



Nadace THE KELLNER FAMILY FOUNDATION

Annual Report 2011

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Bodies of Nadace THE KELLNER FAMILY FOUNDATION

Board of Trustees as of December 31, 2011

Mrs. Renáta Kellnerová, Chair

Mr. Petr Kellner, Trustee

Mr. Jan Leiner, Trustee

Supervisory Board as at December 31, 2011

Mrs. Marta Horáková, Chair

Mrs. Karina Divišová, Member

Mr. Tomáš Vališ, Member

Founders

Mrs. Renáta Kellnerová

Mr. Petr Kellner

Key Information about the Foundation

Date of establishment

April 7, 2009, by the Nadace THE KELLNER FAMILY FOUNDATION Deed of Foundation

Form

A foundation

Date of inception

May 25, 2009, Register of Foundations maintained
by the Municipal Court in Prague, Section N, File 746

Endowment as of December 31, 2011

CZK 1,000,000

Registered office

Nadace THE KELLNER FAMILY FOUNDATION,
Evropská 2690/17, 160 41 Praha 6 - Dejvice
Czech Republic
E-mail: info@kellnerfoundation.cz
Web: www.kellnerfoundation.cz
Tel.: (+420) 224 174 423

Reg. No.: 28902254

Tax Reg. No.: CZ28902254

Auditor

KPMG Česká republika Audit, s.r.o.

Bank

PPF banka a.s., Evropská 2690/17, Praha 6, Czech Republic
Account number: 2012010002/6000

Supplemental information

At the beginning of January 2011, the management of the Foundation made the decision to combine Nadace THE KELLNER FAMILY FOUNDATION and Nadace Educa ['Educa Foundation']. The combination was a merger whereby Nadace THE KELLNER FAMILY FOUNDATION was the acquiring entity. The effective date of the merger was set for January 1, 2011. The above merger was entered in the Register of Foundations as of May 27, 2011.

Nadace THE KELLNER FAMILY FOUNDATION Projects

Nadace THE KELLNER FAMILY FOUNDATION is a privately-held family foundation established by Mrs. Renáta Kellnerová and Mr. Petr Kellner in 2009.

The Foundation focuses on support for education in the Czech Republic, but it also gears its charitable activities towards other areas.

On the basis of the decision adopted by the Board of Trustees of the family foundations of Mrs. Renáta Kellnerová and Mr. Petr Kellner, i.e., Nadace Educa and Nadace THE KELLNER FAMILY FOUNDATION, these two foundations were merged in 2011. The acquiring foundation took on the Open Gate and Universities projects from Nadace Educa, and continues to pursue them.

In 2011, the Foundation focused on its three long-term educational projects in the private and public educational systems.

The Foundation took over the **Open Gate** project following the merger with Nadace Educa, and now runs it under its own name. The Open Gate eight-year grammar school is operated by a limited liability company called OPEN GATE – gymnázium a základní škola, s.r.o. Within the Czech Republic, this boarding grammar school is a unique project; it has been inspired by similar schools in the U.K. and Germany. Open Gate is the only purely Czech grammar school at which students can acquire an International Baccalaureate (IB). The Foundation seeks to identify academically gifted children in children's homes and in foster and single-parent families, in the Klokánek welfare facilities, and in otherwise socially disadvantaged environments; if these children pass the admission procedure the Foundation financially supports their studies at this eight-year grammar school. Since its opening in Babice near Prague in 2005, two-thirds of its students have received grants from the Foundation, covering their school fees in part or in full.

The **Universities** project is the other project started by Nadace Educa and continued by THE KELLNER FAMILY FOUNDATION following the merger of these foundations. Extremely talented Czech students from socially disadvantaged environments who are enrolled at foreign and Czech colleges and universities are the beneficiaries of the grants under the Universities project. In the 2011/2012 school year, the Foundation accepted 31 students to the Universities project, and awarded them grants to study at prestigious European and U.S. universities, some examples of which include the University of Oxford, Yale University, and University of St Andrews.

The Foundation's **Helping Schools Succeed** project, which helps teachers at public elementary schools upgrade the quality of instruction and enhance its individual approach to students, continued for the second year. For this purpose, in 2009 the Foundation established a charitable organization, Pomáháme školám k úspěchu o.p.s. In 2010, two elementary schools, ZŠ Kunratice in Prague and ZŠ Mendelova in Karviná, were included in the pilot stage of the Helping Schools Succeed project. Both of these schools received support in the form of a financial grant provided by THE KELLNER FAMILY

FOUNDATION through Pomáháme školám k úspěchu o.p.s. In 2011, the Foundation launched the process of selecting additional elementary schools to be included in the project to form a backbone of model schools moving into the future.

THE KELLNER FAMILY FOUNDATION also granted a financial contribution to the VIA BONA Awards 2011, recognizing individuals and companies for their philanthropic efforts in the Czech Republic. The purpose of these awards is to highlight examples of philanthropy and in so doing inspire others to follow suit.

