



ANNUAL REPORT 2015

The Kellner Family Foundation

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The Chairwoman's Statement

Dear Friends,

Since 2009, our family foundation has primarily focused on supporting academically talented children and students who are growing up in children's homes, single-parent families, or otherwise disadvantaged social environments that frequently constitute an insurmountable barrier to acquiring quality education. We seek to promote education from elementary-level through to university-level.

In 2015, as in previous years, our foundation continued to sponsor OPEN GATE grammar school students, distribute financial grants to university students, contribute to improvements in Czech elementary education through its activities under the Helping Schools Succeed project, and finance research teams under the Science project. In addition to these core activities, we also provided support to other individuals and institutions for their educational, cultural and health projects. Nevertheless, the objective of all these projects is the same: to motivate those who want to succeed to strive ever forward.

I am delighted to see that our foundation was very successful in pursuing its mission in 2015. OPEN GATE had 215 students at the end of the year, and 94 of them were on the grant list. But the students are not only passive recipients of gifts. They proactively volunteer to help others and often initiate charitable drives themselves. For example, in 2015 the Run & Help event, devised at OPEN GATE, was joined by another 30 schools and other institutions and groups that between them raised some CZK 600,000 by running; Konto Bariéry then transformed this money into specific help for disabled children. I would also highlight the activities pursued by one of the UNIVERSITIES project grantees, Alena Machálková: while still at university, she set up her own non-profit organisation, the Bookfeeding Project, and has so far opened as many as six libraries in developing countries. I am keeping my eye on a number of other activities with great pleasure.

In the current school year, 52 students are receiving grants under the UNIVERSITIES project: 12 new students, and 40 grantees who continue at universities in higher years. Sixteen grantees graduated last year, mostly with excellent results. The Helping Schools Succeed team selected three new schools in a challenging tendering procedure last year; this project has therefore expanded into eight Regions of the Czech Republic.

It is with gratitude that I acknowledge the commitment of all those who have contributed to our projects and who, together with us, help children, young people, teachers and researchers every day to make their academic and other dreams, goals, and ambitions come true.



Renáta Kellnerová
Chairwoman, Board of Trustees
THE KELLNER FAMILY FOUNDATION

Profile

THE KELLNER FAMILY FOUNDATION was set up by Mrs. Renáta Kellnerová and Mr. Petr Kellner in 2009. Its objective is to contribute to the development of society, improve the quality of people's lives, and help others succeed. The core of its activities and its financial assistance are geared towards promoting long-term educational projects intended for elementary school students and their teachers, high-school students, and both undergraduate and postgraduate university students.

Since it was set up, THE KELLNER FAMILY FOUNDATION has contributed more than CZK 444 million to projects pursuing philanthropic causes.

THE KELLNER FAMILY FOUNDATION bodies as of December 31, 2015

**Mrs. Renáta Kellnerová and Mr. Petr Kellner are the founders
of THE KELLNER FAMILY FOUNDATION.**

Mrs. Renáta Kellnerová, founder and Chairwoman of Board of Trustees

Mrs. Renáta Kellnerová and her husband, Mr. Petr Kellner, help gifted children from socially disadvantaged environments. They channel significant effort and money into a drive to raise the quality of education in the Czech Republic. On the initiative of Mrs. Renáta Kellnerová, OPEN GATE in Babice near Prague, a private eight-year boarding grammar school, was set up in 2005. It was the first purely Czech school to receive certification permitting its students to sit for International Baccalaureate examinations, which facilitates their enrolment at universities outside the Czech Republic. The Kellner Family Foundation's grants help provide a high-quality education to gifted children who do not have the good fortune of a favourable background.

Mrs. Renáta Kellnerová also co-founded the Educa Foundation, which began providing need-based grants to OPEN GATE students and sponsored further education of graduates from Czech secondary schools under the UNIVERSITIES programme. Educa also provided financial assistance to other social and educational projects. For example, it supported the Half-Way House, a shelter for young people deprived of familial support. Thanks to Educa's contribution, the Little Chateau magazine was launched for children living in children's homes. In 2011, Educa was merged into The Kellner Family Foundation, which continues and actively pursues Educa's projects.

Mrs. Renáta Kellnerová and Mr. Petr Kellner are raising four children together. They enjoy the visual arts, which they also collect, and they own one of the largest collections of Josef Sudek's photographs. They spend their leisure time mainly outdoors, and engage in various sports including snowboarding, kiting and biking.

Mr. Petr Kellner, founder and trustee

Petr Kellner is one of the founders of PPF Group and manages the Group's strategic development and further direction. Over the last twenty-five years, PPF has become one of the biggest investment groups in Central and Eastern Europe. It invests in a number of sectors ranging from banking and financial services, to telecoms, biotechnology, insurance, retail services and real estate, through to agriculture. PPF Group operates in Europe, Asia, and the U.S.

In December 2002, Mr. Petr Kellner and his wife Renáta set up the Educa Foundation, which granted funds for constructing and running OPEN GATE, the eight-year grammar school in Babice, Central Bohemia. Following the merger of Educa into the new THE KELLNER FAMILY FOUNDATION, OPEN GATE students receive approximately CZK 40 million per year towards school fees.

Both personally and through his PPF Group companies, Mr. Petr Kellner also contributes to other individuals and institutions for educational, health promotion and cultural projects. It is thanks to PPF's financial contributions that a number of cultural institutions, including The Jára Cimrman Theatre, the Summer Shakespeare Festival, and the Václav Špála Gallery and Josef Sudek Studio art galleries in Prague, continue to thrive. Six string instruments, valued at a total of CZK 20 million, have enriched the Czech Philharmonic Orchestra's sound thanks to PPF; and through its CETIN subsidiary, PPF is the sponsor for the world-renowned Prague Spring music festival.

THE KELLNER FAMILY FOUNDATION Facts & Figures**Board of Trustees**

Mrs. Renáta Kellnerová, Chairwoman

Mr. Petr Kellner, Trustee

Mr. Jan Leiner, Trustee

Supervisory Board

Mrs. Karina Divišová, Chairwoman

Mr. Richard Sedláčko, Member

Mr. Tomáš Vališ, Member

Date of establishment April 7, 2009, in a document establishing Nadace THE KELLNER FAMILY FOUNDATION

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

Endowment as of December 31, 2015 CZK 1,000,000

Registered office Nadace THE KELLNER FAMILY FOUNDATION

Evropská 2690/17, 160 41 Praha 6-Dejvice, Czech Republic, Reg. No.: 28902254, Tax Reg. No.: CZ28902254

Auditor KPMG Česká republika Audit, s.r.o.

Bank and account number PPF banka a.s., Account number: 2012010002/6000

Core Projects

The core projects into which THE KELLNER FAMILY FOUNDATION is channelling the largest part of its funds include grants for OPEN GATE students, grants under the UNIVERSITIES programme for students of higher education institutions and universities, grants to the HELPING SCHOOLS SUCCEED project for public elementary schools, and grants for individual researchers and research teams under the SCIENCE programme.

OPEN GATE

The OPEN GATE grammar school and elementary school in Babice near Prague is one of the best-rated schools in the Czech Republic. Thanks to the financial assistance provided by THE KELLNER FAMILY FOUNDATION, children whose families' financial position would prevent them from developing their talent to the fullest can study at the grammar school. Children from a variety of social environments who have the passion, abilities and determination to develop themselves, are brought together there.

OPEN GATE students achieve some of the best results in school-leaving examinations in the Czech Republic every year, and their International Baccalaureate results make OPEN GATE one of the most successful secondary schools in an international comparison.

At the end of 2015, OPEN GATE had 215 students, and 94 of them were on the grant list. Among the students sponsored in 2015, seven were children from children's homes; eight from foster care; one child was from the Klokánek child care facility; 38 students came from complete families; and 40 came from broken homes and families whose socioeconomic status would have prevented them from providing their children with the education matching the children's talents and determination to learn.

In 2015, THE KELLNER FAMILY FOUNDATION provided CZK 38.8 million in grants for OPEN GATE students.



