomotive depot in Poprad	20 years

Depreciation of property, plant and equipment is reported in the Statement of Comprehensive Income evenly during the estimated period of use of each item of assets. The depreciation value is also affected by a component approach to asset depreciation.

A State subsidy is reflected in the revenues in a time and material correspondence with the depreciation of assets funded from the financial means of the given subsidy.

2.4 Intangible assets

Similarly to the case of property, plant and equipment, increase or decrease in the carrying amount of intangible assets due to revaluation as on 1 January 2006 was reported into the business results of previous years.

Intangible assets meeting the criteria of IAS 38 Intangible assets are divided pursuant to the asset lifespan:

- with a limited lifespan period and
- with a non-specified lifespan period

Intangible assets with a non-specified period of lifespan are not depreciated but are tested for impairment at the end of the accounting period in accordance with the requirements of IAS 36.

Intangible assets with a limited lifespan are depreciated during the assumed lifespan period.

The assets not meeting the criteria of IAS 38 are reported into costs.

2.4.1 Intangible assets with a limited lifespan - depreciated

Assessable rights, licences and software are recognised in their acquisition prices reduced by adjusting entries. Trademarks and licences have a limited duration. Depreciation is calculated as a linear function during the anticipated duration of use.

The estimated useful life of intangible assets in individual categories is as follows:

Assessable rights	3 to 5 years
Software	2 to 10 years
Other intangible assets	2 to 10 years

2.4.2 Intangible assets with a non-specified lifespan – not depreciated

Assets with an uncertain useful life (such as e.g. logo of the Company) are not depreciated, however, each year they are tested for impairment in accordance with IAS 36. Loss from impairment is reported as the difference between the carrying amount of the asset exceeding its recoverable amount.

2.5 Financial assets

The Company classifies the financial assets into the following categories: financial assets in fair value reported in the Statement of Comprehensive Income, loans and receivables.

Long-term financial assets – shares in other companies were, in accordance to IAS 39, at the moment of their initial recognition evaluated in their fair value obtained for the asset, including acquisition costs. The subsequent evaluation depends on their categorisation set by IAS 39. The financial assets of FVPL type (fair value through P/L) – change of fair value into Statement of Comprehensive Income.

The classification depends on the purpose of acquisition of the given financial asset as is determined at the initial recognition.

2.5.1 Derivative financial instruments

As on the day of book closing (i.e. 31 December), the financial derivatives are evaluated by the principle of determining the present value of all financial flows from the given instrument. Expected cash flows were determined either by using calculation of forward interest rates or by stochastic simulation of market variables. Until signing of the contract the value of a financial derivative equalled zero.

Forward contracts on interest rates were carried out in order to eliminate unfavourable impacts of variability of interest rates cash flow in case of payments for financial loans and financial aid. Derivatives are not classified as hedging and the Company does not keep hedge accounting. Derivatives are reported in the balance sheet within liabilities and receivables, and changes in fair value as on the day of book closing are recognised in the Statement of Comprehensive Income.

As on the day of book closing (i.e. 31 December), the financial derivatives were evaluated by an external company. Change of fair value based on this data was reported pursuant to IAS 39 Financial Instruments: reporting and evaluation for the Statement of Comprehensive Income.

2.5.2 Trade receivables

Trade receivables are initially recognised in their fair value and long-term receivables are reported in the carrying amounts established by the method of effective interest rate.

Adjustment entry to impairment of trade receivables is created when there is an objective evidence that the Company will not be able to enforce all due amounts pursuant to the original maturity conditions. Serious financial problems of

the debtor, probability of bankruptcy proceedings against the debtor or financial reorganisation and delay in payments (of more than 60 days after maturity date) are deemed as indicators of impairment of receivables. The amount of adjusting entry is the difference between the carrying amount of the asset and the present value of estimated future cash flows discounted by effective interest rate. The carrying amount of assets is impaired by being credited to the adjusting entry to receivables and debited to account 547 - i.e. it is reported as a result of calculation.

In case the receivable becomes irrecoverable, it is debited from the adjusting entry to trade receivables. Amounts gained from enforced receivables, which were already written off, will be reported in the Statement of Comprehensive Income.

Trade receivables are classified in the Statement of Financial Position as short-term receivables; and in case the maturity of a receivable is longer than 12 month, it is reported as long-term receivables.

2.5.3 Financial means and financial equivalents

Financial means and financial equivalents include cash in hand, deposits on current accounts, other highly liquid investments and bank current accounts. The Statement of Financial Position includes bank overdrafts under the heading of loans, within the short-term liabilities.

2.5.4 Trade liabilities

Long-term trade liabilities are initially recognised in their fair value and subsequently are adjusted by interests calculated by the effective interest rate method till their maturity date. Trade liabilities are classified in the Statement of Financial Position as short-term liabilities and in case the maturity of a liability is longer than 12 month, it is reported as long-term liabilities.

2.5.5 Loans

Loan liabilities are evaluated in their fair value at initial recognition, reduced by the costs on transaction. In the subsequent periods, loans are reported in their carrying amount assessed by the effective interest rate method.

Loans are classified as short-term liabilities if the Company has no unconditional right to postpone settlement of the liability for the duration of a minimum of 12 months from the date of the Statement of Financial Position.

2.6 Share capital

The share capital of the Company is EUR 212.441.088 and is divided into 64 ordinary shares in the nominal value of one share of EUR 3.319.392. All company shares are registered shares and are in the form of book-entry securities. The issuing price of one share equals the nominal value of one share. Železničná spoločnosť Slovensko, a.s. has not issued any shares based on a public call for share subscription and its shares are not tradable publicly and are not listed on the stock exchange.

2.7 Inventories

Inventories are reported in the lower of the acquisition price or net realisable value. The acquisition price of inventories includes acquisition price and other costs related to the acquisition. When estimating costs on consumption or when selling inventories, the method of weighted arithmetic mean is used.

2.8 Taxes

The tax system of the Slovak Republic includes value added tax, legal entities income tax (profit tax), natural persons' income tax (wage tax), vehicle tax, property tax and other consumption taxes.

Tax return remains open and may be subject to an inspection for the duration of five years. The fact that a certain period or the tax return related to that period has been inspected does not exempt this period from other inspections during these five years.

Payable and deferred income tax

Payable income tax is calculated in accordance with the tax laws effective as on the date of the Statement of Financial Position. Deferred tax is calculated by the rate pursuant to adopted tax regulations or tax rules in the process of adoption, which will be effective at the time of temporary differences realisation.

Deferred tax receivable is brought into book only when it is likely that the future tax basis, that would enable to settle temporary differences, is reachable. Deferred tax receivables are checked at each book closing. In the near future the Company does not expect to generate sufficient profit to apply deferred tax receivable from redemption of tax losses of previous years.

2.9 Employee benefits

According to the International Standards, the employee fringe benefits are rights of employees to have financial or non-financial compensation for rendered services (performing of work tasks) during a certain time period.

Each company makes the effort to use its resources as effectively as possible in order to find and maintain its position in the market economy with great competition and in order to achieve the best results possible. Employees play a crucial role in the process. Success of each company lies to a great degree on their performance and skills. Therefore, it is important to pay great attention to human resources. A company may achieve increasing of performance of its employees by a suitable motivation and stimulation and thus increase also performance of the whole company. Employers have the possibility to motivate their employees via various fringe benefits. It means that it is not enough only to pay attention to wage level for their work, because the topic of remuneration is much broader. A certain level of employee benefits is stipulated by laws (e.g. Labour Code). It means that all employees are entitled to some benefits regardless the place of their employment. However, it is only the minimal care for employees, and it is certainly not sufficient to motivate them. Other employees' benefits are stipulated in the Collective Agreement.

Employee benefits granted to employees are divided into two main categories:

- short-term employee benefits,
- long-term employee benefits.

They differ in several aspects - besides different causes of their provision, these include in particular:

- a) differences in period of their impact on the financial situation and business results of the company,
- b) differences in the way the potential of these future effects is reflected already during the current accounting period.

Short-term employee benefits

Pursuant to IAS 19 Employee Benefits, this category includes benefits payable at the latest within 12 months from the end of the period in which the employee rendered the service, for which the benefit is recognised - i.e. they do not have to be discounted (cleared off impacts of interests resulting from time effects). In respect of their short-term duration, probability models do not have to be applied and these benefits are undiscounted.

Železničná spoločnosť Slovensko, a.s. has its short-term employee benefits stipulated and adopted by trade union bodies of the trade unions representing employees in the Collective Agreement, which is concluded usually for 1 - 2 years. Employee benefits are further set down in individual internal documents:

- Directive on benefits for individual work positions,
- Directive on tangible and intangible motivation factors,
- Directive on health capability of employees of ZSSK,
- Directive on alimentation and provision of free refreshments to employees,
- Directive on training and education of employees of ZSSK,
- Directive on provision of regeneration stays of employees of ZSSK,
- Directive on the Social Fund of ZSSK,
- Directive on awarding and lending of state awards,
- Regulation Ok 10, Employees' travelling benefits provided by ZSSK,
- Directive regulating work time of ZSSK employees.

ZSSK provides the following short-term employee benefits:

1. Non-financial (tangible and intangible)

- employees' travelling benefits,
- employer's guaranties (work consultancy, precisely stipulated conditions for organisational changes, inclusion of worked years)
- work time and pauses (a weekly fund of work time in chosen professions reduced to 36 hours per week, including pauses for food and relaxation),
- refreshments under hard weather conditions,
- relaxation stays,
- language education,
- education,
- training,
- working environment (office furnishing, computers, telecommunication equipment, social facilities of workplaces, occupational safety, protection instruments),
- healthcare (vaccination of employees against virus diseases, medical checks, psychological consultations),
- participation in projects,
- position benefits (mobile phones, service cars, laptops).

2. Financial

- remunerations,
- Social Fund,
- wage compensation during temporary inability to work,
- severance pay,
- compensation in case of loss of physical capability,
- wage advantage under hard working regime for selected professions,
- wage compensation for performance of working tasks under harder conditions,
- supplementary pension insurance saving,
- Award of the Ministry of Transport, Post and Telecommunication,
- obstacles for work exceeding the framework stipulated by Art. 141 of the Labour Code, with wage compensation,
- looking for new job after termination of work contract (granted leave of maximum one half day per week for the purposes of job finding),
- social compensations and redundancy pay (when meeting the conditions, paid when the work contract is terminated),

- granted leave for employees in order to allow them to take care of their families (when taking care of a handicapped child younger than 15, and in case of single employees taking care of a child younger than 6 – leave with wage compensation; leave without wage compensation - when taking care of a child younger than 15 years of age),
- boarding contributions,
- Award of the Director General.

Long-term employee benefits

Long-term employee benefits are the liabilities of an employer towards the employees, which are binding for the Company as stipulated by law. The accounting methods set different rules for reporting of costs and liabilities stemming from employee benefits, which in general require creation of a reserve in the respective amount also for all long-term employee benefits, to which the Company is committed. Payments of cash costs in the current period thus present the drawing of the reserve.

The priority is to create reserves covering long-term liabilities of the employer towards employees. ZSSK provided for calculation of the reserve covering the long-term employee benefits by means of a certified actuary.

Quantification of the long-term liabilities of Železničná spoločnosť Slovensko, a.s., to which long-term reserves were created:

- severance pay (in accordance with Art. 76 (6) of the Labour Code, in the amount of 1 multiple of an average monthly salary),
- bonus paid at retirement (pursuant to the conditions of work contract termination and years worked for the company),
- bonus paid when leaving for a disability retirement (pursuant to the conditions of work contract termination and years worked for the company),
- bonuses paid at anniversaries (pursuant to the number of years worked for the Company),
- compensatory bonus.