In 2011, THE KELLNER FAMILY FOUNDATION also granted contributions to some other institutions and individuals for educational, cultural and healthcare projects.

Gifts Received and Grants Awarded

Gifts received in 2011

Donor	in CZK thousands
Elektrárny Opatovice a.s.	2,000
EP Energy a.s.	2,500
Home Credit a.s.	25,000
Plzeňská energetika a.s.	2,500
PPF banka a.s.	35,000
Termizo a.s.	20,000
United Energy Trading a.s.	3,000
Allgemeine Immobiliengesellschaft MbH	1,943
Allgemeine Immob. MbH CO KG	1,931
Generali Holding Vienna AG	4,857
Generali Immobilien AG2	2,440
Generali Rueckversicherung AG	3,886
Generali Versicherung AG	4,857
Other	477
Total	110,391

The above overview was published in accordance with Section 25(2)(b) of the Foundations Act

Grants awarded in 2011

Beneficiary	in CZK thousands
Students, to the account of OPEN GATE – gymnázium a základní škola, s.r.o.	42,066
OPEN GATE – gymnázium a základní škola, s.r.o., school fee refund	(465)
Grants to students at foreign universities	7,258
Pomáháme školám k úspěchu o.p.s.	21,460
Other	1,354
Total	71,673

The above overview was published in accordance with Section 25(2)(d) of the Foundations Act

Finances

**Auditor's Report for the Nadace THE KELLNER FAMILY
FOUNDATION Board of Trustees**



KPMG Česká republika Audit, s.r.o.
Pobřežní 648/1a
186 00 Praha 8
Česká republika

Telephone +420 222 123 111
Fax +420 222 123 100
Internet www.kpmg.cz

This document is an English translation of the Czech auditor's report.
Only the Czech version of the report is legally binding.

Auditor's Report for the Nadace THE KELLNER FAMILY FOUNDATION Board of Trustees

Financial statements

On the basis of our audit, on 30 May 2012 we issued an auditor's report on the Company's statutory financial statements, which are included in this annual report, and our report was as follows:

"We have audited the accompanying financial statements of Nadace THE KELLNER FAMILY FOUNDATION, which comprise the balance sheet as of 31 December 2011, and the income statement for the year then ended, and the notes to these financial statements including a summary of significant accounting policies and other explanatory notes. Information about the company is set out in Note 1 to these financial statements.

Statutory Body's Responsibility for the Financial Statements

The board of trustees of Nadace THE KELLNER FAMILY FOUNDATION is responsible for the preparation of financial statements that give a true and fair view in accordance with Czech accounting legislation and for such internal controls as the statutory body determines are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Act on Auditors and International Standards on Auditing and the relevant guidance of the Chamber of Auditors of the Czech Republic. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, the financial statements give a true and fair view of the assets and liabilities of Nadace THE KELLNER FAMILY FOUNDATION as of 31 December 2011, and of its expenses, revenues and net result for the year then ended in accordance with Czech accounting legislation.”

Annual report

We have audited the consistency of the annual report with the audited financial statements. This annual report is the responsibility of the board of trustees of Nadace THE KELLNER FAMILY FOUNDATION. Our responsibility is to express our opinion on the consistency of the annual report with the audited financial statements based on our audit.

We conducted our audit in accordance with the Act on Auditors and International Standards on Auditing and the relevant guidance of the Chamber of Auditors of the Czech Republic. Those standards require that we plan and perform the audit to obtain reasonable assurance that the information disclosed in the annual report describing matters that are also presented in the financial statements is, in all material respects, consistent with the audited financial statements. We believe that the audit we have conducted provides a reasonable basis for our audit opinion.

In our opinion, the information disclosed in the annual report is, in all material respects, consistent with the audited financial statements.

Prague
30 June 2012

KPMG Česká republika Audit
KPMG Česká republika Audit, s.r.o.
Licence number 71

Romana Benešová
Romana Benešová
Partner
Licence number 1834

Financial Statements as of December 31, 2011

BALANCE SHEET

full length
as of December 31, 2011
(in CZK thousands)