Petr Chára, Deputy Principal of the OPEN GATE eight-year grammar school in Babice, describes teaching at that school in an interview for Instinkt magazine:

"People who have personal experience running in more affluent circles can see that some of their children are not maturing in the right direction. Such people want these children to be in an environment that will give them a sense of solidarity amongst their peers and across generations. In our school, these children can meet classmates who come from less fortunate family backgrounds but are equally, if not more intelligent. In addition, they have a guarantee of a high-quality education at our school. When 11-year-olds join our school, they frequently do not even speak English, but eight years later at the age of 19, they already are young gentlemen and ladies who are fluent in two world languages, hold an IB diploma, and can go to virtually any university in the world. An important role is also played by the wonderful location selected for our school; this was Mrs. Renáta Kellnerová's decision. We are in the countryside here, but close to Prague."

Three OPEN GATE students have qualified for the finals of the Logics Olympiad competition organized by Mensa Czech Republic. Václav Trpišovský, an OPEN GATE student, was the best in tackling logic problems.



The Run & Help, or Running That Helps, has expanded to additional schools, institutions and groups thanks to cooperation with Konto Bariéry. Run & Help participants raised some CZK 600,000 by running; for this money, a young blind man named David has received a tandem bike, a hearing impaired young lady named Julie received hearing aid, and two disabled youths named Petr and Damian were given new wheelchairs. A number of other people were given gifts to ease their lives.



In July, the students organised a charitable bazaar during the Blue Van music festival that is held on the school campus every year. For People in Need, a charity, they raised CZK 15,000 by selling old clothes. The proceeds went to Nepal, in areas most heavily hit by the April earthquake.



At the Civilization exhibition held in the Dvorak Sec Contemporary art gallery in Prague, OPEN GATE students displayed their best visual art works to the public.



Since 2007, OPEN GATE students have received a total of 144 certificates from **The Duke of Edinburgh's Award (DofE)**. In 2015, HRH Sophie, Countess of Wessex, conferred gold certificates on four students.



During a workshop with artist Jiří Straka at the Galerie Václava Špály art gallery, the students saw and tried out a specific technique, large format ink painting.



The first issue of the Open Science student journal appeared in June. Publishing this journal helps the students to get a feel of how the publishing business works; they try their hands at writing scientific papers and gain an opportunity to publish their texts in a journal available to the public.



Friday February 13, 2015 saw the prom for the final-year students of the OPEN GATE grammar school in Národní dům in Prague, Vinohrady. This seventh prom was designed and held in the style of the most famous agent, the one coded 007.

UNIVERSITIES

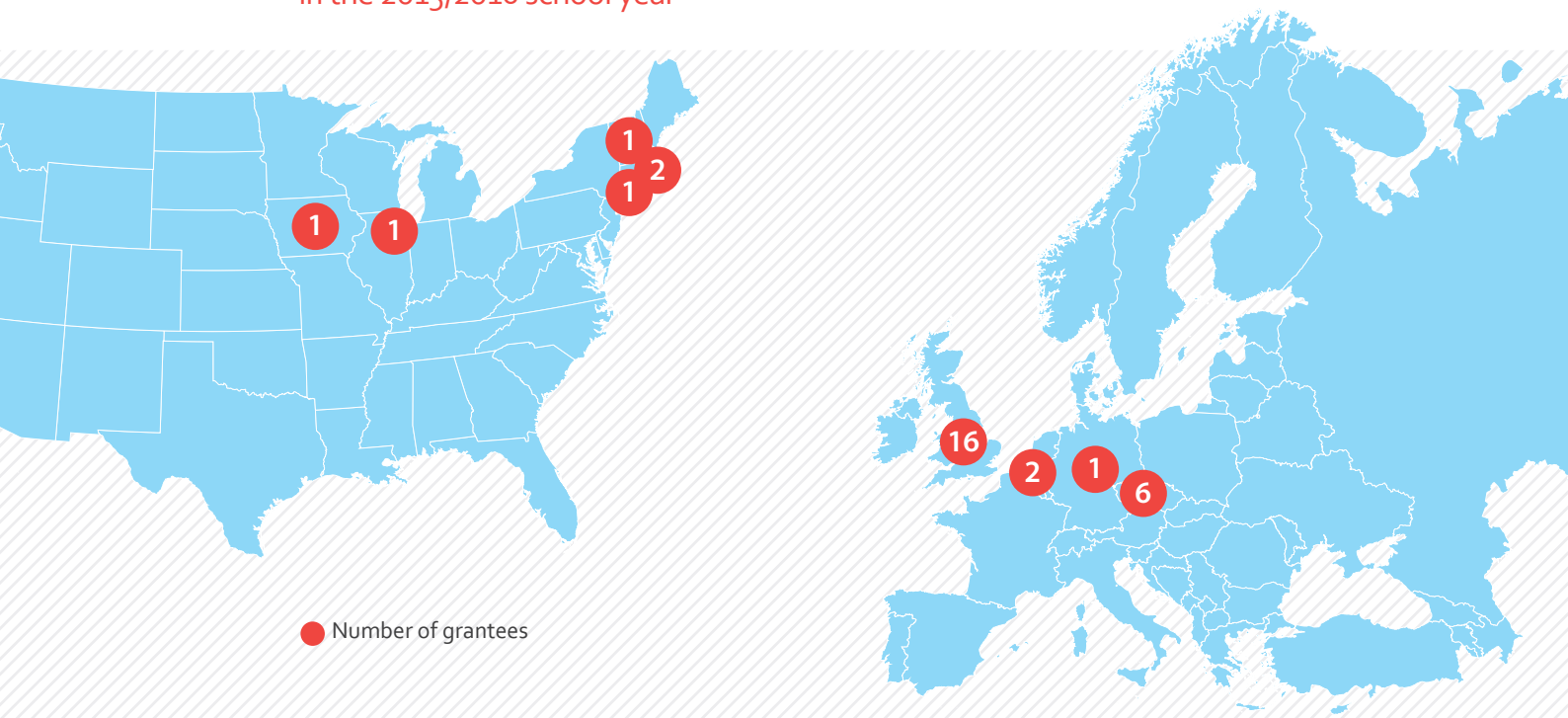
The UNIVERSITIES project is also geared towards support for education. Through financial grants, it has been sponsoring Czech students at prestigious universities inside and outside the Czech Republic. Students who achieve excellent academic results, but whose difficult socioeconomic backgrounds complicate their access to education, can apply for grants under the UNIVERSITIES programme.

During the 2014/2015 school year the Foundation sponsored 57 high school graduates from across the Czech Republic in their studies at the world's most prestigious universities. In the current 2015/2016 school year, it sponsored 52 students, of whom 12 are new students to the programme and 40 are continuing their studies at universities.

In 2015, The Kellner Family Foundation allocated approximately CZK 9 million for grants to university students.



List of universities attended by UNIVERSITIES grantees in the 2015/2016 school year



United Kingdom

- The University of Oxford
- The University of Cambridge
- Imperial College London
- Coventry University
- Durham University
- University of St Andrews
- The University of York
- University College London
- The University of Glasgow
- The University of Bristol
- The University of Edinburgh
- The University of Exeter
- The University of Warwick
- The Royal Academy of Music, London
- The London School of Economics and Political Science
- Cardiff University

U.S.

- Harvard University
- Boston University
- Grinnell College
- The Geisel School of Medicine
- Northwestern University
- Yale University

The Netherlands

- Erasmus Universiteit Rotterdam
- Maastricht University

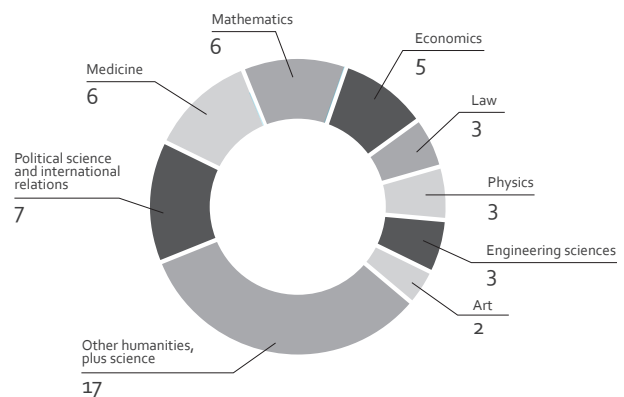
Germany

- Technische Universität Dresden

Czech Republic

- Charles University's 2nd and 3rd Faculties of Medicine
- Czech Technical University
- Anglo-American University in Prague
- University of Veterinary and Pharmaceutical Sciences Brno
- Johann Amos Comenius University, Prague
- The Institute of Hospitality Management in Prague

Grantees' fields of study (2015/2016 school year)



UNIVERSITIES helps students open the door to a good education, practical experience, and seeing the world.