When establishing long-term reserves covering employee benefits, it is important to have statistical data on employees, therefore the system of collection and recording of necessary data is also crucial (such as age, date of work contract beginning, date of benefit payment, wage), which applies also to the data on statistical estimates (used discount rates, level of future wages and benefits, mortality rate, expected duration of life, rate of reduction in employees), which are necessary for the calculations.

2.10 Reserves

A reserve is established in case the Company has an outstanding legal or implicit liability due to a past event, the liability may be reliably estimated, and it is likely that meeting the liability will lead to a reduction of economic benefits. Long-term reserves are evaluated in the present value of costs assumed for settlement of the liability by the use of a discount rate, which reflects present market cost-of-money estimates and risks specific for the given liability.

Environmental restoration (a reserve for environmental costs)

In compliance with the environmental policy of the Company and with the effective legal requirements, the reserve for environmental restoration related to contaminated soil and related costs, is reported when a conditional liability towards decontamination arises.

In 2008 ZSSK established a reserve for removal of contaminated soil due to termination of operation of diesel containers in the locomotive depot in Poprad. The obligation to remove contaminated soil results from the effective legislation. Disposal of the contaminated land will be carried out in the period of 2008-2011. The reserve was established in relation to the real estate, and in accordance with IAS 16 it is part of its evaluation. The reserve is

reported in a separate property category – lands, and is depreciated during its set lifespan (a period of assumed economic benefits).

In 2009 the reserve was created in the amount of EUR 763,460.13. During the year the assumed costs on removal were exceeded by EUR 105,356.45 due to extra work resulting from unsuitable results of controlling analyses of the soil. This work was reported in the costs of the current period. The Company does not assume that the reserves planned for 2010 and 2011 will be exceeded.

2.11 Reporting of income

Revenues are fair values resulting from sale of services and goods within the ordinary activities, after deduction of value added tax and discounts.

Income is reported as follows:

The Company reports income at the time when a service is provided and it is possible to establish the yield amount in a reliable manner pursuant to the Conceptual Framework, if it is probable that the Company will have future economic benefits, and if specific criteria for individual activities of the Company are met. The amount of income may not be reliably established, if all conditions related to the sale are not met. The Company bases its estimates on the results achieved in the past, taking into consideration the type of customer, transaction and specific features of the given agreement.

Yields of services

Yields of delivered services are recognised in the Statement of Comprehensive Income proportionately to the degree of transaction execution as on the day of book closing. The degree of execution is assessed by inspections of work carried out. As on 31 December 2009 the Company does not report any unsettled yields.

Yields of lease

Yields of lease are reported in the Statement of Comprehensive Income evenly for the duration of the lease.

Financial income

Financial income includes exchange rate profit and profit resulting from financial instruments reported in the Statement of Comprehensive Income. Income interests are allocated on a time basis by the effective interest rate method.

2.12 Lease

Leased assets

Renting is considered financial lease if some of the following conditions are met:

- it is concluded for a period representing a substantial part of the economic lifespan of the asset,
- the substantial part of the risks and potential profit related to owning such assets is transferred to the lessee,
- the present value of the minimal leasing instalments is higher than or equal to the fair value,
- the Lease Contract enables purchase of the assets upon lease termination.

When initially recognised, the rented assets are evaluated in the amount equal to the lower of their fair value or present value of the minimum leasing instalments. The respective liability towards the lessor is included in the Statement of Financial Position as a liability from financial lease. After being initially recognised, the assets are reported pursuant to IAS 16.

Other leasing type is classified as an operating lease and the leased asset is not included into the Statement of Financial Position. Payments executed within operating lease (after deduction of any discounts by the lessor) are differentiated in time as costs in the Statement of Comprehensive Income for the lease duration.

Leasing instalments

Payments based on an operating lease are reported in the Statement of Comprehensive Income evenly for the duration of the lease. Minimal leasing instalments paid in case of a financial lease are divided into financial cost and a reduction of due liability. The financial cost is allocated to each period during the lease period, so as to gain a constant interest rate for the remaining part of the liability.

Company as a lessee

Financial lease

Assets acquired in the form of a financial lease are reported as Company assets in their fair value at the time of leasing commencement, or in the present value of minimum leasing instalments, applying the lower amount of the two. The respective liability towards the lessor is included in the Statement of Financial Position as a liability from financial lease and is reported under credits.

The minimal leasing instalments include also VAT, unless the tax legislation allows for VAT deduction at the beginning.

Operating lease

The rental payable in case of an operating lease is reported in the Statement of Comprehensive Income evenly for the duration of the given lease.

Company as the lessor

Financial lease

The Company reports any financial lease as a receivable and any income from rental is divided between reduction of the receivable and income interests.

The rented assets are not part of the assets reported in the Statement of Financial Position.

Operating lease

The rental resulting from an operating lease is reported evenly as yields for the duration of the given lease.

2.13 Subsidies

The Company is a beneficiary of State subsidies in the form of transfer of financial means credited to the Company in exchange of past or future fulfilment of certain conditions related to the operational activities of the Company. The State subsidies are reported in accordance with IAS 20 – Accounting for government grants and disclosure of government assistance, in the fair value, if it is sufficiently evident that the subsidy is going to be granted and the Company meets all conditions for its granting.

The Company keeps record and reports the State subsidies:

- a) related to yields (cost-compensating subsidies) for costs on services in the public interest (Contract for services in public interest concluded with the Slovak Republic represented by MTPT). The Company reports them in the current accounting period, in which the costs related to these services in public interest are reported,
- b) related to a depreciated asset – purchase of rolling stock. The Company reports the State subsidies granted by the Slovak Republic separately from subsidies granted from EU funds, which are further divided by individual funds. The Company will report the subsidies in the Statement of Financial Position as deferred income. The Company recognises a State subsidy as yield in the period and amount, in which the depreciation is reported during the lifespan of the procured asset,
- c) which are compensation of already incurred costs for public services, reported in the previous periods. They are reported as yields in the period, in which the Company's right to them occurs. The Company discounts a long-term receivable by a rate (a receivable against the Slovak Republic) by the method of effective interest rate.

3 Financial risk management

3.1 Financial risk factors

Activities carried out by the Company put it in particular under the following financial risks: interest and credit risk, and exchange rate risk to a small degree as we are part of the euro zone. Subsequently, the above-mentioned risks affect also the Cash Flow risk of the Company. The aim of financial risk management is risk elimination or limiting of negative impacts of foreseeable (and expected) effects on the financial results of the Company.

Risk resulting from change in interest rates

ZSSK is exposed to an interest risk due to payment of interest resulting from financial loans and aid. The amount of interests is established either by a fixed interest rate in a foreign currency or a variable interest rate. In the period of increase of interest rates, ZSSK decided to hedge the interest risk. Interest instalments may not be flexibly changeable due to changes in the market interest rate. The Company, therefore, decided to hedge the expected interest instalments linked to the main interest rates: 3M EURIBOR and 6M EURIBOR for the whole period of the loan maturity.

The following table presents the Company's sensitivity to changes (increase/decrease) in interest rates applied by ZSSK by 100 b. p., while all other parameters are constant:

	in EUR
3M, 6M EURIBOR +/- 1%	+/- 1,297,620
O/N, 1M BRIBOR +/- 1%	+/- 659,713

Risk of foreign resources

The credit risk is defined as the probability rate of the Company not being able to settle its payable liabilities on time and in the requested amount related to existing or potential indebtedness, or of the structure of resources not being effective. ZSSK manages this risk by a plan of foreign resources, by evaluation of deviations, analysis of resources development and indebtedness rate, within the context of Cash Flow management of the Company.

3.2 Estimate of the fair value

Determination of fair values

In case of non-current assets reported pursuant to IAS 40 Investment Property and IFRS 5 Assets Held for Sale, the assets are evaluated in fair values, i.e. in the amount for which the asset could be replaced in an unrelated transaction and under usual conditions between a willing buyer and seller who are sufficiently informed of the market situation.

When evaluating the assets by their fair values, the Company always re-evaluates the assets as of the date of the Statement of Financial Position. The difference between the revaluations is reported into costs.

Evaluation in depreciated reproduction purchase price takes into account how much purchase of such asset would cost, after being modified by write-offs and losses due to impairment. Adjustments and write-offs take into consideration the asset age in relation to the period of use and residual value.

The fair value of **trade and other receivables and liabilities** is estimated as the present value of future cash flows discounted according to market interest rate as on the day of book closing. The carrying amount of trade receivables and liabilities, reduced by adjusting entries, equals approximately their fair value.

The fair value of interest **derivatives - swaps** is based on a qualified evaluation by an external company as on 31 December 2009. It is calculated as the present value of anticipated future cash flows.

Impairment

The **financial assets** are impaired when, due to objective reasons, one or two events had negative impact on the assumed future cash flows resulting from these assets. Items of the financial assets are tested individually for impairment.

The residual value of **non-financial assets** of the Company, excluding inventories and deferred tax liabilities, are tested on each day of book closing for factors indicating possible impairment. If such factors are discovered, the Company estimates the recoverable amount. An impaired asset is an asset, the carrying amount of which is higher than its recoverable value. Impairment losses are reported in the Statement of Comprehensive Income. For the purposes of impairment evaluations, the Company as a whole is considered one entity generating income.

4 Significant accounting estimates and decisions on accounting methods

Estimates and considerations are continuously revaluated and are based on experience as well as on other factors, including expectations of future events, which may be anticipated under given circumstances.

4.1 Significant accounting estimates and assumptions

Critical accounting estimates and key sources of uncertainty

When applying the accounting methods and principles, the best estimate was used. The estimate affects the balance amounts in the financial statements. The data in the future financial statements may differ from the current estimates due to changes of these estimates and of the economic conditions.

This part states the main areas affected by estimates:

The Company reports a significant amount as a reserve for long-term fringe benefits. The evaluation of the reserve is sensitive to estimates applied to calculations, for instance as regards future wages and benefits levels, discount rates, extent of decrease in employees number, extent of later retirement, mortality rate and average life length.

The estimate of income from performance of passenger coaches in the territory of foreign states as on 31 December 2009 was prepared on the basis of data of the past months available at the given date (11 months on average for individual states).

4.2 Significant decisions on accounting methods

Change of accounting methods

As on the day of the opening balance, 1 January 2006, the Company revaluated its assets at the initial recognition to their fair value in terms of IFRS 1. Subsequently, the assets are evaluated by the cost model.

The initial revaluation of all types of non-current assets took place between April and June 2007, applying a method based on market value or written-off reproduction acquisition prices to estimate the fair value of assets.