Prepared under
Regulation No. 504/2002
as amended

Name and registered office of
the accounting unit


Nadace THE KELLNER FAMILY
FOUNDATION
Evropská 2690/17
Praha 6
160 41

Year	Month	Reg. No.
2011	12	28902254

a		Indicator	Row no.	Closing balance at Dec 31, 2011	Opening balance at Jan 1, 2011
		b	c	1	2
		ASSETS	001	114,141	77,143
A.		Fixed assets	002	1,633	1,669
A.	I.	Intangible fixed assets	003	1,534	1,645
A.	I.	1. Research and development	004		0
		3. Software	005	265	286
		4. Valuable rights	006	388	478
		5. Low value intangible fixed assets	007		0
		6. Other intangible fixed assets	008	881	881
		7. Intangible fixed assets in progress	009		0
		8. Advance payments for intangible fixed assets	010		0
A.	II.	Tangible fixed assets	011	266	266
A.	II.	1. Land	012		0
		2. Works of art, items and collections	013		0
		3. Buildings	014		0
		4. Individual movable assets and sets of movable assets	015	266	266
		5. Cultivated areas	016		0
		6. Breeding and draught animals	017		0
		7. Low value tangible fixed assets	018		0
		8. Other tangible fixed assets	019		0
		9. Tangible fixed assets in progress	020		0
		10. Advance payments for tangible fixed assets	021		0
A.	III.	Long-term investments	022	495	330
A.	III.	1. Equity investments in subsidiaries	023		0
		2. Equity investments in associates	024		0
		3. Long-term securities held to maturity	025		0
		4. Loans to branches	026		0
		5. Other long-term loans	027	495	330
		6. Other long-term investments	028		0
		7. Long-term investments in progress	029		0
A.	IV.	Accumulated depreciation and amortization	030	662	572
A.	IV.	1. Accumulated amortization of research and development	031		0
		2. Accumulated amortization of software	032	111	172
		3. Accumulated amortization of valuable rights	033	135	160
		4. Accumulated amortization of low value intangible assets	034		0
		5. Accumulated amortization of other intangible fixed assets	035	257	110
		6. Accumulated depreciation of buildings	036		0
		7. Accumulated depreciation of individual movable assets and sets of movable assets	037	159	130
		8. Accumulated depreciation of cultivated areas	038		0
		9. Accumulated depreciation of breeding and draught animals	039		0
		10. Accumulated depreciation of low value tangible fixed assets	040		0
		11. Accumulated depreciation of other tangible fixed assets	041		0

		Indicator	Row No.	Closing balance at Dec 31, 2011	Opening balance at Jan 1, 2011
a	b	c	1	2	
B.		Current assets	042	112,508	75,474
B. I.		Inventories	043		0
B. I.	1.	Material in stock	044		0
	2.	Material in transit	045		0
	3.	Work in progress	046		0
	4.	Internally developed semi-finished products	047		0
	5.	Finished goods	048		0
	6.	Animals	049		0
	7.	Goods on stock and in stores	050		0
	8.	Goods in transit	051		0
	9.	Advance payments for inventories	052		0
B. II.		Receivables	053	457	355
B. II.	1.	Customers	054	147	110
	2.	Bills of exchange to be paid	055		0
	3.	Receivables from securities issued	056		0
	4.	Operating advances paid	057	250	0
	5.	Other receivables	058		0
	6.	Receivables from employees	059	3	2
	7.	Receivables from social security authorities and public health insu	060		0
	8.	Income tax	061	49	186
	9.	Other direct taxes	062		0
	10.	Value added tax	063		0
	11.	Other taxes and charges	064		0
	12.	Entitlements to subsidies and other settlements with the national b	065		0
	13.	Entitlements to subsidies and other settlements with budgets of re	066		0
	14.	Receivables from association members	067		0
	15.	Receivables from fixed-term transactions	068		0
	16.	Receivables from bonds issued	069		0
	17.	Other receivables	070	8	45
	18.	Estimated receivables	071		12
	19.	Provision for receivables	072		0
B. III.		Short-term financial assets	073	111,953	74,991
B. III.	1.	Cash on hand	074	53	61
	2.	Cash equivalents	075		0
	3.	Cash in banks	076	60,655	66,996
	4.	Equity securities for trading	077		0
	5.	Debt securities for trading	078		0
	6.	Other securities	079	51,245	7,934
	7.	Short-term investments in progress	080		0
	8.	Cash in transit	081		0
B. IV.		Total other assets	082	98	128
B. IV.	1.	Prepaid expenses	083	97	128
	2.	Accrued revenues	084	1	0
	3.	Foreign exchange rate gains	085		0
		Control number	998		310,900