In 2015, UNIVERSITIES grants were sought by 146 Czech students. Their will to learn and their courage to travel abroad and stand on their own two feet are admirable. In late summer, the best 52 candidates started their first year at universities in the U.S., the Netherlands, the United Kingdom, Germany, and the Czech Republic.

Tomáš Jordán, taking Biomedical Engineering at Boston University, is going through an internship at the SOTIO biotechnology company. **Anežka Svobodová**, an Economics and Politics BA student at the University of Exeter, is gaining practical experience at PPF banka. This is not her first internship; in 2014 and 2015, she managed the Biosmart Initiative project (regional development in Ethiopia through converting farm waste into charcoal that serves as a fertilizer to improve the harvest, and also as a fuel), with which she won the national U.K. round of a student grant competition for the most socially beneficial environmental firm, YTC Made By You, in 2015. **Martin Bucháček**, an MA graduate from Trinity College, University of Cambridge, is acquiring experience in banking, specifically at the head office of Air Bank, a Czech bank.

Adam Pečeňa (Northwestern University; internship in Bolivia), **Prokop Šícha** (Technische Universität Dresden; internship at the State International Relations Institute in Moscow), and **Kristýna Hříbalová** (University of York; internship at the University of British Columbia, Okanagan) learned about other countries and cultures last year thanks to their home universities' exchange programmes.



Sixteen grantees completed their studies in 2015. The completion of any degree is a major achievement for every young person, and an important step into "adult" life. Some of the grantees have not only managed this critical milestone in their lives but have also attained remarkable academic results.

Kateřina Bořková completed her four-year programme at the University of New York in Prague, graduating with a bachelor's degree in psychology. With her thesis, *Correlates of Psychological Well-Being: Macrobiotic Diet Adherence among Adults*, she won the International Student Research Conference in Prague and was given the opportunity to publish the results of her work in a specialised journal.

Alena Macháľková completed her fourth year at the University of Aberdeen. She spent her third year at Lingnan University in Hong Kong (taking international relations and sociology) by taking part in the exchange programme run by these universities. She graduated with an MA with Second Class Honours. During her current sabbatical, she is focusing on her own non-profit organisation, the Bookfeeding Project, through which she has opened as many as six libraries in developing countries. She is now living in Kenya, expanding one of her libraries and opening a second library there.

Josef Hazi completed his four-year programme at the University of Oxford. He is now a Master of Engineering with first class degree in Material Science. He spent his last year at MIT (Massachusetts Institute of Technology), where he prepared his master's thesis on a Novel Technique for Accelerated Sintering of Phase-Separating Nanostructured Systems, for which he won recognition for the best result in his year and a nomination for the national award to the best Material Science graduate in the United Kingdom. Since October 2015, Josef has continued with his Ph.D. course at the University of Oxford, exploring the magnetic properties of superconductors.

Šimon Michal completed his four-year bachelor's programme at the Juilliard School in New York, graduating as a Bachelor of Music. He regards his victory in the Juilliard Concerto Competition 2014 as his greatest achievement in that time; he was the only representative of the bachelor programme to defeat four master's students in the finals, thereby winning an opportunity to play a solo concert in Alice Tully Hall with the Juilliard Symphony Orchestra under the baton of Fabio Luisi, the Metropolitan Opera's principal conductor. In his third and fourth years, Šimon was on the Dean's list as one of the most academically successful students. Since September 2015, he has been enrolled in a master's programme at the Manhattan School of Music.

Jitka Vrtěľová completed her three-year degree in Law and International Relations at Aberystwyth University, and has been admitted to a master's programme at Harvard University's Harvard Law School. During her degree she was recognised as the best European Law student, winning an internship at the National Assembly for Wales where she worked for Joyce Watson AM. She was then chosen for a one-year internship in the Welsh government in Cardiff, during which she won a national competition for young lawyers and Law students with her essay on the Welsh legal system.

HELPING SCHOOLS SUCCEED

HELPING SCHOOLS SUCCEED is an educational project targeted at teachers of public elementary schools in the Czech Republic. The Foundation initiated this project in 2010 and continues to fund it. An independent charitable organisation, Pomáháme školám k úspěchu o.p.s., set up for this purpose by The Kellner Family Foundation, is responsible for operating the project.

The activities that are being carried out at elementary schools thanks to the project are directed towards improving the quality of teaching, emphasising a personalised approach by teachers to students. Its underlying philosophy is that long-term educational, financial and personal support will help teachers better discern students' individual needs and better adjust their style of instruction, thereby achieving the best possible teaching results.

The HELPING SCHOOLS SUCCEED project runs under the aegis of the Ministry of Education, Youth and Physical Education in the Czech Republic. In 2015, the project provided support to some 400 teachers and, through them, more than 6,000 students in ten project schools in eight Regions of the Czech Republic.

THE KELLNER FAMILY FOUNDATION granted CZK 30.8 million to this project in 2015.



Schools enrolled in the project in 2015

ZŠ Kunratice (in Prague), ZŠ a MŠ Mendelova, Karviná (the Moravian-Silesian Region), ZŠ Zdice (the Central Bohemian region), ZŠ a MŠ Horka nad Moravou (the Olomouc Region), ZŠ Tomáše Šobra a MŠ Písek (the South Bohemian Region), ZŠ Staňkov (the Plzeň Region), ZŠ Liberec, Křížanská 80 (the Liberec Region), 2. ZŠ – Škola Propojení Sedlčany (the Central Bohemian Region), ZŠ a MŠ Dobronín (the Vysočina Region), and ZŠ a MŠ Hranice in Šromotovo (the Olomouc Region).

HELPING SCHOOLS SUCCEED IN 2015:

- On April 21, 2015, together with our partners in the Success for Every Student project, including SKAV o.s. [Standing Conference of Education Associations], EDUin o.p.s. [a charitable organisation], the DOX Centre for Contemporary Art, and the Ministry of Education, Youth and Sport, we organised the next edition of the by now traditional **Conference on Education Policy**. The conference was attended by 190 delegates, largely from elementary schools and non-profit organisations. The output from the conference is available on the project's website at www.uspechzaka.cz.
- At the beginning of the 2015/2016 school year, the school project family was enlarged to include another three schools: The Tomáš Šobr kindergarten and elementary school in Písek, Southern Bohemia, the Křížanská 80 elementary school in Liberec, the Liberec Region, and the Staňkov elementary school in the Plzeň Region. We now have project schools in eight Regions of the Czech Republic. Some 400 teachers are now involved in the project, and we support more than 6,000 students through these teachers.
- In September, we launched a new website for the project at www.pomahameskolam.cz. The website is intended to provide information, as well as to inspire and help promote learning and experience-sharing amongst teachers. The Pedagogické inspirace [Teaching Inspiration] section is mainly intended for teachers, and is also a gateway to the project's YouTube channel, which showcases videos of best practice from Czech elementary schools and serves as a source of additional teaching materials.
- In September, we also began informing teachers about new inspirational developments from the project schools and the world of education through our **Pedagogické inspirace** [Teaching Inspiration] electronic newsletter. We distribute the e-newsletter to about 1,000 subscribers on a regular basis.
- Our project school in Kunratice, Prague bustled with the second annual **Festival of Teaching Inspiration** on November 6 and 7, 2015. It was hitherto the largest educational event in the project. The two-day parade of examples of good teaching practices based on the Teachers for Teachers concept attracted 494 delegates from more than 60 schools across the Czech Republic.
- In December, we produced **the first issue of a new electronic journal, Kritická gramotnost** [Critical Literacy]. Through this quarterly journal we want to inspire teachers on all levels of the school system, helping them to develop critical reading competences and enhance reading skills in their students, and also to create a platform for sharing their experiences. Shortly after this first issue, more than 900 subscribers signed up for the journal online.