(in EUR)

5 Property, plant, equipment and intangible assets

Title	Opening balance as on 1 January 2009	Adjustments as on 31 December 2009	Additions as on 31 December 2009	Disposals as on 31 December 2009	Impairment IAS 36 reported as adjustments	Residual price as on 31 December 2009	Residual price as on 31 December 2008
Purchased software	9,388,047	-4,317,934	462,394	-7,966	0	5,524,541	6,392,817
Trademark, logo	1,162,545	-732,516	74,800	0	0	504,829	747,277
Technical documentation	44,780	-27,159	0	0	0	14,621	28,100
Total intangible assets	10,592,372	-5,077,609	537,194	-7,966	0	6,043,991	7,168,194
Procurement of intangible assets	208,757	0	674,841	-460,524	0	423,074	208,757
Advance payments for intangible assets	0	0	177,595	-177,595	0	0	0
TOTAL INTANGIBLE ASSETS	10,801,129	-5,077,609	1,389,630	-646,085	0	6,467,065	7,376,951
Real estate/lands	4,372,408	-52,281	0	0	0	4,320,127	4,372,403
Buildings	6,656,581	-328,435	292,662	0	0	6,620,808	6,412,369
Constructions	2,152,222	-233,212	629,998	0	0	2,549,008	1,997,144
Total buildings and constructions	8,808,803	-561,647	922,660	0	0	9,169,816	8,409,513
Spare parts IAS	3,268,538	0	124,060	-229,841	-124,679	3,038,078	3,119,340
Energy machines	359,540	-92,889	147,919	-21,245	0	393,325	275,152
Working machines	2,553,021	-322,052	413,189	-1,527	0	2,642,631	2,410,779
Devices	8,438,586	-5,397,238	309,601	-126,265	0	3,224,684	4,938,675
Total machinery and devices	11,351,147	-5,812,179	870,709	-149,037	0	6,260,640	7,624,606
Transport vehicles	506,396,450	-110,797,334	77,342,481	-2,385,053	0	470,556,544	431,790,725
of which: capitalisation	17,637,201	-11,896,890	15,468,671	-44,502	0	21,164,480	12,212,346
and IAS spare parts increase	226,546	-121,722	229,841	0	0	334,665	197,041
Low-value tangible assets	0	-13,982	101,507	0	0	87,525	0
Inventory	217,411	-81,123	50,592	0	0	186,880	163,596
Total tangible assets	534,414,757	-117,318,546	79,412,009	-2,763,931	-124,679	493,619,610	455,480,133
Procurement of tangible assets	2,236,434	0	65,324,810	-63,667,657	0	3,893,587	2,236,440
Advance payments for intangible assets	1,279,462	0	66,571,786	-40,223,203	0	27,628,045	1,279,460
TOTAL TANGIBLE ASSETS	536,651,191	-117,318,546	144,736,819	-66,431,588	-124,679	497,513,197	457,716,623
TOTAL NON-CURRENT ASSETS	547,452,320	-122,396,155	146,126,449	-67,077,673	-124,679	503,980,262	465,093,574

5.1 IAS 16 Property, Plant and Equipment

The most significant items under IAS 16 Property, Plant and Equipment as on 31 December 2009 is rolling stock (RS) at the residual value of EUR 470,086,749 included in the category of transport vehicles. A component reporting approach was applied to this category, divided into: motor part, interior, and other parts.

In 2009 the asset value was increased by capitalisation of rolling stock in the total amount of EUR 15,468,672. The main share in capitalisation, amounting to EUR 9,905,401, was accounted for by periodical inspection of RS. Within parts replacement – spare parts for RS, the capitalisation amounts to EUR 5,563,271.

In terms of IAS 16 Property, Plant and Equipment, as on the 1 January 2007 strategic spare parts were allocated into the tangible assets in the total acquisition price amounting to SKK 105,293 thousand (EUR 3,495,087). Selection of these spare parts was carried out individually after taking into consideration their importance and specific features on the available rail transport market. The addition of the strategic spare parts in 2009 amounted to EUR 124,060. Strategic spare parts in the amount of EUR 229,841 were used during repairs and are depreciated from the moment of their use. After taking into consideration increase and reduction in strategic spare parts and impairment of the asset pursuant to IAS 36 amounting to EUR 124,680, their residual value as on 31 December 2009 amounts to EUR 3,038,078.

As regards motor vehicles (except for vehicles procured through a lease), the Company established the residual value of each vehicle. The residual value presents the anticipated selling price at the end of its lifespan (in case of motor vehicles it is assumed to last 5 years). The assets are depreciated only until their residual price is higher than the residual value.

As on 31 December 2009 the amount of EUR 3,893,587 was reported as an unfinished construction. It comprises in particular: EUR 97,963 for a project of a locomotive depot reconstruction in Košice, EUR 88,156 for Customer Centres, reconstruction of rolling stock in the amount of EUR 2,730,616, EUR 594,799 for energy dispatching and EUR 137,390 for technical documentation of motive power units' upgrade.

In 2009 a capital transfer from the State Budget amounting to EUR 33,193,915 was granted for procurement and reconstruction of RS. As on 31 December 2009 the amount of EUR 394,051 out of the given transfer is reported for unfinished work.

As on 31 December 2009 the Company recognises paid advance payment for procurement of rolling stock in the total amount of EUR 29,427,106. As regards the amount of advance payments, the Company was granted financial means within the Operational Programme Transport from the European Regional Development Fund amounting to EUR 8,815,581 and EUR 8,815,582 from the State Budget to settle down advance payments on investment procurement. The total amount of advance payments paid from the financial means of the OP Transport as on 31 December 2009 is EUR 17,631,163.

The purchase price of the unused assets as on 31 December 2009 amounts to EUR 4,170,458. The given assets are not available for sale, as they are specific for railway transport and are not normally available on the market. The Company continues to write off these assets, while they were tested for impairment and the level of write-offs represents their moral wear.

Class	Asset	As on 31 December 2009 in EUR	As on 31 December 2008 in EUR
10	Administrative buildings in Železničiarska and Žabotová Streets, Bratislava	3,226,532	0
20	Constructions – vehicle-ramp, Bratislava	69,482	69,475
30	Energy machines – equipment: Železničiarska, Žabotová and locomotive depot in Poprad	53,487	0
40	Working machinery – lathe, conveyors, crane at locomotive depot in Poprad	17,792	0
50	Devices – measuring system in locomotive depot in Poprad	13,795	0
60	Rolling stock – passenger coaches	329,490	112,660
70	Inventory – facilities: Klub Železničiarska	25,613	0
90	Real estate – Železničiarska and Žabotová	434,267	0
	Total	4,170,458	182,135

Assets procured due to transition to EUR as on 31 December 2009

in EUR

Title	Acquisition price	Cumulative write-offs	Carrying amount
3 pieces of EUR coin readers	9,461	-2,147	7,314

5.2 IAS 38 Intangible Assets

The most significant item under IAS 38 Intangible Assets with a limited lifespan is the IKCV software in the amount of EUR 6,867,506, which ensures sale and reservation of tickets for passengers.

The logo of Železničná spoločnosť Slovensko, a.s is reported as an intangible asset with a limited period of use in the amount of EUR 22,142, which was tested for impairment at the end of the accounting period, without any resulting change to the value.

5.3 IFRS 5 Non-Current Assets Held for Sale

On the basis of a resolution of the Board of Directors of the Company of 7 March 2006 and pursuant to IFRS 5, non-current assets held for sale include the real estate in Žabotova Street and Železničiarska Street in Bratislava together with the lands and equipment. Based on a decision of the Ministry of Transport, Post and Telecommunications as of 6 July 2006, the sale of these real estates was postponed. A renewed approval of the sale was awarded on 2 July 2007.

Based on Resolution no. 154/2009 of the Board of Directors of ZSSK of 18 December 2009, the planned sale was postponed due to an unsuitable situation on the real-estate market. At the same time, the Facility Management Section proposed a possibility of a partial use of the buildings as a sleep-over facility for train crews. The proposal was accepted by the Board of Directors of ZSSK and the Facility Management Section was empowered to implement it. The given assets are reported pursuant to IAS 16 as on 31 December 2009.

The agreement for sale of real estates located in Podkolibská Street no. 1 in Bratislava, including lands, in the value of SKK 20,493 thousand (EUR 680,271), was granted by a resolution of the Board of Directors of the Company on 27

August 2007, followed by an agreement of the Ministry of Transport, Post and Telecommunications of 4 October 2007. On 28 July 2009 Resolution no. 96/2009 of the Board of Directors approved of the sale termination due to an unfavourable situation of the real-estate market. The real estates located in Podkolibská Street no. 1 in Bratislava, land included, in the amount of EUR 680,271 are reported as on 31 December 2009 pursuant to IAS 40 Investment Property (the assets are currently rented for the whole duration of reporting pursuant to IFRS 5).

As on 31 December 2009 the rolling stock, based on a previous decision of the Board of Directors of the Company, includes a motive power unit in the carrying amount of EUR 1,458 as an asset held for sale.

Based on a resolution of the Board of Directors, on 9 December 2008 the Supervisory Board of the Company agreed with the sale of self-servicing ticket-vending machines. The residual value of the assets as on 1 January 2009 was EUR 7,000. The sale was carried out on 25 February 2009 in the amount of EUR 8,330, VAT including.

The assets held for sale are no longer depreciated. These assets are evaluated in the carrying amount or the fair value, reduced by costs related to the sale. The condition, which determines evaluation in the lower of the two values, is decisive for the evaluation.

Class	Title	As on 31 December 2009 in EUR	As on 31 December 2008 in EUR
10	Buildings	0	3,531,862
20	Constructions	0	2,813
30	Energy machines	0	47,387
50	Devices	0	7,000
60	Transport vehicles	1,458	7,498
70	Inventory	0	23,704
90	Real estate/lands	0	1,163,055
	Total	1,458	4,783,319

5.4 IAS 40 Investment Property

The real estates located in Podkolibská Street no. 1 in Bratislava, including lands, in the value of SKK 20,493 thousand (EUR 680,271) were reported as held for sale in terms of IFRS 5 as on 31 December 2008, based on an agreement of the Ministry of Transport, Post and Telecommunications of 4 October 2007. On 28 July 2009 a resolution of the Board of Directors no. 96/2009 approved of the sale termination due to an unfavourable situation of the real-estate market. Based on the above, the real estates located in Podkolibská Street no. 1 in Bratislava, land included, are reported as on 31 December 2009 pursuant to IAS 40 Investment Property. When the real estates were reported pursuant to IFRS 5 the Company rented them.

Rented assets	As on 31 December 2009 in EUR
Recreation facility, Valčík, Bratislava	162,844
Unirest Bratislava, Podkolibská Street	165,766
Lands at Vinohrady, Bratislava	351,661
Total	680,271

In relation to operation of real estates reported pursuant IAS 40 Investment Property, the following costs arose as on 31 December 2009:

Cost item	Object	Amount in EUR
Water consumption	Podkolibská, Bratislava - rental	125
Construction tax	Podkolibská, Bratislava - rental	1,701
Other services and charges	Podkolibská, Bratislava - rental	726
Repairs and maintenance	Podkolibská, Bratislava - rental	110
Depreciation	Podkolibská, Bratislava - rental	3,618
Total	6,280	

5.5 IAS 17 Leases

The assets under IAS 17 Leases as on 31 December 2009 include assets procured via financial lease in the category of machines, devices and equipment in the carrying amount of EUR 12,296.

Assets	As on 31 December 2009	As on 31 December 2008 in EUR
Mercedes-Benz VIANO 2,2 BA 569 NG	0	9,208
VW PASSAT 3C M1 BA-558 OD	12,296	20,976
Total	12,296	30,184

As on 31 December 2009 the Company's assets in the total amount of EUR 1,784,784 were rented under operating lease.

As on 31 December 2009 the value of assets within the operating lease, where the Company is the lessee, totalled EUR 52,384,357.

5.5.1 Financial lease

Company as a lessee

The Company has concluded a contract on hardware and software with Železničná spoločnosť Cargo Slovakia, a.s., which is reported as financial lease under IAS 17 Leases.

in EUR

	Carrying amount as on 31 December 2009	Present value as on 31 December 2009
Hardware and software	667,936	667,936

Liabilities from financial lease related to hardware and software as on 31 December 2009 (in EUR) may be analysed as follows:

in EUR

	Minimal leasing instalments	Present value of minimal leasing instalments
Payable up to 1 year	726,563	619,145

The instalments payable after 1 year include also the purchase price of hardware and software after termination of lease in the amount of EUR 100.