a		Indicator	Row No.	Closing balance at Dec 31, 2011	Opening balance at Jan 1, 2011
		b	c	1	2
		LIABILITIES	086	114,141	77,143
A.		Foundation's total holdings	087	113,772	76,813
A.	I.	Net holdings	088	108,802	71,843
A.	I.	1. Endowment	089	1,000	1,000
		2. Funds	090	107,725	70,956
		3. Valuation difference on the revaluation of assets and liabilities	091	77	- 113
A.	II.	Profit (loss)	092	4,970	4,970
A.	II.	1. Profit (loss) account	093		0
		2. Profit (loss) to be approved	094		859
		3. Retained earnings, accumulated losses	095	4,970	4,111
B.		Liabilities	096	369	330
B.	I.	Provisions	097	83	0
B.	II.	Long-term liabilities	098		0
B.	II.	1. Long-term bank loans	099		0
		2. Bonds issued	100		0
		3. Leasing payables	101		0
		4. Long-term advances received	102		0
		5. Long-term bills of exchange payable	103		0
		6. Estimated payables	104		0
		7. Other long-term payables	105		0
B.	III.	Short-term liabilities	106	286	330
B.	III.	1. Suppliers	107	139	256
		2. Bills of exchange payable	108		0
		3. Advances received	109		0
		4. Other payables	110		0
		5. Employees	111	37	38
		6. Other payables to employees	112		0
		7. Payables to social security authorities and public health insurance	113	24	25
		8. Income tax	114		0
		9. Other direct taxes	115	7	7
		10. Value added tax	116		0
		11. Other taxes and charges	117		0
		12. Liabilities to the national budget	118		0
		13. Liabilities to budgets of regional authorities	119		0
		14. Liabilities from subscribed outstanding securities and investments	120		0
		15. Payables to association members	121		0
		16. Payables arising from fixed-term transactions	122	77	0
		17. Other payables	123	2	2
		18. Short-term bank loans	124		0
		19. Discount loans	125		0
		20. Short-term bonds issued	126		0
		21. Bonds held	127		0
		22. Estimated payables	128		2
		23. Other short-term financial borrowings	129		0
B.	IV.	Other liabilities	130		0
B.	IV.	1. Accrued expenses	131		0
		2. Deferred revenues	132		0
		3. Foreign exchange rate losses	133		0
		Control number	999		308,616

Date: May 30, 2012	Signature of the responsible person: Renáta Kellnerová 
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INCOME STATEMENT

full length

as of December 31, 2011

Prepared under

Regulation No. 504/2002
as amended

Period Jan 1, 2011 - Dec 31, 2011

(in CZK thousands)

Year	Month	Reg. No.
2011	12	28902254

Name and registered office of the accounting unit

Nadace THE KELLNER FAMILY

FOUNDATION



Evropská 2690/17

Praha 6

160 41

a	Indicator b	Row No. c	Core activity 1	Economic activity 2	Total 3
A.	EXPENSES	001	3,169	43,662	46,831
I.	Total consumed purchases	002	168		168
	1. Consumed materials	003	168		168
	2. Consumed energy	004	0		0
	3. Consumed other non-storable supplies	005	0		0
	4. Goods sold	006	0		0
II.	Total services	007	1,519	186	1,705
	1. Repairs and maintenance	008	47		47
	2. Travel expenses	009	19		19
	3. Entertainment costs	010	34		34
	4. Other services	011	1,419	186	1,605
III.	Total personnel costs	012	915	0	915
	1. Wages and salaries	013	688		688
	2. Statutory social security contributions	014	217		217
	3. Other social security insurance	015	0		0
	4. Statutory social expenses	016	10		10
	5. Other social expenses	017	0		0
IV.	Total taxes and charges	018	1	0	1
	1. Road tax	019	0		0
	2. Real estate tax	020	0		0
	3. Other taxes and charges	021	1		1
V.	Total other expenses	022	284	2,312	2,596
	1. Contract penalties and late charges	023	0		0
	2. Other penalties and fines	024	0		0
	3. Bad debt written off	026	0		0
	4. Interest	027	0		0
	5. Foreign exchange rate losses	028	107	1,509	1,616
	6. Gifts	029	54		54
	7. Deficits and damage	030	0		0
	8. Other and sundry expenses	031	123	803	926
VI.	Depreciation and amortization, asset disposals, provisioning	032	282	40,995	41,277
	1. Depreciation and amortization of tangible and intangible fixed assets	033	199	147	346
	2. Net book value of tangible and intangible assets sold	034	0		0
	3. Securities and investments sold	035	0	40,848	40,848
	4. Materials sold	036	0		0
	5. Additions to reserves	037	83		83
	6. Additions to provisions	038	0		0
VII.	Total contributions provided	039	0		0
	1. Paid contributions accounted for between branches	040	0		0
	2. Membership dues paid	041	0		0
VIII.	Total income tax	042	0		0
	1. Additional payments of income tax	043	0		0