SCIENCE

The SCIENCE programme gives opportunities to talented and successful scientists and research teams to work in various research projects under good conditions in the Czech Republic. The financial grants awarded by The Kellner Family Foundation help provide them with a stable work environment for their research.

The Foundation selected the first beneficiaries of the grants to be awarded in support of scientific research into the biology of tumour diseases in late 2012. In a two-round procedure, the SCIENCE Expert Panel and The Kellner Family Foundation's Board of Trustees selected three of a total of 59 research projects entered. Investigating teams received four- and five-year grants, disbursable for the first time in early 2013.

In 2015, The Kellner Family Foundation contributed a gift of CZK 8.5 million to the SCIENCE programme.

Research projects included in the SCIENCE programme:

Analysis of the Plasticity of Cancer Cell Invasiveness

Principal Investigator: Jan Brábek

Institution: Charles University in Prague; Department of Cell Biology of the Faculty of Science; Laboratory of Tumor Cell Invasiveness

Expression and Regulation of Multi-Drug Resistance Proteins in Tumor-Initiating Cells (TICs)

Principal Investigator: Jaroslav Truksa

Institution: Institute of Biotechnology of the ASCR, v.v.i.

Targeting the Genome Integrity Machinery for Personalized Treatment of Prostate Cancer

Principal Investigator: Jiří Bartek

Institution: Institute of Molecular and Translational Medicine of the Faculty of Medicine and Dentistry, Palacký University Olomouc; Laboratory of Genome Integrity

Jan Brábek team's research reports released (Analysis of the Plasticity and Invasiveness of Cancer Cells)

PKC α promotes the mesenchymal to amoeboid transition and increases cancer cell invasiveness

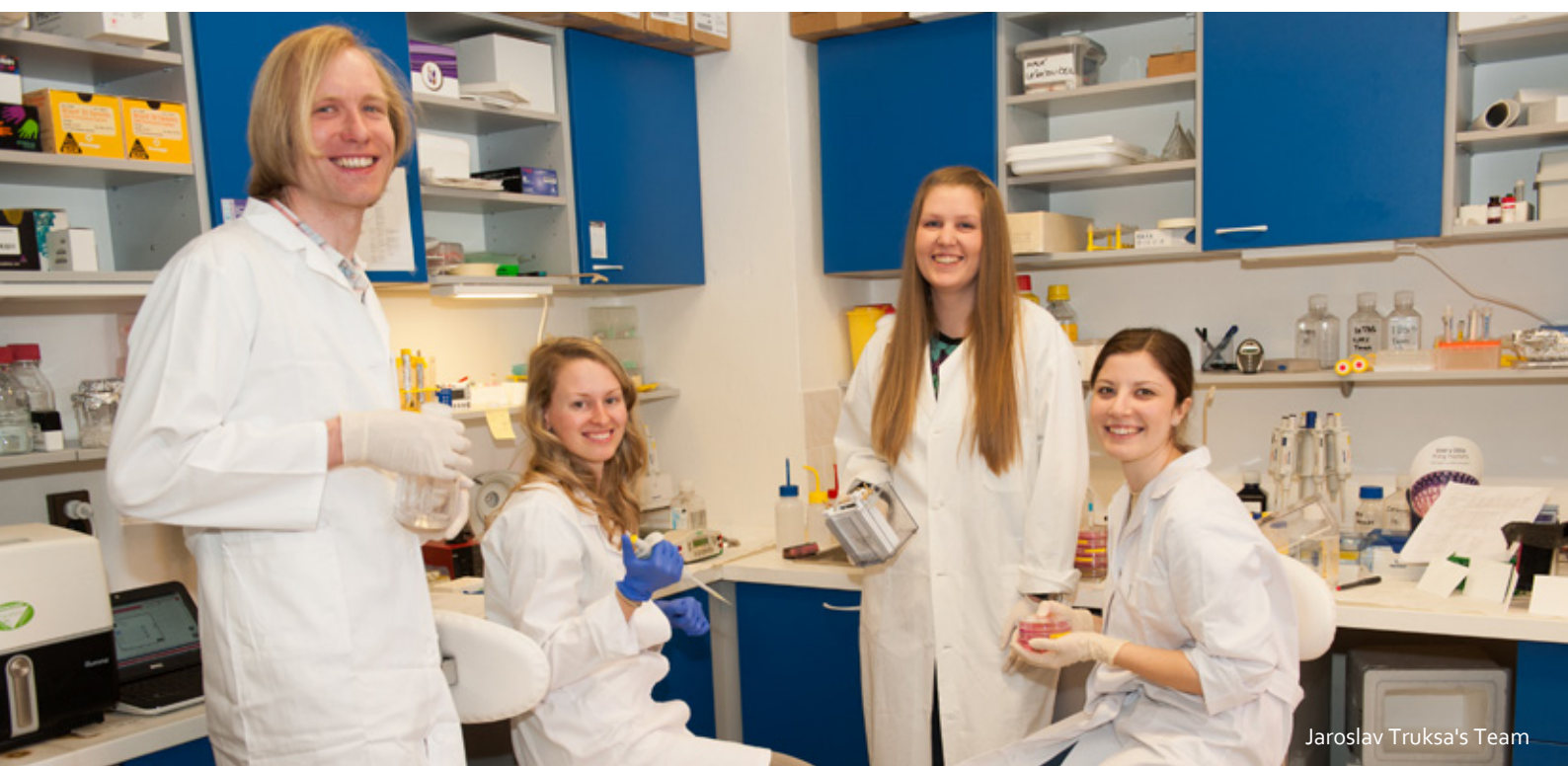
Authors: Vaškovičová K., Szabadosová E., Čermák V., Kasalová L., Rösel D., Brábek J.

Published in: BMC Cancer 2015

The report relies on a proteomic analysis of A375m2 cells exposed to a ROCK kinase inhibitor based on Kinexus antibody microarrays. This analysis has helped to detect a number of proteins, as well as their posttranslational modifications, which potentially contribute to MAT process control. The authors selected PKC α for more detailed examination and demonstrated its role in amoeboid transition and also its importance for cancer cell invasiveness in general.

"Identifying the similarity between the transcriptional profiles of amoeboid moving macrophages and profiles of cancer cells exposed to hypoxia is so important that it deserves thorough subsequent research, in particular aimed at examining the possible benefits of inducing MAT in an experimental system emulating the hypoxic tumor center, i.e. in addition to a lower concentration of oxygen, also a deficiency of glucose and other nutrients, metabolic acidification, and the presence of proinflammatory cytokines, in all possible combinations of these conditions. If we succeed in finding the optimum combination of conditions to induce amoeboid invasiveness of different cancer cell lines in 3D matrices, then such system will be, in biological terms, the most relevant in vitro model developed for the study of tumor metastasis. A thorough transcriptomic and proteomic analysis of cells in this system will, undoubtedly, help to detect the sequence of molecular processes triggering amoeboid migration, and to single out new potential molecular targets for an effective suppression of tumor metastasis in the future. These new insights would then allow for the employment of the full potential of blood vessel formation inhibitors in tumors, and could shift the treatment success rate for some cancer types to a completely new level."

Jan Brábek team; interim report on the project, 2015



Jaroslav Truksa's Team

Other selected projects in 2015

Logics Olympiad organised by Mensa Czech Republic

In 2015, THE KELLNER FAMILY FOUNDATION and OPEN GATE were once again sponsors of the Logics Olympiad for bright young people from all over the Czech Republic. The Logics Olympiad is organized by Mensa Czech Republic in a drive to extend the range of activities for children and young people to include a competition in which independent thinking and the ability to reason logically decide the outcome.



Prague Student Summit

The Foundation has long been the sponsor of the Model United Nations event held as part of the Prague Student Summit. It is an annual educational and social event intended for students of Czech secondary and tertiary educational institutions. The delegates simulate the deliberations of the real United Nations, honing their skills of communicating and of defending and promoting their interests.