The interest on hardware and software in 2009 amounted to EUR 55,088.12 and was reported in the business results of 2009.

Company as the lessor

On 30 September the Company concluded a contract on lease of a rolling stock no. 1/2009-SeTTPP with ŽSR – Railway Research and Development Institute as a lessee. The leasing involves an electric multiple-unit set 420 953-2, leased for 10 years. A gross investment into the leasing amounts to EUR 10,000 which consists of all payments and non-guaranteed residual value. The non-guaranteed residual value equals zero. Non-realised financial yield (interest) amounted to EUR 1,001 at the beginning of the leasing, while the net investment into leasing totals EUR 8,999. The lease contract includes an option for purchase of the subject of the leasing by the lessee for EUR 1, VAT excluded.

in EUR

	Net investment into leasing	Non-realised financial yield
Payable up to 1 year	839	161
Payable after 1 year	7,337	663

5.5.2 Operating lease

Company as a lessee

The Company keeps record of the following operating lease:

in EUR

Leased assets	Leased assets	
	As on 31 December 2009	As on 31 December 2008
Assets rented from ŽSR – buildings	8,085,653	7,697,940
Assets rented from ZSSK CARGO – buildings	9,094,900	8,696,442
Assets rented from ZSSK CARGO – tracks	28,453,909	29,804,600
Apartments for the members of the statutory bodies	9,166	15,565
Land estate of the vehicle-ramp in Petržalka, Bratislava	40,165	40,165
Non-residential premises ZC – BA Staré Mesto	6,373	12,746
Office premises, Bratislava, Rožňavská 1	5,215,702	5,668,128
Apartment for the representative at the UIC, Paris	34,230	68,460
Office premises, Trnava	39,996	39,996
Komárno – accommodation for train crews	151,364	151,364
Real estate for AVK – Lučenec	7,161	7,161
Non-residential premises – Passenger cash desk in Humenné	32,680	0
Sleeping cars – CONVEY and WAGONSERVICE travel	1,213,158	0
TOTAL	52,384,457	52,202,567

The Company reports the following future leasing instalments with lease contracts for limited period:

in EUR

Rental	Amount
Payable in the 1st year	1,707,834
Payable in the 2nd to 5th year (including)	5,381,144
Payable after 5 years	2,090,386
Total	9,179,364

The major part of the future leasing instalments comprises rental for the office premises in Rožňavská Street, Bratislava.

In 2009 rental for operating lease was paid in the amount of EUR 404,282.65 to ŽSR, EUR 2,026,010.38 to Železničná spoločnosť Cargo Slovakia, a.s., EUR 9,166.29 for apartments for members of the statutory bodies, EUR 2,008.23 for the land of the car ramp in Bratislava, EUR 34,230.05 for the apartment for the representative at the UIC in Paris, EUR 745,100.28 for office premises in Rožňavská Street, Bratislava, EUR 6,373.23 to Dopravný podnik Bratislava, a.s., EUR 600,185.60 for air-conditioned sleeping cars to CONVEY and WAGONSERVICE travel and EUR 11,560.09 for other office premises.

Operating leases on office premises and premises at railway stations paid to ŽSR, as well as office premises and a substantial part of yards paid to ZSSK CARGO, were concluded for an unlimited period of time.

Company as the lessor

The Company partially leases the following objects, which are reported pursuant to IAS 17 in 2009, in the carrying amount of EUR 1,784,784. The list of leased assets reported pursuant to IAS 40 Investment property is provided under IAS 40.

Reported under IAS/IFRS in		Rented assets	Rented assets in EUR	
2009	2008		as on 31 December 2009	as on 31 December 2008
IAS 17	IAS 17	Locomotive hangar – Tatranská Štrba no. 1514	210,925	216,922
IAS 17	IAS 17	Soc. Social facility, Košice, no. 2673 (Bathroom, dressing rooms)	86,689	89,159
IAS 17	IAS 17	Administrative building in Košice no.2656	51,811	53,276
IAS 17	IAS 17	Locomotive hangar for MOTO – Rotunda Košice, no. 2654	542,509	537,210
IAS 17	IAS 17	Administrative building – Bratislava BA, no.10362	87,141	89,624
IAS 17	IAS 17	Administrative building – Žilina, no. 708	0	611,764
IAS 17	IAS 17	Electric locomotive hangar – Tr. Teplá, no. 274	142,443	146,518
IAS 17	IAS 17	Land estate 5394/1, Zvolen	25,273	25,261
IAS 17	IAS 17	Land estate 5394/21, Zvolen	0	1,427
IAS 17	IAS 16	Water-treatment plant, Poprad	4,893	0
IAS 17	IAS 16	Yard in Poprad – Water-treating plant, Poprad	214,943	0
IAS 17	IAS 16	Cadastral territory of. Poprad, plot 2460/14, Water-treatment plant, Poprad	327,428	0
IAS 17	IAS 16	Cadastral territory of Štrba, plot 2555/2, locomotive hangar	231	0
IAS 17	IAS 16	Cadastral territory of Tr. Teplá, plot 6565/2, electric locomotive hangar	5,797	0
IAS 17	IAS 16	Cadastral territory of Košice-south, plot 3541/97 and 3541/102, Rotunda KE	3,449	0
IAS 17	IAS 16	Cadastral territory of Košice-south, plot 3526, administrative building	13,205	0
IAS 17	IAS 16	Cadastral territory of Košice-south, plot 3541/112, social facility	19,201	0
IAS 17	IAS 16	Cadastral territory of Vinohrady, plot 21270/2, Administrative building KE	48,846	0
Total IAS 17			1,784,784	1,771,161

Besides assets reported in the Statement of Financial Position, the Company rents also assets that have not been settled after the split-up of ŽSR, but are used by the Company, with an annual rental in the amount of:

in EUR

Assets	As on 31 December 2009	As on 31 December 2008
Warehouse – locomotive depot, Košice	0	2,656
Košice, switching station, locomotive depot, Poprad	18	0
Total	18	2,656

The Company has the following future leasing instalments in the agreed currency pursuant to lease contracts and contracts on the right to pass through a real estate, concluded for limited period:

Rent	in EUR
Payable in the 1st year	15,875
Payable in the 2nd to 5th year (including)	26,045
Payable after 5 years	32,102
Total	74,022

In 2009 rental for leased assets to ŽSR amounted to EUR 4,382.74, to Železničná spoločnosť Cargo Slovakia, a.s. to EUR 13,799.18, and rental to other entities amounted to EUR 18,377.48.

The Company has concluded lease contracts for unlimited period in the total amount of EUR 20,683.93.

6 Financial instruments

6.1 Loans

The Company reports loans (divided into long-term and short-term) and long-term financial aid in the following currencies:

in thousand EUR, in thousand CHF

Currency	Loans as on 31 December 2009		Loans as on 31 December 2008	
	Foreign currency	EUR	Foreign currency	EUR
CHF	18,103	12,202	43,461	29,046
EUR	–	244,312	–	186,715
Total	–	256,515	–	215,761

6.1.1 Long-term bank loans

In thousand EUR, in thousand CHF

As on 31 December 2009

Long-term loans – bank loans	Currency	Amount in foreign currency	Balance of the principal in EUR	Maturity	Hedging
UBS AG 14	CHF	9,638	6,496	27 October 2011	SERG
UBS AG 6	CHF	8,465	5,706	31 August 2012	SERG
Dexia banka Slovensko, a.s.	EUR	20,213	20,213	23 August 2012	No hedging
Total	CHF	18,103	12,202		
	EUR	20,213	20,213		
			32,415		

In thousand CHF

As on 1 January 2009

Long-term loans – bank loans	Currency	Amount in foreign currency	Balance of the principal in EUR	Maturity	Hedging
UBS AG 14	CHF	15,201	10,159	27 October 2011	SERG
UBS AG 6	CHF	11,287	7,543	31 August 2012	SERG
Total	CHF	26,488	17,702		

6.1.2 Short-term bank loans

In thousand EUR

As on 31 December 2009

Short-term loans – bank loans	Currency	Balance of the principal in EUR	Maturity	Hedging
Calyon Bank Slovakia, a.s.	EUR	78	–	No hedging
ČSOB	EUR	13,964	30 June 2010	No hedging
Dexia Banka Slovensko, a.s.	EUR	9,976	25 June 2009	No hedging
KLUB bank	EUR	19,196	31 December 2010	Bill of exchange
UniCredit Bank, a.s.	EUR	9,954	31 August 2010	No hedging
Slovenská sporiteľňa, a.s.	EUR	2,286	30 September 2009	No hedging
Tatra banka, a.s.	EUR	223	30 September 2009	No hedging
Volksbank, a.s.	EUR	6,968	30 November 2010	No hedging
VÚB, a.s.	EUR	14,504	5 May 2010	No hedging
VÚB, a.s.	EUR	7,000	5 May 2010	No hedging
Total loans	EUR	84,149		

In thousand EUR, in thousand CHF

As on 1 January 2009

Short-term loans – bank loans	Currency	Amount in foreign currency	Balance of the principal in EUR	Maturity	Hedging
Dexia Banka Slovensko, a.s.	CHF	16,973	11,344	22 August 2009	No hedging
Dexia Banka Slovensko, a.s.	EUR	–	10,000	24 August 2009	No hedging
Dexia Banka Slovensko, a.s.	EUR	–	9,246	25 June 2009	No hedging
Slovenská sporiteľňa, a.s.	EUR	–	21,308	30 September 2009	No hedging
Tatra banka, a.s.	EUR	–	8,179	30 September 2009	No hedging
Tatra banka, a. s.	EUR	–	6,000	4 June 2009	No hedging
VÚB, a. s.	EUR	–	6,550	6 May 2009	No hedging
VÚB, a. s.	EUR	–	3,832	12 May 2009	No hedging
Total loans in the currency	EUR	–	65,115		
	CHF	16,973	11,344		
Total loans	EUR	–	76,459		

6.1.3 Long-term financial aid

In thousand EUR

As on 31 December 2009

Long-term financial aid	Currency	Amount in EUR	Maturity	Hedging
Eurofima I (Contract no. 2535)	EUR	6,500	22 August 2011	Rolling stock
Eurofima II (Contract no. 2551)	EUR	6,500	22 August 2011	Rolling stock
Eurofima III (Contract no. 2574)	EUR	10,000	11 February 2013	Rolling stock
Eurofima IV (Contract no. 2593)	EUR	15,000	4 February 2014	Rolling stock
Eurofima V (Contract no. 2616)	EUR	10,000	4 February 2014	Rolling stock
Eurofima VI (Contract no. 2651)	EUR	30,000	6 March 2015	Rolling stock
Eurofima VII.A (Contract no. 2670)	EUR	8,000	7 April 2016	Rolling stock
Eurofima VII.B (Contract no. 2694)	EUR	8,600	3 April 2017	Rolling stock
Eurofima VIII.A (Contract no. 2694)	EUR	14,000	3 April 2017	Rolling stock
Eurofima VIII.B (Contract no. 27314)	EUR	13,000	29 September 2020	Rolling stock
Eurofima IX.A (Contract no. 2753)	EUR	11,106	29 September 2020	Rolling stock
Eurofima IX.B (Contract no. 2753)	EUR	7,244	27 February 2012	Rolling stock
Total	EUR	139,950		