	Indicator	Row	Core	Economic	Total
a	b	No.	activity	activity	
		c	1	2	3
B.	INCOME	044	2,065	44,766	46,831
I.	Revenues from production and goods	045	0	147	147
	1. Revenues from production	046	0		0
	2. Revenues from services	047	0	147	147
	3. Revenues from goods	048	0		0
II.	Total changes in intra-organization inventories	049	0	0	0
	1. Changes in stock of work in progress	050	0		0
	2. Changes in stock of semi-finished products	051	0		0
	3. Changes in stock of products	052	0		0
	4. Changes in animal headcount	053	0		0
III.	Capitalization	054	0	0	0
	1. Capitalization of materials and goods	055	0		0
	2. Capitalization of intra-organization services	056	0		0
	3. Capitalization of intangible fixed assets	057			0
	4. Capitalization of tangible fixed assets	058	0		0
IV.	Other revenues	059	2,065	1,348	3,413
	1. Contract penalties and late charges	060	0		0
	2. Other penalties and fines	061	0		0
	3. Payments for receivables written off	062	0		0
	4. Interest	063	18	88	106
	5. Foreign exchange rate gains	064	44	733	777
	6. Transfer of assets from endowment to operating	065	2,003		2,003
	7. Other and sundry revenues	066	0	527	527
V.	Proceeds from asset disposal, reversal of reserves and provisions	067	0	43,271	43,271
	1. Proceeds from the sale of intangible and tangible assets	068	0		0
	2. Proceeds from the sale of securities and investments	069	0	40,534	40,534
	3. Proceeds from the sale of materials	070	0		0
	4. Proceeds from short-term financial assets	071	0	2,737	2,737
	5. Release of reserves	072	0		0
	6. Revenues from long-term investments	073	0		0
	7. Release of provisions	074	0		0
VI.	Contributions received	075	0	0	0
	1. Received contributions accounted for between branches	076	0		0
	2. Received contributions (gifts)	077	0		0
	3. Received membership dues	078	0		0
VII.	Operating subsidies	079	0	0	0
	1. Operating subsidies	080	0		0
C.	PROFIT (LOSS) BEFORE TAX	081	- 1,104	1,273	169
	1. Income tax	082	0	169	169
D.	PROFIT (LOSS) AFTER TAX	083	- 1,104	1,104	0

Date:	Signature of the responsible person:
May 30, 2012	Renáta Kellnerová  

Nadace THE KELLNER FAMILY FOUNDATION
Notes to the Financial Statements
for the year ending on December 31, 2011

1. Name and registered office of the accounting unit

Nadace THE KELLNER FAMILY FOUNDATION
Evropská 2690/17
160 41 Praha 6 - Dejvice
Czech Republic

Reg. No.: 28902254

Legal form: Foundation

2. Description and core activities

N.B.: All financial amounts are hereinafter stated in Czech crowns (CZK) and, where applicable, rounded to whole thousands

Establishment and description of the foundation

Nadace THE KELLNER FAMILY FOUNDATION (hereinafter also referred to as “the Foundation”) was incorporated in the Register of Foundations maintained by the Municipal Court in Prague, Section N, File 746, on May 25, 2009.

Mrs. Renáta Kellnerová and Mr. Petr Kellner are the founders of the Foundation.

The endowment totals CZK 1,000,000. A part of the endowment, CZK 500,000, was entered in the Register of Foundations on May 25, 2009 and deposited in a separate account kept at PPF banka a.s., account number 2012010002/6000. This part of the endowment is composed of the founders’ financial contributions, with the contribution made by each of the founders amounting to CZK 250,000.

At the beginning of January 2011, the Foundation’s management made the decision to combine Nadace THE KELLNER FAMILY FOUNDATION and Nadace Educa [‘Educa Foundation’]. The combination was a merger whereby THE KELLNER FAMILY FOUNDATION would be the acquiring entity. The effective date of the merger was set for January 1, 2011. By virtue of the merger, THE KELLNER FAMILY FOUNDATION, as the acquiring foundation, accepted in addition to the assets and liabilities of Educa, as the foundation being acquired, also its endowment of CZK 500,000. This endowment was composed of financial contributions made by the founders of Nadace Educa, i.e., Mrs. Renáta Kellnerová and Mr. Petr Kellner, and was deposited in a separate account kept at PPF banka a.s., account number 2012010002/6000, with the contribution made by each of the founders amounting to CZK 250,000. The above merger was entered in the Register of Foundations as of May 27, 2011.

The purpose of the Foundation is to make a versatile contribution to the development of society and help improve the quality of life of the people in places where it operates, by providing support for education at all levels of society, for socially beneficial philanthropic activities, for the organizational development of non-governmental non-profit organizations, for the improvement of the public health, for solutions to social problems and to foster equal opportunities throughout society, for community development, development of public spaces and environmental improvements, for science and technological advancement, by providing support in the case of natural and humanitarian disasters, and for cultural development, art, and the protection of cultural heritage.

Nadace THE KELLNER FAMILY FOUNDATION
Notes to the Financial Statements
for the year ending on December 31, 2011

The Foundation is the sole founder of the charitable organization Pomáháme školám k úspěchu o.p.s., Reg. No.: 29005469 (hereinafter “the Company”). The Company was incorporated in the Register of Charitable Organizations on December 16, 2009, Section O, File 702. The Foundation made no investment in the Company, and therefore does not carry the Company in its books as an equity interest.

3. Board of Trustees and Supervisory Board as of December 31, 2011

Board of Trustees as of December 31, 2011:

Chair:	Mrs. Renáta Kellnerová
Trustee:	Mr. Petr Kellner
Trustee:	Mr. Jan Leiner

On May 25, 2011, the trusteeship of Mr. Aleš Minx expired. This was entered in the Register of Foundations on July 27, 2011.