The Zámeček magazine

For several years now, the Foundation has been contributing funds to the Duha [Rainbow] civic association for producing its Zámeček [Little Chateau] magazine. Zámeček has been distributed to children in children's homes and other surrogate care institutions since 1997. Lukáš Kotlár, a final-year student at OPEN GATE, is the editor of the magazine.

Scholarship for a talented Czech pianist at Berklee

Tomáš Kača is a typical example of the kind of gifted and motivated students the Foundation gladly sponsors. Despite his difficult socioeconomic background, he has managed to graduate from the Prague Conservatoire and from the Academy of Performing Arts, and was accepted to the prestigious Berklee College of Music in Boston, U.S. There, he can also study the piano thanks to support provided by THE KELLNER FAMILY FOUNDATION.

Babický drak

The Foundation provided financial support to the Babický drak [The Babice Dragon] society, which organises various cultural, instructional and leisure activities for Babice residents.

Smišek

The Smíšek civic association operates preschool facilities and a children's club, through which it helps children to join the mainstream educational process, or start attending a special-needs school meeting their needs. It also prepares leisure activities for children and their parents with a view to helping them with their social integration.

Gifts Received and Grants Awarded

Gifts received in 2015

Donor	in CZK thousands
CITY TOWER, a.s.	9,000
PPF a.s.	3,000
PPF banka a.s.	140,000
Private donors	5
Total	152,005

Grants awarded in 2015

Beneficiary	in CZK thousands
Grants for OPEN GATE students*	38,751
Pomáháme školám k úspěchu o.p.s. [Helping Schools Succeed]	30,800
Grants for UNIVERSITIES students**	8,956
Grants under the SCIENCE programme	8,500
<i>of which:</i> Charles University in Prague	3,600
Palacký University in Olomouc	2,500
Institute of Biotechnology of the ASCR, v.v.i.	2,400
Grants for a talented Czech pianist at Berklee (the foundation of the Music and Dance Faculty of the Academy of Performing Arts in Prague)	300
Individual gifts***	1,456
Total	88,763

In its financial management, the Foundation adhered to the rules for the provision of foundation grants under Sections 353 to 356 of the Civil Code. This overview of gifts received and grants awarded was published in compliance with Section 358(3)(b) and (d) of the Civil Code.

* For reasons set out in Section 359(1) of the Civil Code, grants to individual students of OPEN GATE – gymnázium a základní škola, s.r.o. are not disclosed.

** See Appendix 1

*** See Appendix 2

Appendix 1

Grants to students included in the UNIVERSITIES program total CZK 8,955,997

[Names are written in the following format: 'Last Name' 'First Name']

	CZK		CZK
Abbasová Hana	22,954	Lalák Adam	110,162
Adlerová Barbora	74,128	Horská Karolína	162,509
Berger František	81,000	Hříbalová Kristýna	332,335
Buráň Michal	68,170	Pečeňa Adam	75,981
Čech Jaroslav	347,066	Podhájský Šimon	73,896
Flegelová Barbora	25,000	Fuchsová Nina	120,000
Hassan Alinnur	121,676	Třebický Jiří	35,170
Chalupa Lukáš	71,640	Hajda Ondřej	149,300
Jaškeová Nikola	106,300	Svoboda Marek	100,000
Jelínek Jiří	265,120	Trčková Dominika	626,475
Venenyová Jolana	541,812	Hausmanová Tereza	182,855
Kábrt Martin	71,064	Kouřilová Dominika	212,739
Leopoldová Zuzana	109,279	Kroupová Tereza	155,291
Licková Viktorie	185,096	Za Nzambi Jennifer	184,135
Mach Stanislav	107,056	Vošmera Jakub	80,000
Machálková Alena	59,667	Kohout Pavel	108,789
Marková Nikola	206,048	Jelínek Jonáš	152,686
Michalčák Ján	312,642	Mach Martin	160,000
Musil Jakub	189,428	Mysliveček Libor	324,462
Musilová Eva	271,050	Žídek Augustin	133,602
Paleček Petr	225,691	Gelnarová Michaela	89,530
Růžičková Tereza	130,020	Jirman Tomáš	160,441
Svobodová Anežka	279,887	Košata Jan	70,000
Titěra Tomáš	255,054	Čaloun Jakub	134,792
Vinárek Michal	169,168	Hrehorová Markéta	58,200
Vrtělová Jitka	378,510	Jordán Tomáš	255,590
Zlámalová Eliška	32,528		

Appendix 2

Individual gifts total CZK 1,456,357

	CZK
ARCUS - ONKO CENTRUM [a civic association]	20,000
Babický drak [The Babice Dragon]	100,000
Musilová Eva	22,885
Občanské sdružení Smíšek [a civic association]	100,000
The Beroun High School and Elementary School	115,000
The Frýdek-Místek Elementary School	48,000
Krutil Jiří	14,149
Zaykov Filip	95,628
Kroková Michaela	23,050
Mensa International – Mensa Czech Republic	185,000
Poláková Regina	38,813
Fišerová Kristýna (Academic Scholarship)	45,000
Kindergarten and Elementary School for Disabled Children in Liberec	20,000
Mikulová Denisa	17,149
Mikulová Kristýna	15,149
Mikulová Natália	15,649
The Loděnice Elementary School, the Beroun District	330,885
The municipality of Chyňava	250,000





Financials

Auditor's Report

**KPMG Česká republika Audit, s.r.o.**

Pobřežní 648/1a
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Česká republika
+420 222 123 111
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This document is an English translation of the Czech auditor's report.
Only the Czech version of the report is legally binding.

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

We have audited the accompanying financial statements of Nadace THE KELLNER FAMILY FOUNDATION, prepared in accordance with Czech accounting legislation, which comprise the balance sheet as of 31 December 2015, 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 Nadace THE KELLNER FAMILY FOUNDATION is set out in Note 1 and 2 of the notes 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, 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 about 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 financial position of Nadace THE KELLNER FAMILY FOUNDATION as of 31 December 2015, and of its financial performance for the year then ended in accordance with Czech accounting legislation.

Other Information

Other information is defined as information (other than the financial statements and our auditor's report) included in the annual report. The Board of Trustees is responsible for the other information.

Our opinion on the financial statements of Nadace THE KELLNER FAMILY FOUNDATION as of 31 December 2015 does not cover the other information and we do not express any form of opinion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information included in the annual report is not materially inconsistent with the financial statements or our knowledge obtained in the audit, whether the annual report is prepared in accordance with applicable legislation and whether such information otherwise does not appear to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Prague
6 May 2016

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

Benešová
Romana Benešová
Partner
Registration number 1834

Balance Sheet

Full length as of December 31, 2015 (in CZK thousands)

Ref.	Description	Row No.	Opening balance at the first day of the accounting period	Closing balance at the last day of the accounting period
a	b	c	1	2
	ASSETS	001	142,984	203,917
A.	Fixed assets	002	1,096	1,268
A. I.	Intangible fixed assets	003	1,926	2,077
A. I. 1.	Research and development	004	0	0
	3. Software	005	399	744
	4. Valuable rights	006	452	452
	5. Low value intangible fixed assets	007	0	0
	6. Other intangible fixed assets	008	881	881
	7. Intangible fixed assets in progress	009	194	0
	8. Advance payments for intangible fixed assets	010	0	0
A. II.	Tangible fixed assets	011	169	169
A. II. 1.	Land	012	0	0
	2. Works of art, items and collections	013	0	0
	3. Buildings	014	0	0
	4. Individual movable assets and sets of movable assets	015	169	169
	5. Cultivated areas	016	0	0
	6. Breeding and draft animals	017	0	0
	7. Low value tangible fixed assets	018	0	0
	8. Other tangible fixed assets	019	0	0
	9. Tangible fixed assets in progress	020	0	0
	10. Advance payments for tangible fixed assets	021	0	0

Full length as of December 31, 2015 (in CZK thousands)