In thousand EUR

As on 1 January 2009

Long-term financial aid	Currency	Amount in EUR	Maturity	Hedging
Eurofima I (Contract no. 2535)	EUR	6,500	22 August 2011	Rolling stock
Eurofima II (Contract no. 2551)	EUR	6,500	22 August 2011	Rolling stock
Eurofima III (Contract no. 2574)	EUR	10,000	11 February 2013	Rolling stock
Eurofima IV (Contract no. 2593)	EUR	15,000	4 February 2014	Rolling stock
Eurofima V (Contract no. 2616)	EUR	10,000	4 February 2014	Rolling stock
Eurofima VI (Contract no. 2651)	EUR	30,000	6 March 2015	Rolling stock
Eurofima VII.A (Contract no. 2670)	EUR	8,000	7 April 2016	Rolling stock
Eurofima VII.B (Contract no. 2694)	EUR	8,600	3 April 2017	Rolling stock
Eurofima VIII.A (Contract no. 2694)	EUR	14,000	3 April 2017	Rolling stock
Eurofima VIII.B (Contract no. 27314)	EUR	13,000	29 September 2020	Rolling stock
Total	EUR	121,600		

The maturity of loans and long-term financial aid is as follows:

in EUR

Maturity	As on 31 December 2009	As on 31 December 2008
Payable in the 1st year (2009)	77,940	76,458 ,50
Payable in the 2nd year (2010)	84,071,460	0
Payable in the 3rd year (2011)	19,496,370	23,159,130
Payable in the 4th year (2012)	33,162,450	7,543,220
Payable in the 5th year (2013)	10,000,000	10,000,000
Mature after 5 years (2014)	109,706,400	98,600,010
Total	256,514,620	215,760,910

6.2 Information on capital management

The calculation of the ratio between the total capital and foreign resources (gearing ratio):

in EUR

		31 December 2009	31 December 2008
Total loans	loans and aid	256,514,625	215,760,904
Financial means	financial accounts	1,971,416	953,363
	cash	194,585	128,626
	bank accounts	1,776,831	824,736
= Net debt		254,543,209	214,807,542
Total capital = total liabilities (foreign resources + equity)	663,267,375	506,172,177	
Shareholders' equity	Shareholders' equity	240,880,233	213,729,470
	Share capital	212,441,088	212,441,081
	Capital funds	47,239,071	47,239,063
	Profit/loss for the current period	27,150,732	-30,934,508
	Profit/loss from previous years	-45,950,658	-15,016,165
Foreign resources	liabilities	422,387,142	292,442,707
	reserves	12,109,873	18,851,391
	long-term liabilities	80,552,854	10,604,959
	short-term liabilities	73,209,790	47,225,453
	bank loans and borrowings	256,514,625	215,760,904
Ratio of net debt and total capital		38%	42%

Capital management by ZSSK complies with the objectives set in the ZSSK Development Strategy for 2006 – 2013. The Strategy stems from the requirements on the volume and enhanced quality of services delivered for citizens and from the need to ensure final settlement of long-term financial aid.

6.3 Financial assets

The Company holds an ownership interest with insignificant influence in the following companies:

in EUR

Company	Number of shares (pieces)	Participation in the equities in %	Financial assets	
			as on 31 December 2009	as on 31 December 2008
Eurofima	1,300	0.50 %	4,108,196	4,073,396
BCC	1	0.68 %	744	744
Total	x	x	4,108,940	4,074,139

Long-term financial assets – shares in other companies were, in accordance to IAS 39, at the moment of their initial recognition evaluated in their fair value obtained for the asset, including acquisition costs. The subsequent evaluation was carried out pursuant to their categorisation in accordance to IAS 39 as financial assets of AFS type (Available For Sale) – a change of the fair value into equity. The account 414 includes an amount of EUR 1,696,869.66 resulting from the impact of changes of the fair value as on the book closing date.

6.4 Derivative financial instruments

Strategy and goal of risk management: Securing against negative changes in fair value of interest costs for the Company

Type of securing: Securing of an increase in interest rates

Secured risk: Interest risk

Creditor	Currency	Secured item in the respective currency	Final maturity	Type of securing	
				Income	Payment rate
EUROFIMA I	EUR	6,500,000	22/08/11	3M EURIBOR	6M EURIBOR
EUROFIMA II	EUR	6,500,000	22/08/11	6M EURIBOR	6M CHF LIBOR
EUROFIMA IV	EUR	15,000,000	04/02/14	6M EURIBOR	6M EURIBOR
EUROFIMA V	EUR	10,000,000	04/02/14	6M EURIBOR	6M EURIBOR
EUROFIMA VI	EUR	30,000,000	06/03/15	6M EURIBOR	6M EURIBOR
EUROFIMA VII A	EUR	8,000,000	07/04/16	6M EURIBOR	EUR/USD, EUR/CHF
EUROFIMA VII B	EUR	8,600,000	03/04/17	6M EURIBOR	6M EURIBOR
UBS 14_II	CHF	5,175,084	27/10/11	fixed	JPY LIBOR

Evaluation of financial derivatives

As on the day of book closing (i.e. 31 December), the financial derivatives are evaluated by an external company pursuant to the principle of determining the present value of all financial flows from the given instrument. Discount factors are calculated from the actual market data obtained from the Reuters information system. Expected cash flows were determined either by using calculation of forward interest rates or by stochastic simulation of market variables.

in EUR

Creditor	Evaluation as on 31 December 2009		
	receivables	liability	difference
EUROFIMA I	187,676	-273,668	-85,992
EUROFIMA II	201,284	-256,752	-55,468
EUROFIMA IV	1,572,925	-1,638,638	-65,713
EUROFIMA V	1,048,616	-1,090,562	-41,946
EUROFIMA VI	3,787,912	-36,860,506	-33,072,594
EUROFIMA VII A	1,383,833	-2,220,892	-837,059
EUROFIMA VII B	1,838,277	17,293	1,855,570
UBS 14_II	160,959	-133,753	27,206
TOTAL	10,181,482	-42,457,478	-32,275,996

7 Trade receivables and other short and long-term receivables, subsidies

Trade receivables and other short and long-term receivables consist of the following items:

in EUR

Text	As on 31 December 2009	As on 31 December 2008
Total trade receivables	17,562,187	18,382,228
– of which: adjusting entries to dubious receivables	-162,536	-455,354
Total trade receivables, net	17,399,651	17,926,874
Advance payments on investments	27,628,045	1,279,460
Other assets	4,130,941	3,894,510
Trade receivables and other receivables	49,158,637	23,100,844
Tax receivables	101,642,188	10,367,755
Long-term receivables	70,449,545	2,598,453
– of which: receivable from services within the Public Service Contract	68,189,112	–
financial derivatives	1,882,775	2,598,453

Out of the total trade receivables, the most significant were:

- EUR 8,910,536 receivables for performance of passenger coaches in the territory of foreign states
- EUR 2,281,427 receivables towards foreign customers for performance of traction units carried out in the territory of foreign states and other services abroad
- EUR 906,477 receivables toward domestic customers for sale of spare parts from repairs carried out by ZSSK Cargo, from sale of metal scrap, for transport of passengers and other services
- EUR 500,354 receivables related to compensation for removable damage resulting from insurance events
- EUR 419,943 receivables towards ZSSK Cargo – complaints of rolling stock repairs

The most significant other receivables:

- EUR 1,882,775 receivable towards bank from derivative operations
- EUR 1,736,502 receivables for damages and removable damage, contractual fines and penalties

Trade receivables pursuant to maturity date

in EUR

Text	As on 31 December 2009	As on 31 December 2008
Receivables before maturity	16,241,123	17,121,888
Receivables after maturity	1,321,064	1,260,340
Total receivables	17,562,187	18,382,228

Out of receivables after maturity date in the total amount of EUR 1,321,064:

- EUR 1,129,209 with maturity up to 365 days, when the Company decided not to create adjusting entries
- EUR 191,855 with the maturity over 365 days, out of which the most significant are:
 - receivables enforced by legal proceedings in the amount of EUR 162,467:
 - EUR 89,486 travel agency TRAIN, Bratislava
 - EUR 25,381 ZIPP Bratislava
 - EUR 14,180 ŽSR, Bratislava

8 Inventories

in EUR

Text	Amount	
	As on 31 December 2009	As on 31 December 2008
Stored material	2,247,917	2,412,766
Material sent for external processing	13,792	16,863
Fuels in tanks – motive power vehicles and coaches	137,555	142,302
Fuels in tanks of road motor vehicles	979	863
Stored goods and goods at sale points	5,643	9,693
Total inventories	2,405,886	2,582,487

No right of lien was established regarding the procured inventories.

9 Financial means and financial equivalents

in EUR

Item	Amount	
	As on 31 December 2009	As on 31 December 2008
Cash counter	191,995	76,944
Stamps	2,590	51,683
Cash on bank accounts	2,636	202,450
Cash in transit	1,774,194	622,286
Total	1,971,416	953,363

Bank overdrafts form an indivisible part of cash flow management and are reported as short-term liabilities. Bank overdrafts reported under account 221 together with financial means on bank accounts amount to EUR - 57,950,765.87 as on 31 December 2009.

10 Share capital, capital funds and other funds

Description of the share capital, the amount of subscribed shareholders' equity:

in EUR

Text	Amount	
	2009	2008
Total share capital	212,441,088	212,441,080.79
Number of shares (pieces)	64	64
Nominal value of 1 share	3,319,392	3,319,391.89
Value of shares per partner	–	–
– State	212,441,088	212,441,080.79
Value of subscribed shareholders' equity	212,441,088	212,441,080.79
Amount of paid-up share capital	212,441,088	212,441,080.79

The share capital of the Company as on the day of Company establishment consisted of a non-cash deposit of the founder. The financial amount, in which the non-cash deposit was entered as the issuing shares that the sole founder obtained in return for the shares of the ceasing Železničná spoločnosť, a.s., and which became the property of the sole founder of ZSSK, amounted to SKK 6,300,000,000 (EUR 209,121,688.91). In October 2005 the founder decided to increase the share capital of the Company by SKK 100,000,000 (EUR 3,319,391.89).

In May 2009 a conversion of the share capital to the EUR currency was carried out, upon a decision to determine the nominal value of 1 share down to whole euros. The value of 1 share amounts to EUR 3,319,392 and the share capital of the Company totals EUR 212,441,088.

Other capital funds as on 31 December 2009 amount to EUR 26,326,902.44, the statutory reserve fund as on 31 December 2009 amounts to EUR 20,912,168.89.

11 Business result of previous years

in EUR

Business result of previous years	As on 31 December 2009	As on 31 December 2008
Retained earnings of previous years of which:	25,172,856	25,172,841
– Asset revaluation difference	25,172,856	25,172,841
Unsettled loss of previous years of which:	-71,123,514	-40,189,006
– Unsettled loss of previous years	-46,651,386	-14,716,889
– Asset revaluation difference	-25,475,123	-25,475,104
– Adjustment of costs of previous years	2,995	2,987
Total business result of previous years	-45,950,658	-15,016,165

12a Trade liabilities and other short-term and long-term liabilities

Trade liabilities and other short-term and long-term liabilities contain:

in EUR

Text	As on 31 December 2009	As on 31 December 2008
Trade liabilities	58,518,485	34,024,927
Un-billed deliveries	6,579,906	3,672,974
Liabilities towards employees	3,756,499	3,605,922
Liabilities related to social insurance	2,269,089	2,251,643
Tax liabilities	429,497	467,636
Liabilities resulting from financial lease	711,167	913,563
Other liabilities	97,735,744	95,797,882
Total short-term liabilities	170,000,387	140,734,547
Long-term financial aid	139,950,000	121,600,013
Long-term liability from financial lease	0	711,180
Other long-term liabilities	112,436,755	29,396,966
Total long-term liabilities	252,386,755	151,708,159

The most significant trade liabilities include:

- domestic suppliers, in the amount of EUR 29,013,982
- domestic suppliers – transfer of liability of ŽOS Vrútky to Factoring of Slovenská sporiteľňa, a.s., Bratislava in the amount of EUR 7,238,569.