Either the Chair of the Board of Trustees shall act on behalf of the Foundation severally and to the fullest extent, or two Trustees shall jointly act on behalf of the Foundation.

Supervisory Board as of December 31, 2011:

Chair:	Mrs. Marta Horáková
Member:	Mrs. Karina Divišová
Member:	Mr. Tomáš Vališ

On May 25, 2011, the membership in the Supervisory Board of Mrs. Karina Divišová expired and on May 27, 2011 this membership was renewed for Mrs. Karina Divišová. This was entered in the Register of Foundations on July 27, 2011.

4. Accounting period covered by the financial statements and the balance sheet date

The unit’s accounting period is the calendar year 2011.

Under Section 19(1) of Act No. 563/1991 on Accounting, December 31, 2011 is the balance sheet date.

Because of the combination by merger (see the above disclosures), the comparable values of balance sheet items for the past period are stated as values from the post-merger opening balance sheet, i.e., as of January 1, 2011. Comparable values for the past period, as related to the merger, are not stated for the income statement items.

5. Significant accounting policies used by the Foundation

(a) Accounting procedures

The Foundation keeps double-entry accounting under the Act on Accounting, under the chart of accounts, and under Regulation No. 504/2002, as amended, for accounting units whose core activity is not carrying on a business.

Accepted financial gifts and gifts in kind in the form of tangible fixed assets, inventories and services provided, are carried in account 911 Funds, which forms a part of the Foundation’s total holdings in the balance sheet.

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(b) Endowment

Endowment is the financial expression of the aggregate of financial contributions entered in the Register of Foundations. Endowment amounts to CZK 1,000,000 (2010: CZK 1,000,000).

The Foundation is obligated to deposit all funds belonging to the endowment in a separate bank account, or it may use them to buy securities issued or guaranteed by the government. These funds may not be lent out.

(c) Costs incurred in the management of the Foundation

The costs incurred in the management of the Foundation specifically include, but are not limited to, the costs of maintaining and growing the Foundation's assets, the costs of promoting the purpose of the Foundation, and the costs incurred in the operation of the Foundation. The Foundation's total annual costs related to its management may not exceed 28% of the value of the grants annually awarded by the Foundation.

(d) Tangible and intangible fixed assets

Tangible and intangible fixed assets are carried at the acquisition cost, or at the value specified in the deed of gift, or on the basis of an expert appraisal. Tangible fixed assets with an acquisition cost of over CZK 40,000 and with a useful life of more than one year, and intangible fixed assets with an acquisition cost of over CZK 60,000 and a useful life of more than one year are carried in accounts of fixed assets and subject to accounting depreciation and amortization in line with the depreciation plan. Other tangible assets with an acquisition cost of up to CZK 40,000 and other intangible assets with an acquisition cost of up to CZK 60,000 are expensed in the month of acquisition.

The following table shows the methods and depreciation periods by asset category:

Asset	Method	Depreciation period
Individual movable assets and sets of movable assets	straight-line	3 years
Valuable rights	straight-line	6 years
Software	straight-line	3 years

(e) Leased assets

The Foundation is not carrying any leased assets as of the balance sheet date.

(f) Long-term investments

Long-term investments are comprised of debt securities held to maturity, and are carried at the acquisition cost. The acquisition cost includes direct costs incurred in acquisition, for example, fees and commissions for brokers, advisers and stock exchanges.

As of the balance sheet date, debt securities held to maturity are valued at the acquisition costs increased/decreased by interest income/interest expense.

Income from these assets is included in income from long-term investments.

(g) Short-term financial assets

Short-term financial assets are comprised of the debt securities that the accounting unit holds primarily for the purpose of trading. Short-term financial assets are valued at the acquisition

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cost. The acquisition cost includes direct costs incurred in acquisition, such as fees and commissions for brokers, advisers and stock exchanges.

At the balance sheet date, debt securities held for trading are restated at their fair value. The change in the fair value of the securities held for trading is stated in the relevant account of account group 54 Other Costs, or, as applicable, 64 Other Income, corresponding to the relevant account in account group 92 Assets and Liabilities Revaluation.

Income from the above financial assets is included in income from short-term financial assets.

Sale of securities is charged to the respective account in account group 65 Proceeds from Sale of Assets, Reversal of Provisions. Disposals of securities are carried in the respective account in account group 55 Depreciation and Amortization, Sold Assets, and Provisioning.

(h) Derivatives

Derivatives for trading

Financial derivatives held for trading are stated at fair value and the gain (loss) from changes in fair values is shown in the income statement in the item "Additional Other Income" or, as applicable, "Additional Other Costs".