Ref.	Description	Row No.	Opening balance at the first day of the accounting period	Closing balance at the last day of the accounting period
a	b	c	1	2
A. III.	Long-term investments	022	495	495
A. III. 1.	Equity investments in subsidiaries	023	0	0
	2. Equity investments in associates	024	0	0
	3. Long-term securities held to maturity	025	0	0
	4. Loans to branches	026	0	0
	5. Other long-term loans	027	495	495
	6. Other long-term investments	028	0	0
	7. Long-term investments in progress	029	0	0
A. IV.	Accumulated depreciation and amortization	030	1,494	1,473
A. IV. 1.	Accumulated amortization of research and development	031	0	0
	2. Accumulated amortization of software	032	361	78
	3. Accumulated amortization of valuable rights	033	366	452
	4. Accumulated amortization of low value intangible assets	034	0	0
	5. Accumulated amortization of other intangible fixed assets	035	697	844
	6. Accumulated depreciation of buildings	036	0	0
	7. Accumulated depreciation of individual movable assets and sets of movable assets	037	70	99
	8. Accumulated depreciation of cultivated areas	038	0	0
	9. Accumulated depreciation of breeding and draft animals	039	0	0
	10. Accumulated depreciation of low value tangible fixed assets	040	0	0
	11. Accumulated depreciation of other tangible fixed assets	041	0	0

Full length as of December 31, 2015 (in CZK thousands)

Ref.	Description	Row No.	Opening balance at the first day of the accounting period	Closing balance at the last day of the accounting period
a	b	c	1	2
B.	Current assets	042	141,888	202,649
B. I.	Inventories	043	17	0
B. I.	1. Material in stock	044	0	0
	2. Material in transit	045	0	0
	3. Work in progress	046	0	0
	4. Internally developed semi-finished products	047	0	0
	5. Finished goods	048	0	0
	6. Animals	049	0	0
	7. Goods on stock and in stores	050	17	0
	8. Goods in transit	051	0	0
	9. Advance payments for inventories	052	0	0
B. II.	Receivables	053	367	148
B. II.	1. Customers	054	147	147
	2. Bills of exchange to be paid	055	0	0
	3. Receivables from securities issued	056	0	0
	4. Operating advances paid	057	0	0
	5. Other receivables	058	0	0
	6. Receivables from employees	059	0	1
	7. Receivables from social security authorities and public health insurance	060	0	0
	8. Income tax	061	220	0
	9. Other direct taxes	062	0	0
	10. Value added tax	063	0	0

Full length as of December 31, 2015 (in CZK thousands)

Ref.	Description	Row No.	Opening balance at the first day of the accounting period	Closing balance at the last day of the accounting period
a	b	c	1	2
11.	Other taxes and charges	064	0	0
12.	Entitlements to subsidies and other settlements with the national budget	065	0	0
13.	Entitlements to subsidies and other settlements with budgets of regional authorities	066	0	0
14.	Receivables from association members	067	0	0
15.	Receivables from fixed-term transactions	068	0	0
16.	Receivables from bonds issued	069	0	0
17.	Other receivables	070	0	0
18.	Estimated receivables	071	0	0
19.	Provision for receivables	072	0	0
B. III.	Short-term financial assets	073	141,348	202,432
B. III. 1.	Cash on hand	074	76	60
2.	Cash equivalents	075	0	0
3.	Cash in banks	076	108,474	162,307
4.	Equity securities for trading	077	0	0
5.	Debt securities for trading	078	0	0
6.	Other securities	079	32,798	40,065
7.	Short-term investments in progress	080	0	0
8.	Cash in transit	081	0	0
B. IV.	Total other assets	082	156	69
B. IV. 1.	Prepaid expenses	083	156	69
2.	Accrued revenues	084	0	0
3.	Foreign exchange rate gains	085	0	0

Full length as of December 31, 2015 (in CZK thousands)

Ref.	Description	Row No.	Opening balance at the first day of the accounting period	Closing balance at the last day of the accounting period
a	b	c	1	2
	LIABILITIES	086	142,984	203,917
A.	Foundation's total holdings	087	142,670	203,558
A. I.	Net holdings	088	137,700	198,588
A. I. 1.	Endowment	089	1,000	1,000
	2. Funds	090	135,791	197,856
	3. Valuation difference on the revaluation of assets and liabilities	091	909	-268
A. II.	Profit (loss)	092	4,970	4,970
A. II. 1.	Profit (loss) account	093	0	0
	2. Profit (loss) to be approved	094	0	0
	3. Retained earnings, accumulated losses	095	4,970	4,970
B.	Liabilities	096	314	359
B. I.	Provisions	097	0	0
B. II.	Long-term liabilities	098	0	0
B. II. 1.	Long-term bank loans	099	0	0
	2. Bonds issued	100	0	0
	3. Leasing payables	101	0	0
	4. Long-term advances received	102	0	0
	5. Long-term bills of exchange payable	103	0	0
	6. Estimated payables	104	0	0
	7. Other long-term payables	105	0	0
B. III.	Short-term liabilities	106	314	359
B. III. 1.	Suppliers	107	214	169
	2. Bills of exchange payable	108	0	0
	3. Advances received	109	0	0
	4. Other payables	110	0	0

Full length as of December 31, 2015 (in CZK thousands)

Ref.	Description	Row No.	Opening balance at the first day of the accounting period	Closing balance at the last day of the accounting period
a	b	c	1	2
5.	Employees	111	48	52
6.	Other payables to employees	112	0	0
7.	Payables to social security authorities and public health insurance	113	31	35
8.	Income tax	114	10	59
9.	Other direct taxes	115	0	0
10.	Value added tax	116	0	0
11.	Other taxes and charges	117	0	0
12.	Liabilities to the national budget	118	0	0
13.	Liabilities to budgets of regional authorities	119	0	0
14.	Liabilities from subscribed outstanding securities and investments	120	0	0
15.	Payables to association members	121	0	0
16.	Payables arising from fixed-term transactions and options	122	9	42
17.	Other payables	123	2	2
18.	Short-term bank loans	124	0	0
19.	Discount loans	125	0	0
20.	Short-term bonds issued	126	0	0
21.	Bonds held	127	0	0
22.	Estimated payables	128	0	0
23.	Other short-term financial borrowings	129	0	0
B. IV.	Other liabilities	130	0	0
B. IV. 1.	Accrued expenses	131	0	0
2.	Deferred revenues	132	0	0
3.	Foreign exchange rate losses	133	0	0

Income Statement

Full length as of December 31, 2015 (in CZK thousands)

Ref.	Description	Row No.	Core activity	Economic activity	Total
a	b	c	1	2	3
A.	EXPENSES	001	3,378	42,898	46,276
I.	Total consumed purchases	002	161	0	161
1.	Consumed materials	003	161	0	161
2.	Consumed energy	004	0	0	0
3.	Consumed other non-storable supplies	005	0	0	0
4.	Goods sold	006	0	0	0
II.	Total services	007	1,559	321	1,880
1.	Repairs and maintenance	008	25	0	25
2.	Travel expenses	009	119	0	119
3.	Entertainment costs	010	42	0	42
4.	Other services	011	1,373	321	1,694
III.	Total personnel costs	012	1,238	0	1,238
1.	Wages and salaries	013	907	0	907
2.	Statutory social security contributions	014	314	0	314
3.	Other social security insurance	015	0	0	0
4.	Statutory social expenses	016	17	0	17
5.	Other social expenses	017	0	0	0
IV.	Total taxes and charges	018	2	0	2
1.	Road tax	019	0	0	0
2.	Real estate tax	020	0	0	0
3.	Other taxes and charges	021	2	0	2

Full length as of December 31, 2015 (in CZK thousands)

Ref.	Description	Row No.	Core activity	Economic activity	Total
a	b	c	1	2	3
V.	Total other expenses	022	186	1,866	2,052
1.	Contractual penalties and late charges	023	0	0	0
2.	Other penalties and fines	024	0	0	0
3.	Bad debt written off	026	0	0	0
4.	Interest	027	0	0	0
5.	Foreign exchange rate losses	028	22	1,435	1,457
6.	Gifts	029	62	0	62
7.	Deficits and damage	030	0	0	0
8.	Other and sundry expenses	031	102	431	533
VI.	Depreciation and amortization, asset disposals, provisioning	032	232	40,711	40,943
1.	Depreciation and amortization of tangible and intangible fixed assets	033	232	147	379
2.	Net book value of tangible and intangible fixed assets sold	034	0	0	0
3.	Securities and investments sold	035	0	40,564	40,564
4.	Materials sold	036	0	0	0
5.	Additions to reserves	037	0	0	0
6.	Additions to provisions	038	0	0	0
VII.	Total contributions provided	039	0	0	0
1.	Paid contributions accounted for between branches	040	0	0	0
2.	Membership dues paid	041	0	0	0
VIII.	Total income tax	042	0	0	0
1.	Additional payments of income tax	043	0	0	0