Amount of liabilities before and after maturity

in EUR

	As on 31 December 2009	As on 31 December 2008
Liabilities before maturity	422,017,399	292,211,012
Liabilities after maturity	369,743	231,694
Total liabilities	422,387,142	292,442,706

The most important creditors with the highest liabilities are Eurofima, Železničná spoločnosť Cargo Slovakia, a. s., and ŽSR (as stated under 17 herein).

The liabilities before and after maturity, and the liability structure pursuant to remaining maturity period, include long-term liabilities (liabilities resulting from rent and other financial aid by Eurofima).

Structure of liabilities before maturity pursuant to remaining maturity period

in EUR

Total liabilities of which	Remaining period to maturity up to 1 year including	Remaining period to maturity from 1 to 5 years, including	Remaining period to maturity more than 5 years
422,017,399	282,067,399	55,244,000	84,706,000

Liabilities reported according the remaining period to maturity from 1 to 5 years and more than 5 years are liabilities towards Eurofima.

Structure of liabilities after maturity

in EUR

Total liabilities after maturity	Liabilities after maturity up to 1 year, including	Liabilities after maturity for more than 1 year
369,743	369,688	55

The highest liabilities after maturity day up to 1 year are liabilities for unsettled complaints of repairs of motive power units.

12b Liabilities resulting from employee benefits**12b.1 Short-term liabilities resulting from employee benefits**

in EUR

Text	Amount	
	as on 31 December 2009	as on 31 December 2008
Liabilities towards employees	3,721,483	3,558,455
Other liabilities towards employees	35,016	47,467
Liabilities towards employees	3,756,499	3,605,922
Receivables regarding employees	30,713	25,626
Settlement with social and healthcare insurance bodies	2,269,089	2,251,643
Of which:		
Healthcare insurance fund – statutory amount	628,882	623,946
Supplementary pension insurance companies	124,206	129,489
Settlement towards the Social Insurance Company	1,516,001	1,498,208

Liabilities towards the social fund

in EUR

Text	2009	2008
Social Fund as on 1 January	41,955	4,811
Creation	460,681	440,483
Drawing	502,580	403,339
Funds were drawn from the social fund for:		
- contributions to food allowances	66,820	67,749
- contributions for labour force regeneration	223,083	137,721
- social aid	21,190	22,240
- social aid - long-term disease	51,319	40,032
- financial bonuses at work anniversaries	119,834	118,071
- gifts at awarding Jánskeho plaketa	11,518	11,020
- contributions to costs of trade unions	8,816	6,506
Balance in the Social Fund as on 31 December	56	41,955

12b.2 Long-term liabilities resulting from employee benefits

in EUR

Text	Amount	
	as on 31 December 2009	as on 31 December 2008
Long-term reserve for employee benefits	7,547,493	6,674,120
Of which:		
reserve for remunerations at anniversaries	1,234,414	1,194,497
reserve for severance pay	6,069,613	5,252,119
reserve for compensatory bonus	243,466	227,504

13 Income tax

13.1 Payable income tax

In terms of the Slovak Accounting Standards (SAS) the Železničná spoločnosť Slovensko, a.s. reported accounting business result before taxation (loss) in the amount of EUR -8,551,598.92 as on 31 December 2009. Pursuant to Slovak Accounting Standards the business result was adjusted by items increasing the result in the amount of EUR 8,816,189.83 and by items reducing the result in the amount of EUR 29,030,698.54. As on 31 December 2009 the Company reported a tax loss in the amount of EUR -38,766,107.63 in terms of tax legislation.

Pursuant to IFRS the business result (profit) amounts to EUR +27,150,732. The differences in the business result pursuant to SAS and IFRS may be found in the following table.

In 2009 the tax administrator returned to ZSSK tax in terms of Article 43, paragraph 3, letter a), collected by deduction from bank accounts amounting to EUR 9,346.75. ZSSK claims return of tax collected by deduction amounting to EUR 763.18 for 2009.

as on 31 December 2009

in EUR

	Slovak accounting standards (SAS)	IFRS	Difference (SAS-IFRS)
INCOME			
Income from sale of own products and services	96,687,173	96,687,173	–
Other income (receivable resulting from PSC)	208,905,431	277,414,260	-68,508,829
Other income from business activity	1,739,655	1,699,856	39,799
<i>Total income from business activity</i>	307,332,259	375,801,289	-68,469,030
Income from financial activity - income from derivative operations	728,843	4,849,873	-4,121,030
Other financial income	59,148	59,148	–
Other income from financial activity	1,029,793	1,398,079	-368,286
<i>Income from financial activity</i>	1,817,784	6,307,100	-4,489,316
TOTAL INCOME	309,150,043	382,108,389	-72,958,346
OPERATION COSTS			
Material consumption	14,317,432	14,112,110	205,322
Repairs and maintenance	59,515,592	44,046,920	15,468,672
Services	105,305,179	104,344,527	960,652
Personnel costs	69,622,055	69,622,055	–
Residual value of long-term tangible and intangible assets	51,893	18,164	33,729
Deficits and damages	6,529	6,529	–
Depreciation and amortisation	28,060,796	42,676,509	-14,615,713
Financial costs – interests	4,924,162	4,979,250	-55,088
– exchange rate losses	886,249	886,249	–
– Costs on derivative operations	3,772,798	33,066,185	-29,293,387
Other costs	41,238,957	41,199,159	39,798
TOTAL COSTS	327,701,642	354,957,657	-27,256,015

13.2 Deferred income tax

in EUR

Reason for deferred tax liability and receivable	as on 31 December 2009	as on 31 December 2008
Tax residual price of non-current and intangible asset is lower than accounting price	-136,355	-887,074
Liabilities and income taxable after being settled	-16,185	-2,788
Establishment of reserves that were not recognised for tax purposes	177,424	202,549
Possibilities to redeem tax loss up to the amount of deferred tax liability	0	687,313
TOTAL (deferred tax receivable)	24,884	0

In terms of IAS 12 Income taxes, ZSSK decided not to report a newly originated deferred tax receivable as on 31 December 2009 because it does not assume that it will achieve a sufficient tax basis in the future for off-setting this receivable.

14 Reserves

In compliance with IAS 37 the Company created reserves for contingent liabilities. Creation and drawing of short-term and long-term reserves in 2009 was as follows:

in EUR

Description of the reserves	As on 31 January 2009	Creation	Change from long-term into short-term	Impairment	Termination	As on 31 December 2009
Short-term reserves	11,446,951	2,508,918	534,620	11,300,677	200,087	2,989,725
Statutory:	9,956,427	1,968,695	260,438	10,113,432	103,433	1,968,695
Wages for unused holiday	282,587	264,976	0	261,659	20,928	264,976
Withheld contractual wages	503,346	542,252	0	482,991	20,355	542,252
Statutory social insurance to wages for unused holiday	99,471	93,272	0	90,743	8,728	93,272
Statutory social insurance to withheld contractual wages	31,506	42,320	0	17,189	14,317	42,320
Other un-billed deliveries	8,679,328	577,995	260,438	8,924,744	15,022	577,995
Un-billed services	305,419	393,150		281,336	24,083	393,150
Other statutory – audit	54,770	54,730	0	54,770	0	54,730
Other (accounting):	1,490,524	540,223	274,182	1,187,245	96,654	1,021,030
Supplementary pension insurance to wages for unused holiday	7,065	6,624	0	3,101	3,964	6,624
Supplementary pension insurance to withheld contractual wages	46	66	0	46	0	66
Unpaid bonuses and remuneration	309,025	341,240	0	298,960	10,065	341,240
Statutory social insurance to unpaid bonuses and remuneration	108,777	127,762	0	104,477	4,299	127,763
Supplementary pension insurance to unpaid bonuses and remuneration	7,723	8,531	0	3,814	3,909	8,531
Failure to pay the share in employees' business trips	6,971	0	0	3,867	3,104	0
Other (accounting)	1,050,917	56,000	274,182	772,980	71,313	536,806
Long-term reserves	7,404,438	2,429,432	-534,620	0	179,101	9,120,149
Statutory:	439,539	338,949	-260,438	0	179,101	338,949
Un-billed deliveries	439,539	338,949	-260,438	0	179,101	338,949
Other than statutory:	6,964,899	2,090,483	-274,182	0	0	8,781,200
Redundancy payment, severance payment	6,674,120	873,373	0	0	0	7,547,493
Environmental reserve and lawsuit reserve	290,779	1,217,110	-274,182	0	0	1,233,707

15 Information on company income

The Company makes use of income classification by their types.

15.1 Revenues from own performance and goods

in EUR

	Total revenues as on 31 December 2009	of which international transport as on 31 December 2009	of which domestic transport as on 31 December 2009	Total revenues as on 31 December 2008
Total revenues from own performance and goods	96,737,378	31,482,449	60,637,562	99,092,279
of which:				
Revenues from service delivery	13,183,746	–	–	12,936,766
of which: traction performance abroad		8,616,584		
Revenues from goods	50,205	–	–	49,027
Total revenues from transport	83,503,427	22,865,865	60,637,562	86,106,486
of which:				
Revenues from passenger transport	–	14,073,659	60,637,562	–
Revenues from passenger coaches performance	–	8,762,570		–
Revenues from intercourier	–	29,636		–

Železničná spoločnosť Slovensko, a.s. carries out transport and business activities by rail. The Company income is made mainly by revenues from international and domestic transport of passengers.

When establishing and approving prices in domestic transport ZSSK complies with a decree of the Railway Regulatory Authority (RRA), which stipulates maximum prices of normal, half, student, weekly, monthly and single fare, as well as fares for citizens aged above 70 and children aged under 6 (free transport), holders of a PRM card, their accompanying persons, discount for parents visiting their children with physical, mental or sensory impairment hospitalized in health institution on the territory of the Slovak Republic. The extent and level of social discounts are limited by the RRA decree. Fares for Tatra Electric Railway, Cog Railway, and TREŽ (Electric Railway Trenčianska Teplá - Trenčianske Teplice) for SC, EC and IC trains and other commercial discounts (types, extent and level) are adopted by the Board of Directors of ZSSK. In terms of the valid Contract on Public Service Obligations (PSO) a carrier may transport passengers for prices lower than stipulated by the RRA decree, however, the Ministry of Transport, Post and Communications of the Slovak Republic must be informed and such decision must be justified with expected benefits. Pricing methods and their approval for international transport are subject to multilateral and bilateral agreements with foreign railway undertakings.

Revenues from sale of services include mainly revenues from:

- extraordinary transport services – the price is always arranged individually pursuant to a calculation formula,
- service trains – the price is made on the basis of costs and is calculated for 1 train-kilometre,
- exceptional stops “V orders” and stops outside tariff points – the price is fixed pursuant to the Transport Terms and Conditions of ZSSK,
- extra trains for special transport of railway employees – in domestic transport the price is constituted by coach rental and price for transport on the territory of the SR. In international transport the price comprises coach rental, price for transport on the territory of the SR and price for transport on foreign infrastructure..