6. Additional information about the balance sheet

(a) Short-term financial assets

Money is deposited in checking accounts in Czech crowns and held as cash on hand in Czech crowns. On December 31, 2011, the balance in bank accounts stood at CZK 60,665,000 (January 1, 2011: CZK 66,996,000). On December 31, 2011, cash in hand amounted to CZK 53,000 (January 1, 2011: CZK 61,000).

As of December 31, 2011 the Foundation had the following financial assets:

2011						
in CZK thousands						
Securities	Number of units	Acquisition cost (w/o PRI)	Pro rata interest income (PRI)	Carrying value (acquisition cost + PRI)	Revaluation difference	Fair value, incl. PRI
Bonds						
HOME CREDIT BV L+800 6/22/2012	6	12,407	28	12,435	-231	12,204
J&T FINANCE 6.4 11/30/2014 C13	1	2,986	16	3,002	3	3,005
CR GOV L 10/27/2016	550	5,429	15	5,444	-143	5,301
ČEZ (6) 9.22 01/26/2014	11	11,955	673	12,628	-53	12,575
HUNGARY L+5 11/2/2012	150	3,576	10	3,586	43	3,629
VTB 6.609 10/31/2012	150	2,595	34	2,629	460	3,089
DEUTSCHE TELEKOM L+66 1/22/2013	3	4,464	15	4,479	21	4,500
KBC IFIMA EMTN L+160 3/30/2014	60	3,002	21	3,023	-122	2,901
LEASEPLAN CORP L+140 4/28/2014	2	4,002	17	4,019	-55	3,964
Total bonds		50,416	829	51,245	-77	51,168

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2010						
in CZK thousands						
Securities	Number of units	Acquisition cost (w/o PRI)	<i>Pro rata</i> interest income (PRI)	Carrying value (acquisition cost + PRI)	Revaluation difference	Fair value, incl. PRI
Bonds						
ČEZ (6) 9.22 01/26/2014	3	3,254	147	3,401	-48	3,353
HOME CREDIT BV 06/21/2009	2	4,000	10	4,010	167	4,177
CR GOV 4.1 04/11/2011	50	508	15	523	-6	517
Total bonds				7,934	113	8,047

(b) Receivables

At December 31, 2011, the Foundation reports CZK 147,000 (January 1, 2011: CZK 110,000) in receivables from customers. All receivables had been paid by the date of these financial statements, i.e., May 30, 2012.

(c) Liabilities

At December 31, 2011, liabilities to suppliers totaled CZK 139,000 (January 1, 2011: CZK 256,000). All payables had been paid by the date of these financial statements, i.e., May 30, 2012.

(d) Fixed assets

Intangible fixed assets (in CZK thousands)

	Software	Valuable rights	Other IFA	Total
Acquisition cost				
Balance on January 1, 2011	286	478	881	1,645
Additions	145	--	--	145
Disposals	166-	90	--	256
Transfer	--	--	--	--
Balance on December 31, 2011	265	388	881	1,534
Accumulated amortization				
Balance on January 1, 2011	172	160	110	442
Amortization	105	65	147	317
Accumulated amortization of disposals	166	90	--	256
Balance on December 31, 2011	111	135	257	503
Net book value on January 1, 2011	114	318	771	1,203
Net book value on December 31, 2011	154	253	624	1,031

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Tangible fixed assets (in CZK thousands)

	Plant and machinery	Total
Acquisition cost		
Balance on January 1, 2011	266	266
Additions	--	--
Disposals	--	--
Transfer	--	--
Balance on December 31, 2011	266	266
Accumulated depreciation		
Balance on January 1, 2011	130	130
Depreciation	29	29
Accumulated depreciation of disposals	--	--
Transfer	--	--
Balance on December 31, 2011	159	159
Net book value on January 1, 2011	136	136
Net book value on December 31, 2011	107	107

(e) Prepaid expenses

Prepaid expenses totaling CZK 97,000 (January 1, 2011: CZK 128,000) are comprised of unconsumed office material (envelopes, business cards, paper folders) worth CZK 53,000 and the graphic design of a flyer costing CZK 44,000.

7. Holdings allocated to covering fixed and current assets (in CZK thousands)

	Registered endowment	The organization's funds	Revaluation differences	Retained profit, accumulated losses	Profit (loss) for the current period	Total
Balance on January 1, 2011	1,000	70,956	-113	4,111	859	76,813
Financial gifts received	--	110,391	--	--	--	110,391
Financial grants awarded	--	-71,619	--	--	--	-71,619
Gifts in kind	--	-54	--	--	--	-54
Transfer from Funds to cover administrative costs	--	-1,949	--	--	--	-1,949
2010 profit carry over	--	--	--	859	-859	--
Securities revaluation difference	--	--	190	--	--	190
Profit (loss) for 2011	--	--	--	--	--	--
Balance on December 31, 2011	1,000	107,725	77	4,970	--	113,772

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8. Additional information about the Income Statement