Full length as of December 31, 2015 (in CZK thousands)

Ref.	Description	Row No.	Core activity	Economic activity	Total
a	b	c	1	2	3
B.	INCOME	044	1,271	45,324	46,595
I.	Total revenues from production and goods	045	0	147	147
1.	Revenues from production	046	0	0	0
2.	Revenues from services	047	0	147	147
3.	Revenues from goods	048	0	0	0
II.	Total changes in intra-organization inventories	049	0	0	0
1.	Changes in the stock of work in progress	050	0	0	0
2.	Changes in the stock of semi-finished products	051	0	0	0
3.	Changes in the stock of products	052	0	0	0
4.	Changes in livestock headcount	053	0	0	0
III.	Capitalization	054	0	0	0
1.	Capitalization of materials and goods	055	0	0	0
2.	Capitalization of intra-organization services	056	0	0	0
3.	Capitalization of intangible fixed assets	057	0	0	0
4.	Capitalization of tangible fixed assets	058	0	0	0
IV.	Other revenues	059	1,271	2,383	3,654
1.	Contractual penalties and late charges	060	0	0	0
2.	Other penalties and fines	061	0	0	0
3.	Payments for receivables written off	062	0	0	0
4.	Interest	063	9	24	33
5.	Foreign exchange rate gains	064	23	1,725	1,748
6.	Transfer of assets from Funds to operating	065	1,239	0	1,239
7.	Other and sundry revenues	066	0	634	634

Full length as of December 31, 2015 (in CZK thousands)

Ref.	Description	Row No.	Core activity	Economic activity	Total
a	b	c	1	2	3
V.	Proceeds from asset disposal, reversal of reserves and provisions	067	0	42,794	42,794
1.	Proceeds from the sale of intangible and tangible assets	068	0	0	0
2.	Proceeds from the sale of securities and investment	069	0	41,681	41,681
3.	Proceeds from the sale of materials	070	0	0	0
4.	Proceeds from short-term financial assets	071	0	1,113	1,113
5.	Release of reserves	072	0	0	0
6.	Revenues from long-term investments	073	0	0	0
7.	Release of provisions	074	0	0	0
VI.	Contributions received	075	0	0	0
1.	Received contributions accounted for between branches	076	0	0	0
2.	Received contributions (gifts)	077	0	0	0
3.	Received membership dues	078	0	0	0
VII.	Operating subsidies	079	0	0	0
1.	Operating subsidies	080	0	0	0
C.	PROFIT (LOSS) BEFORE TAX	081	(2,107)	2,426	319
1.	Income tax	082	0	319	319
D.	PROFIT	083	(2,107)	2,107	0

Notes to the Financial Statements

Year ended December 31, 2015 (in CZK thousands)

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

Establishment and description of the Foundation

Nadace THE KELLNER FAMILY FOUNDATION (hereinafter also referred to as “the Foundation”) was registered 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 (the financial expression of which is now termed ‘the foundation capital’) totals CZK 1,000,000. Upon establishment, the Foundation had an endowment (‘the foundation capital’) of CZK 500,000; the endowment (‘the foundation capital’) was increased by another CZK 500,000 due to a merger with the Educa Foundation. The merger was entered in the Register of Foundations on July 27, 2011. The funds equaling the endowment are deposited in a separate account kept at PPF banka a.s., account number 2012010002/6000. They are composed of the founders’ financial contributions, with the contribution made by each of the founders amounting to CZK 500,000.

The Foundation is an apolitical non-profit legal entity serving the public good as well as philanthropic causes. 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 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 research and development, and by providing support in the event of natural and humanitarian disasters, and support for sports, for persons who are relatives of the founders, and for cultural development, art, and the protection of cultural heritage.

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, Section O, File 702, on December 16, 2009. 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, 2015

Board of Trustees as of December 31, 2015:

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

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

Supervisory Board as of December 31, 2015:

Chair:	Mrs. Karina Divišová
Member:	Mr. Richard Sedláčko
Member:	Mr. Tomáš Vališ

Changes in the Register of Foundations in 2015

On March 20, 2015, Mr. Richard Sedláčko's three-year Supervisory Board membership expired. On March 21, 2015, he was re-elected to the Supervisory Board for the next three-year term. The change was entered in the Register of Foundations on May 6, 2015.

On May 25, 2015, Mr. Petr Kellner's and Mrs. Renáta Kellnerová's three-year trusteeship expired. On May 26, 2015, the Board of Trustees elected Mr. Petr Kellner and Mrs. Renáta Kellnerová to the Board of Trustees for the next three-year term, and the latter as the Chairwoman of the Board of Trustees. The changes were entered in the Register of Foundations on July 10, 2015.

On December 10, 2015, the founders restructured the Foundation's founding document to comply with Act No. 89/2012, the Civil Code, as amended. The change was entered in the Register of Foundations on April 8, 2016. The Board of Trustees subsequently approved the new Charter of the Foundation on December 18, 2015.

4. ACCOUNTING PERIOD COVERED BY THE FINANCIAL STATEMENTS AND THE BALANCE SHEET DATE

The unit's accounting period is the calendar year 2015. Under Section 19(1) of Act No. 563/1991 on Accounting, December 31, 2015 is the balance sheet date.

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.

Funds received are recognized in the Income Statement to credit the Transfer of assets from Funds to operating account, in the costs incurred by projects or by operating activities in each year.

(b) Endowment (= 'the foundation capital')

'The foundation capital' means the financial expression of the endowment. The Foundation's foundation capital is entered in a public register and amounts to CZK 1,000,000.

(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.

(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 include, in particular, funds held in checking accounts in banks.

Short-term financial assets also include the debt securities that the accounting unit holds primarily for the purpose of trading. Short-term financial assets are valued at the acquisition 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 Reserves and 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".

(i) Currency translation

The accounting unit uses the Czech National Bank's daily rates of exchange for translating transactions in foreign currencies into Czech crowns. During a year, the Foundation only posts realized foreign exchange gains and losses.

Assets and liabilities in foreign currencies are translated as of the balance sheet date using the forex market rate declared by the Czech National Bank. Unrealized foreign exchange gains and losses of short-term financial assets are recognized in the profit or loss. Financial investments and receivables and liabilities in foreign currencies are restated in the balance sheet as of the balance sheet date.

(j) Income tax

Income tax liability is calculated using the applicable tax rate, from the accounting profit, increased or decreased by permanently or temporarily non-deductible costs or, as applicable, non-taxable revenues.

(k) Accounting for expenses and revenue

Expenses and revenues are recognized on an accrual basis, i.e. booked to the period to which they relate. In line with the principle of caution, the Foundation charges to costs any provisions to cover all risks, losses and impairments of which the Foundation is aware as of the day of the preparation of the financial statements.

6. ADDITIONAL INFORMATION ABOUT THE BALANCE SHEET

(a) Short-term financial assets

Money is deposited in checking accounts and held as cash on hand in Czech crowns and in each of the foreign currencies, translated into Czech crowns using the procedure described in note 5(i). On December 31, 2015, the balance in bank accounts stood at CZK 162,307,000 (2014: CZK 108,474,000). On December 31, 2015, cash on hand amounted to CZK 60,000 (2014: CZK 76,000).