15.2 Significant items of other income from business activity

in EUR

Income item	Amount	
	as on 31 December 2009	as on 31 December 2008
Revenues from sale of long-term tangible assets	21,380	691,828
Revenues from sale of material	1,628,271	1,434,508
Contractual fines, penalties and interests on overdue payment	219,930	158,269
Other fines, penalties and interests on overdue payment	287,464	223,694
Income from written-off receivables	–	266
Other income from business activity	276,906,866	172,442,707
of which:		
Subsidy from the State Budget settling the loss resulting from public service obligations	202,482,635	165,969,594
Subsidy from the State Budget settling the loss resulting from public service obligations	67,855,940	–
Subsidy from the State Budget on investments	1,216,123	–
UIC grant – HYRAIL project	8,023	–
Damages	4,014,896	5,249,917
Total	279,063,911	174,951,271

The revenues from sale of long-term tangible assets consist of sale of rolling stock in the amount of EUR 9,000, sale of cars in the amount of EUR 5,380 and sale of vending machines in the amount of EUR 7,000.

Sold spare parts from repairs of rolling stock form an important part of income from sale of material. The majority of these spare parts were sold to ZSSK CARGO in terms of effective contract.

The Company concluded insurance policies for rolling stock on removal of consequences of faults and damage to parts as the most important part of the tangible assets.

The manner and value of long-term assets insurance

in EUR

Insured assets and insurance company	Total sum insured	Validity of the contract, from – to	Premium paid in 2009	Yields from insured accidents in 2009
Insurance policy on motive power units no.:6551107821/80 8009190 Kooperativa	409,796	01/01/2009 – 28/02/2009	409,796	3,055,619
Insurance policy on passenger coaches no.:6548432420/80 8009150, Kooperativa	466,969	01/09/2008 – 31/08/2009 Policy terminated as of 1 March 2009	77,828	274,020
Insurance policy on assets – fuelling stations no.: 8-863-000468, QBE	6,579	01/01/2009 – 31/12/2009	6,579	–
Supplement no. 1 to the Insurance policy on motive power units no.:6552737745/80 8009199, Kooperativa	22,973,507 12,928,362	01/03/2009 – 28/02/2015 Premium for the 1st period since 1 March 2009 – 28 February 2013	2,697,355	–

15. 3 Subsidies

15.3.1 Subsidies for business activity

ZSSK has concluded a Contract for service in public interest with the Slovak Republic represented by the Ministry of Transport, Post and Telecommunication (MTPT), which is the basis for operation of passenger transport by rail. Every year ZSSK is granted financial means from the State Budget for operation of railway passenger transport.

Pursuant to Resolution of MTPT no. 60/RA-2009 of 30 September 2009 a receivable towards MTPT amounting to EUR 71,933,047.86 was entered into the Company books to cover the loss for years 2004 – 2008, with a maturity date of 30 September 2012. As the State receivable is long-term, its amount was adjusted by the method of effective interest rate to the present value, which amounts to EUR 68,189,112 as on 31 December 2009.

in EUR

Text	Granted subsidy in 2009
Subsidy resulting from the Contract on services in public interest – short-term – for 2009	202,482,635
Subsidy resulting from the Contract on services in public interest – long-term – for 2004 - 2008	68,189,112

15.3.2 Subsidies on investments

State budget subsidy

In 2009 MTPT and ZSSK concluded a contract on granting of capital transfers from the budgetary funds of MTPT, with the aim to provide financial means in the amount of EUR 33,193,919 on funding of investment activities of ZSSK (reconstruction of motor coaches 810 and 811 to series 813 and 913, modernisation of Bmee to RIC, modernisation of Bdt, reconstruction and modernisation of traction units).

The subsidy for procurement of investments is in accordance with IAS 20 and is reported into income, i.e. it is recognised in the income in accordance with the accounting depreciation of assets procured from the subsidy.

Subsidy from the State Budget in combination with a subsidy from EU Structural Funds

In order to renew the rolling stock fleet for suburban and inter-regional railway passenger public transport in Slovakia, the Company started to draw a non-repayable financial contribution (NFC) in 2009. Pursuant to the Contract on NFC, the share of funding from the State Budget amounts to 50% of the amount covered by the European Commission decision, while the remaining 50% is the share from the European Regional Development Fund.

in EUR

Text	Granted subsidy in 2009	Drawing of subsidy in 2009
State budget subsidy	33,193,915	33,193,915
Subsidy from EU Structural Funds	8,815,581	8,815,581
Subsidy from the State Budget in combination with a subsidy from Structural Funds	8,815,582	8,815,582
Subsidies on investments:	50,825,078	50,825,078

15.4 Significant items of financial income and total exchange rate profit

in EUR

Income item	Amount	
	as on 31 December 2009	as on 31 December 2008
Bank interests	339,268	86,868
Exchange rate profit	325,906	4,440,417
Exchange rate profit from revaluation of assets and liabilities in foreign currency	664,752	11,889,099
Income from long-term financial assets	68,152	70,969
Income from derivative operations	4,849,873	3,495,585
Other financial income	59,148	40,596
Total	6,307,100	20,023,534

Income from derivative operations resulted from interest financial derivatives.

16 Information on company costs

The Company makes use of cost classification by types.

16.1 Consumed material and services

Consumed material and services include the following items:

in EUR

Cost item	Amount	
	as on 31 December 2009	as on 31 December 2008
Sold goods	42,230	39,733
Material consumption	14,112,110	17,072,396
Energy consumption	32,011,717	29,560,380
Consumed purchases:	46,123,827	46,632,776
Repairs and maintenance	44,046,920	38,001,527
Travelling costs	2,119,674	1,979,718
Representation costs	67,701	79,898
Other services	104,344,527	96,387,638
of which:	–	–
Track access charges	58,495,559	52,061,043
Rolling stock cleaning	4,480,465	3,374,461
Auxiliary operation	6,140,875	6,140,908
Services of WGS	3,951,590	3,753,834
Rental/lease from ZSSK Cargo	1,978,314	1,990,241
Operators' performance	1,142,125	1,075,450
IT purchase	3,185,562	3,417,082
Performance of passenger coaches	8,142,653	8,247,494
Traction performance	8,175,500	8,316,305
Other services	8,651,884	8,010,820
Consumed services:	150,578,822	136,448,781
Total consumed purchases and services:	196,702,649	183,081,557
Total consumed purchases, services and goods:	196,744,879	183,121,290

A significant item within consumed material and services in 2009 is accounted for by energy consumption, repairs and maintenance of rolling stock and other services.

Consumed direct and alternating traction energy accounts for the substantial part of the consumed energy. Costs on repairs regard mainly rolling stock. The Company has a contract for provision of repairs with Železničná spoločnosť Cargo Slovakia, a.s.

To a smaller extent the Company has expenses on repairs of ticket selling devices and also costs on IT equipment repairs, or other administrative technology repairs.

The largest item as regards services is settlement of charges for the use of rail infrastructure with ŽSR.

Significant services include mostly auxiliary services carried out by Železničná spoločnosť Cargo Slovakia, a.s. They concern activities related to rolling stock shunting in railway stations, also on wide-gauge tracks.

Other services include performances of passenger coaches and traction units related to financial settlement for performances of passenger coaches and traction units with foreign railways (i.e. cross-border journeys of traction units and passenger coaches, and related work of locomotive and train crews).

The major item within the rental paid to legal entities is rental to Železničná spoločnosť Cargo Slovakia, a.s. Another important rental is paid to ŽSR, which rents non-residential areas at individual railway stations and administrative premises. Detailed costs break-down of rental is stated in the following table:

in EUR

Cost on rental	Amount	
	as on 31 December 2009	as on 31 December 2008
Paid rental – natural entities	7,568	14,838
Paid rental – legal entities	772,964	810,595
Paid rental to legal entities – land	0	1,627
Paid rental – rent of foreign coaches	1,065,683	833,698
Rental to Železničná spoločnosť Cargo Slovakia, a.s.	1,978,314	1,990,241
Paid rental to legal entities – ŽSR	396,083	384,718
Total	4,220,612	4,035,717

Costs on IT services include installations, updating, maintenance, support, counselling and software development, mainly Windows, SAP R/3, V.O. System, IKVC as well as purchase of a smaller extent and service of computing technology.

16.2 Personnel costs

Personnel costs consist of the following items:

in EUR

Cost item	Amount	
	as on 31 December 2009	as on 31 December 2008
Labour costs	50,200,081	47,603,632
of which: bonuses at anniversaries	284,994	271,991
extraordinary remunerations	57,511	50,355
remuneration from the onboard sale of tickets	423,140	452,334
Social security costs	19,421,974	18,694,781
of which:	–	–
1. social security	17,536,170	16,795,857
of which: 1.1. Statutory social insurance	16,499,001	15,804,421
1.2. Supplementary pension insurance	903,754	872,701
2. social costs	1,885,804	1,898,924
of which: 2.1. Severance payment	77,191	74,454
2.2. Redundancy payment	105,525	140,809
2.3. Regeneration costs	79,112	167,297
2.4. Obligatory and increased contributions to the social fund	460,681	440,483
Total personnel costs:	69,622,055	66,298,413

Wages and remunerations of statutory, controlling and other company bodies paid in 2009 are as follows:

in EUR

Item	Amount	
	2009	2008
Wages	549,973	499,668
Remunerations	60,000	54,571
Total:	609,973	554,239

Železničná spoločnosť Slovensko, a.s. allocates remuneration for a position in the Supervisory Board and the Board of Directors.

in EUR

Income of body members	Amount	
	as on 31 December 2009	as on 31 December 2008
Current body members:	–	–
of which: – statutory	45,600	42,621
– supervisory	14,400	11,950
Total remunerations	60,000	54,571

These amounts are subject to tax and levy obligations in terms of effective legal regulations.

The average number of employees in 2009 is stated in the following table:

Indicator	Total number of employees	Of which managing employees
Average number	4,984.513	122.526
Number as on 31 December 2009	4,979	124

16.3 Costs on operation

Costs on operation include:

in EUR

Cost item	Amount	
	as on 31 December 2009	as on 31 December 2008
Taxes and fees	72,803	80,230
Tax costs	72,803	80,230
Depreciation of long-term tangible and intangible assets	42,676,509	33,624,178
Depreciation and amortisation	42,676,509	33,624,178
Residual value of sold long-term tangible assets	18,164	437,197
Sold material	1,188,725	1,019,153
Contractual fines and penalties	15,399	7,203
Other fines and penalties	10,362	7,402
Write-off of irrecoverable receivables	45,337	78,371
Establishment of adjusting items to receivables	-290,604	-55,899
Other operation costs	394,043	130,784
of which: – change of the status of long-term tangible assets	-39,799	-90,055
– change of the status of materials	0	-35,020
Deficits and damages	6,529	32,397
Establishment of adjusting entries	0	26,754
Other operation costs:	1,387,955	1,683,362
Total operation costs	44,137,267	35,387,770

In 2009 reserves for respective cost items were created.

Establishment of reserves is described in more detail in chapter 14 of the Notes.