(a) Income

	2011
	in CZK thousands
Revenues from own activity	2,065
Revenues from economic activity	44,766
Total	46,831

The Foundation's income was comprised of the following: interest income of CZK 106,000; of this amount, interest income from term deposits was CZK 96,000, of which CZK 8,000 was interest accrued on a term deposit holding the endowment, which is exempt from income tax, and the balance of CZK 10,000 was interest accrued on the Foundation's checking account; further, exchange rate gains of CZK 777,000, and transfer of assets from Funds to operating, CZK 2,003,000. 'Additional other income' was comprised of bond revaluation of CZK 527,000. Additional income liable to tax includes proceeds from the sale of bonds, amounting to CZK 40,534,000. Interest income from bonds amounting to CZK 2,737,000 is associated with the above proceeds.

(b) Expenses

	2011
	in CZK thousands
Costs of own operation (administration)	3,115
Costs of grants awarded (in kind)	54
Costs of economic activity, including income tax	43,662
Total	46,831

The costs of core activity include CZK 3,115,000 in Foundation administration costs. The limit on administrative costs defined in point 5 (c) was not exceeded.

(c) Profit (loss) broken down by core activity and non-core activity

	2011
	in CZK thousands
Profit (loss) from core activity	-1,104
Profit (loss) from non-core activity after tax	1,104
Total	--

(d) Distribution of profit / compensation for loss of 2010

The result of the extinct Nadace Educa foundation for 2010 was a profit of CZK 859,000, which was, pursuant to the Board of Trustees' decision of May 10, 2011, transferred to the retained profit account. The result of Nadace THE KELLNER FAMILY FOUNDATION for 2010 amounted to CZK 0.

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9. Gifts received and grants awarded

(a) Gifts received

Donor	2011 CZK thousands	2010 CZK thousands
Elektrárny Opatovice a.s.	2,000	--
EP Energy a.s.	2,500	--
Home Credit a.s.	25,000	35,000
Plzeňská energetika a.s.	2,500	--
PPF banka a.s.	35,000	33,000
Termizo a.s.	20,000	--
United Energy Trading a.s.	3,000	10,000
Allgemeine Immobiliengesellschaft MbH	1,943	501
Allgemeine Immob. MbH CO KG	1,931	501
Generali Holding Vienna AG	4,857	1,253
Generali Immobilien AG	2,440	--
Generali Rueckversicherung AG	3,886	1,002
Generali Versicherung AG	4,857	1,253
PPF a.s.	--	2,000
Home Credit International a.s.	--	3,000
Other	477	932
Total	110,391	88,442

(b) Grants awarded

Donee	2011 CZK thousands	2010 CZK thousands
Students, to the account of OPEN GATE – gymnázium a základní škola, s.r.o.	42,066	45,422
OPEN GATE – gymnázium a základní škola, s.r.o. – school fee refunds	-465	-470
Grants to students at foreign universities	7,258	4,532
Pomáháme školám k úspěchu o.p.s.	21,460	4,000
Other	1,354	11,812
Total	71,673	65,296

10. Employees and managers

Average number of employees and managers, and personnel costs for 2011:

2011	Number of employees	Wage costs CZK thousands	Social security and health insurance costs CZK thousands	Social costs CZK thousands
Employees	2	688	217	10

In 2011 or 2010, the Foundation did not provide any financial or non-financial remuneration to the Trustees.

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11. Liabilities under social security and health insurance

Liabilities under social security and health insurance in 2011 amount to CZK 24,000 (January 1, 2011: CZK 25,000), of which CZK 17,000 (January 1, 2011: CZK 17,000) represents liabilities under social security and CZK 7,000 (January 1, 2011: CZK 8,000) represents liabilities under health insurance. None of these liabilities is past due.

12. Information about fees for statutory auditors

	CZK thousands	
	2011	2010
Statutory audit	18	12
Other audit services	--	--
Additional non-audit services	--	--
Total	18	12

The fee for the audit of the opening balance sheet following the merger as of effective date January 1, 2011 is part of the fee for the auditor in 2011.

The Board of Trustees appointed KPMG Česká republika Audit, s.r.o. as the Foundation's auditor.

13. Corporate income tax

(a) Tax base



In the calculation of the corporate income tax, the option of reducing the tax base by as much as 30%, set out in Section 20(7) of the Income Tax Act, was used. For the 2011 fiscal period, the corporate income tax is estimated at CZK 169,000.

(b) Tax relief from 2010 applied in 2011

The tax liability saving of CZK 982,000 (2009: CZK 839,000), achieved by applying tax relief in 2010, was used for advertising and promoting the Foundation's core activity in 2011.

14. Significant subsequent event

No significant subsequent event that could have an impact on the financial statements as of December 31, 2011 had occurred by the date of the preparation of the financial statements (May 30, 2012).

Date: May 30, 2012	Signature of responsible persons: Renáta Kellnerová  
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