16.4 Other financial costs

Other financial costs include the following:

in EUR

Cost item	Amount	
	as on 31 December 2009	as on 31 December 2008
Interests, of which:	4,979,250	8,445,097
Interests payable to banks – domestic	609,826	2,340,736
Interests on bank loans – domestic	865,177	0
Interests payable to banks – foreign	566,293	783,177
Interests on loans from other than bank institutions	2,709,264	5,225,586
Interests on leasing	55,194	94,404
Interests from EU funds	167,150	0
Interests paid to factoring companies	6,246	0
Other interests	101	1,195
Exchange rate losses	886,249	2,601,042
Costs on derivative operations	33,066,185	26,232,889
Bank expenses	5,519,146	2,936,002
Deficits and damage to financial assets (theft of cash, false documents)	2,626	2,523
Total financial costs:	44,453,456	40,217,553

17 Related parties

The following entities are related to Železničná spoločnosť Slovensko, a.s.:

Related parties	Registered office
Železnice Slovenskej republiky, Bratislava	Klemensova 8, 813 61 Bratislava
Železničná spoločnosť Cargo Slovakia, a.s.	Drieňová 24, 820 09 Bratislava
EUROFIMA	Rittergasse 20, CH - 4001 Basel

There is an organisational connection between the Company and Železnice Slovenskej republiky and Železničná spoločnosť Cargo Slovakia, a.s.. ZSSK has property connection to the foreign company, Eurofima.

in EUR

Company	Turnover in 2009	
	Amount of receivables	Amount of liabilities
Železnice Slovenskej republiky	957,206	109,645,079
Železničná spoločnosť Cargo Slovakia, a.s.	2,657,055	87,612,903
Eurofima	0	18,350,000

Ownership interest of the Company in the equities of other foreign entities with insignificant influence as on 31 December 2009 was as follows:

Company	Number of shares (pieces)	Participation in the equities in %	As on 31 December 2009	Currency	Nominal value of a share	Total nominal value	Acquisition price in currency of the share
Eurofima	1,300	0.50 %	4,108,196	CHF	10,000	13,000,000	6,094,920
BCC	1	0.68 %	744	EUR	750	750	744
Total	x	x	4,108,940				

18 Important suppliers and customers

The most important suppliers of the Company (besides the related parties) in the year ended on 31 December 2009:

in EUR

Supplier	Total liability towards supplier in 2009
ŽOS Vrútky, a.s.	29,258,181
Železničné opravovne a strojárne Zvolen, a.s.	20,788,319
ŽOS Trnava, a.s.	17,032,827
České dráhy, a.s.	8,412,125
Kooperatíva poisťovňa, a.s.	6,427,700
ČSOB Factoring, a.s.	5,394,294
Siemens, s.r.o. Bratislava	5,361,654
Euroclean Slovakia, s.r.o. Košice	5,331,753
WAGON SLOVAKIA Košice, a.s.	4,811,499

The most important customers of the Company (besides the related parties) in the year ended on 31 December 2009:

in EUR

Customer	Total receivables of the customer in 2009
České dráhy, a.s.,	14,940,783
ÖBB Personenverkehr Wien AG	2,725,675
MÁV – TRAKCIÓ Zrt. Budapest	1,310,929
Slovenská pošta a.s. (Slovak Post) Banská Bystrica	373,762
WAGON SERVICE TRAVEL s.r.o. Bratislava	301,134
Bratislava Self-Governing Region	248,458
EBA, s.r.o.	211,536
WAGON SLOVAKIA Košice, a.s.	205,094
Ján Minarovič MINAROVIČ	168,622
MÁV START Vasúti	147,897
UIC	111,000

In respect of the amount of receivables and liabilities, the Company considers the ceiling of EUR 600 thousand when choosing important suppliers and EUR 100 thousand when choosing important customers, as adequate to prove the importance of suppliers and customers.

19 Important information not reported in the Financial Statements

As on 31 December 2009 the Company records off balance sheet the following important assets, receivables and liabilities:

in EUR

Title	Title	Amount
Rented assets		56,502,465
	Lease of hardware and software – ZSSK CARGO	4,118,008
	Assets rented from ŽSR - buildings	3,699,470
	Assets rented from ZSSK CARGO - buildings	3,729,501
	Apartments for the members of the statutory and supervisory bodies	9,166
	Land estate of the vehicle-ramp in Petržalka, Bratislava	40,165
	Office premises, Bratislava, Rožňavská 1	5,215,702
	Apartment for the representative at the UIC, Paris	34,230
	Office premises, Trnava	39,996
	Accommodation facility, Komárno	151,364
	Dopravný podnik Bratislava, a.s. – administrative buildings	6,373
	Lesy SR, š.p. – AVK Lučenec – administrative building	7,161
	Assets rented from Prenam s.r.o. HE	32,680
	Assets rented from ŽSR – Košice region	2,266,510
	Assets rented from ŽSR – Zvolen region	859,628
	Assets rented from ŽSR – Žilina region	1,260,045
	Assets rented from ZSSK CARGO – Košice region	3,680,422
	Assets rented from ZSSK CARGO – Zvolen region	820,894
	Assets rented from ZSSK CARGO – Žilina region	864,083
	Assets rented from ZSSK CARGO – tracks, Bratislava region	10,314,896
	Assets rented from ZSSK CARGO – tracks, Zvolen region	4,864,826
	Assets rented from ZSSK CARGO – tracks, Žilina region	5,196,449
	Assets rented from ZSSK CARGO – tracks, Košice region	8,077,738
	Air-conditioned sleeping car – CONVEY	609,769
	Air-conditioned sleeping car – WAGONSERVICE travel	603,389
Leased assets		472,059
	Administrative building Bratislava	27,884
	UNIREST Podkolibská	173,515
	Recreation facility, Valčík, Bratislava	171,449
	Social facility, Košice	12,113
	Rotunda Košice	11,601
	Administrative building – Košice	4,191
	Administrative building Bratislava	846
	Locomotive hangar, Tatranská Štrba	7,814
	Electric locomotive hangar – Tr. Teplá	22,889
	Warehouse – locomotive depot, Košice	8,086
	Cadaastre territory of Vinohrady, plot 7199	16,802
	Cadaastre territory of Bratislava – Staré mesto, plot 7302	996
	Cadaastre territory of Zvolen, plot 5394	1,482
	Cadaastre territory of Poprad, plot 2460	5,981
	Switching station	6,410

Title	Title	Amount
Rented assets – leasing		10,001
	Electric multiple-unit set	10,001
Assets lent for the use of ZSSK		11,105
	PC HP Compaq with accessories	11,105
Record-keeping of the obligations resulting from optional travel tickets		265
	Provided like a prize in competition	123
	Complaints for low-quality service	142
Material in the consignment warehouse of ZSSK		68,414
	Consignment stock	68,414
Bank guarantee of the supplier for provided investment advance payments		23,196,002
	Bank guarantee – Komerčná banka	9,620,000
	Bank guarantee – Slovenská sporiteľňa	5,297,212
	Bank guarantee – Calyon banka	8,278,790
Liability from an issued blank bill towards a financial institution		21,900,000
	Blank bill to loan contracts	21,900,000
Written-off receivables		127,032
	ŽSR	51,537
	Wagon Service travel, s.r.o. Bratislava	5,166
	Kooperatíva poisťovňa, a.s. Nitra	1,980
	Česká poisťovňa Slovensko, a.s. Bratislava	1,523
	V.T.I., s.r.o. Lietava	6,128
	K.B.K., s.r.o. Čadca	4,902
	Fagus I. – Slovakia, s.r.o. Ubl'a	3,198
	Roľnícke družstvo podielnikov Chocholná – Veľčice	11,698
	ALBA KR, s.r.o. Bratislava	11,852
	Branter, s.r.o. Nové Zámky	5,539
	Krpeľan L. Fíľakovo	3,095
	Trgíňová M. Ráztočno	1,219
	Šťastná L. Kutná Hora	1,168
	Mitrenga R. Čierne pri Čadci	875
	Other written off receivables of legal entities	5,294
	Other written off receivables of natural entities	11,858

in EUR

Title	Title	Amount	Date of entry
Trademarks not reported as intangible assets		1,165	
	Trademark – abbreviation of „ZSSK“	53	10 March 2003
	Trademarks – blue logo	130	9 February 2006
	Trademarks – black adcut	129	9 February 2006
	Trademarks – orange adcut	130	9 February 2006
	Trademarks – orange adcut	129	9 February 2006
	Trademarks – orange logo	130	9 February 2006
	Trademarks – JUNIOR RAILPLUS	116	17 September 2007
	Trademarks – KLASIK RAILPLUS	116	17 September 2007
	Trademarks – SENIOR RAILPLUS	116	17 September 2007
	Trademarks – MAXI RAILPLUS	116	17 September 2007

The following table shows unsettled assets resulting from unsettled ownership relations between Železničná spoločnosť Slovensko, a.s. and ŽSR, originating in the period of the establishment of the legal predecessor of ZSSK – Železničná spoločnosť a.s. It concerns the assets specified in Annex no. 10 of the Project of split-up of Železničná spoločnosť, a.s. as adopted by the shareholder on 13 December 2004 and published in the Companies' Register. As on 31 December 2009 unsettled assets described in Annex no. 10B of the Split-up Project remained a property of ŽSR.

Železničná spoločnosť Slovensko, a.s. reports the assets out of the balance sheet.

in EUR

Title	Title	Amount
Assets in use (unsettled assets with ŽSR)		1,267,247
	Repair shop and oil storage	944,794
	Transformer station	6,929
	Switching station	33,006
	Oxygen storage	2,151
	Locomotive hangar for spare locomotives	267,189
	Garages TE	10,025
	Locomotive hangar – Čermeľ	3,153

20 Significant events after the date of the Statement of Financial Position

On 2 March 2010 ZSSK carried out restructuring of the financial derivative EUROFIMA VI. (the risk became evident after having reduced the key interest rate of ECB down to 1% p.a.), concluded in April 2006 with CALYON bank. The derivative restructuring was caused by the effort to limit the risk of the current and future negative impact resulting from a rapid drop in interest rates, in the form of concluding a new financial derivative with NOMURA plc. which:

- 1.) fully compensates all negative fulfilments – payments resulting from the original derivative EUROFIMA VI until its maturity ("mirroring derivative").
- 2.) expressly limits the risk of fulfilment – payments resulting from the new derivative by defining the maximum possible amount, a barrier not to be exceeded (derivative with a "cap").

The risk limitation of EUROFIMA VI derivative was positively responded to also by an external company which evaluated the derivatives of ZSSK as on 31 December 2009.

21 Costs related to transition to the EUR currency

Cost item	Amount (in EUR)	
	2009	2008
Material consumption	6,146	102,702
of which: Material consumption	0	28,348
Precisely reported forms	0	16,829
Consumption of tangible assets, material	6,146	57,525
Repairs and maintenance of ticket-selling devices	7,478	0
Domestic travelling costs by law	0	2,755
Representation costs up to EUR 16.60	25	100
Other costs	2,098	180,243
of which: Work of ŽSR employees for ZSSK	0	11,186
Costs on advertisement by law	0	14,738
Training of employees	108	3,021
Technical evaluation	0	33
Work of operators and other telecommunication fees	0	100
Costs on purchase of IT services	1,990	144,759
Other services	0	6,406
Depreciation of long-term tangible assets pursuant to the plan	8,830	631
Total costs related to transition to the EUR currency	24,576	286,430

22 Adoption of the Financial Statements for publication purposes

The Individual Financial Statements of Železničná spoločnosť Slovensko a.s. prepared in accordance with the International Financial Reporting Standards as adopted by the European Union, as on 31 December 2009, pages 1 – 64, were adopted by the Board of Directors of the Company for publication purposes.

Signature of the person responsible for:

In charge of accounting:



.....
Ing. Magdaléna Pongáčová

Preparation of the Financial Statement:



.....
Ing. Zdenka Stojkovičová