As of December 31, 2015 the Foundation had the following short-term financial assets:

2015						
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						
CEB L+50 02/07/2021	100	2,789	7	2,796	(81)	2,715
CITY TOWER HOLD. ZERO 20/11/2017	9	8,041	--	8,041	334	8,375
HZL SBERBANK CZ 3.2 11/10/2016	10000000	10,348	70	10,418	(200)	10,218
ING BANK NV L+83 30/11/2017	100	5,061	5	5,066	2	5,068
RUSSIAN FEDERAL 3.25 4/4/2017	1	4,664	39	4,703	287	4,990
SKODA TRANSPORTATION 3 26/06/20	2	5,949	92	6,041	53	6,094
ZAPADOSLOV. ENRG 2.875 14/10/18	100	2,984	16	3,000	(127)	2,873
Total bonds		39,836	229	40,065	268	40,333
2014						
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
Securities						
CITY TOWER HOLD. ZERO 20/11/2017	5	4,371	--	4,371	101	4,472
GAZ CAPITAL 8.125 4/2/2015	100	2,827	203	3,030	(68)	2,962
HOME CREDIT BV 6.25 22/6/2016	6	18,591	588	19,179	(932)	18,247
HZL SBERBANK 3.2 11/10/2016	4,000,000	4,181	28	4,209	(41)	4,168
ING BANK NV L+83 30/11/2017	40	2,007	2	2,009	31	2,040
Total bonds		31,977	821	32,798	(909)	31,889

(b) Liabilities due to derivatives

2015	Contract amounts		
	Receivables (CZK thousands)	Payables (CZK thousands)	Fair value (CZK thousands)
Currency swaps			
SWAP EUR/CZK 26.96 29/01/2016	5,391	(5,406)	(15)
SWAP USD/CZK 24.65 29/01/2016	3,993	(4,020)	(27)
Total currency swaps	9,384	(9,426)	(42)

2014	Contract amounts		
	Receivables (CZK thousands)	Payables (CZK thousands)	Fair value (CZK thousands)
Currency swaps			
SWAP EUR/CZK 27.642 30/01/2015	2,750	(2,759)	(9)
Total currency swaps	2,750	(2,759)	(9)

(c) Receivables

At December 31, 2015, the Foundation reports CZK 147,000 (2014: CZK 147,000) in receivables from customers. All receivables had been paid by the date of preparation of these financial statements.

(d) Liabilities

At December 31, 2015, liabilities to suppliers totaled CZK 169,000 (2014: CZK 214,000). All liabilities had been paid by the date of preparation of these financial statements.

(e) Fixed assets

Intangible fixed assets (in CZK thousands)

	IFA in progress	Software	Valuable rights	Other IFA	Total
Acquisition cost					
Balance on January 1, 2015	194	399	452	881	1,926
Additions	--	744	--	--	744
Disposals	(194)	(399)	--	--	(593)
Transfer	--	--	--	--	--
Balance on December 31, 2015	--	744	452	881	2,077
Accumulated amortization					
Balance on January 1, 2015	--	361	366	697	1,424
Amortization	--	116	86	147	349
Accumulated amortization of disposals	--	(399)	--	--	(399)
Balance on December 31, 2015	--	78	452	844	1,374
Net book value on January 1, 2015	194	38	86	184	502
Net book value on December 31, 2015	--	666	--	37	703

Tangible fixed assets (in CZK thousands)

	Plant and machinery	Total
Acquisition cost		
Balance on January 1, 2015	169	169
Additions	--	--
Disposals	--	--
Transfer	--	--
Balance on December 31, 2015	169	169
Accumulated depreciation		
Balance on January 1, 2015	70	70
Depreciation	29	29
Accumulated depreciation of disposals	--	--
Transfer	--	--
Balance on December 31, 2015	99	99
Net book value on January 1, 2015	99	99
Net book value on December 31, 2015	70	70

(f) Prepaid expenses

Prepaid expenses totaled CZK 69,000 (2014: CZK 156,000), of which CZK 32,000 (2014: CZK 117,000) were comprised of unconsumed promotional brochures, and the balance comprised other unconsumed office material and cost of asset insurance for the subsequent period.

7. HOLDINGS ALLOCATED TO COVERING FIXED AND CURRENT ASSETS

	Registered endowment	The organization's Funds	Revaluation differences	Retained profit, accumulated losses	Total
Balance on January 1, 2015	1,000	135,791	909	4,970	142,670
Financial gifts received	--	152,005	--	--	152,005
Financial grants awarded	--	(88,701)	--	--	(88,701)
Gifts in kind provided	--	(62)	--	--	(62)
Transfer from Funds to cover administrative costs	--	(1,177)	--	--	(1,177)
Securities revaluation difference	--	--	(1,177)	--	(1,177)
Profit (loss) for 2015	--	--	--	--	--
Balance on December 31, 2015	1,000	197,856	(268)	4,970	203,558

8. ADDITIONAL INFORMATION ABOUT THE INCOME STATEMENT

(a) Income (in CZK thousands)

	2015
Revenue from own activity	1,271
Revenue from economic activity	45,324
Total	46,595

The Foundation's income was comprised of the following: royalties of CZK 147,000 from the use of a copyrighted work and interest income of CZK 33,000, of which CZK 9,000 was interest accrued on a term deposit holding the endowment, which is exempt from tax; further, exchange rate gains of CZK 1,748,000 and transfer of assets from Funds of CZK 1,239,000. "Additional other income" of CZK 634,000 includes the re-measurement of bonds and derivatives. Additional income liable to tax includes proceeds from the sale of bonds, amounting to CZK 41,681,000. Related to this amount is interest income from bonds amounting to CZK 1,113,000.

(b) Expenses (in CZK thousands)

	2015
Costs of own operation (administration)	3,316
Costs of grants awarded (in cash)	--
Costs of grants awarded (in kind)	62
Costs of economic activity, including income tax	42,898
Total	46,276

The costs of core activity include CZK 3,316,000 in Foundation administration costs. The costs of economic activity, amounting to CZK 42,898,000, were largely incurred in the sale of securities; of this amount, CZK 40,564,000 is the residual price of the securities sold, CZK 1,435,000 is foreign exchange losses, CZK 431,000 is re-measurement of the securities as of the balance sheet date, and CZK 321,000 is the cost of the intermediating services procured. The balance of the cost of economic activity, CZK 147,000, is amortization of a copyrighted work, which the Foundation reinvoices.

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

	2015
Profit (loss) from core activity	(2,107)
Profit (loss) from non-core activity after tax	2,107
Total	--

9. GIFTS RECEIVED AND GRANTS AWARDED

(a) Gifts received (in CZK thousands)

Donor	2015	2014
CITYTOWER, a.s.	9,000	--
Home Credit a.s.	--	7,523
PPF a.s.	3,000	5,000
PPF banka a.s.	140,000	90,000
PPF IT Services s.r.o.	--	3,000
Private donors	5	819
Total	152,005	106,342

(b) Grants awarded (in CZK thousands)

Donee	2015	2014
Students, to the account of OPEN GATE – gymnázium a základní škola, s.r.o.	38,751	39,552
Pomáháme školám k úspěchu o.p.s. [Helping Schools Succeed]	30,800	35,340
Contributions to students at foreign universities	8,956	11,193
Charles University in Prague	3,600	3,600
Palacký University in Olomouc	2,500	2,500
Institute of Biotechnology, ASCR, v.v.i.	2,400	2,400
Loděnice Elementary School	331	--
Nadace Hudební fakulty AMU [the foundation of the Music and Dance Faculty of the Academy of Performing Arts in Prague]	300	300
The municipality of Chyňava	250	250
The municipality of Ptice	--	250
Helping Hands Medical Project Jadan India, a trust	--	500
Kunratice Elementary School, Praha 4	--	280
Other	875	1,244
Total	88,763	97,409

10. EMPLOYEES AND MANAGERS

Average number of employees and managers, and personnel costs for 2015 and 2014:

2015	Number of employees	Wage costs (CZK thousands)	Social security and health insurance costs (CZK thousands)	Social costs (CZK thousands)
Employees	2	907	314	17
2014	Number of employees	Wage costs (CZK thousands)	Social security and health insurance costs (CZK thousands)	Social costs (CZK thousands)
Employees	2	881	305	17

In 2015, the Foundation did not provide any financial or non-financial remuneration to the members of the Board of Trustees and the Supervisory Board.

11. LIABILITIES UNDER SOCIAL SECURITY AND HEALTH INSURANCE

Liabilities under social security and health insurance in 2015 amount to CZK 35,000 (2014: CZK 31,000), of which CZK 25,000 (2014: CZK 22,000) represents liabilities under social security and CZK 10,000 (2014: CZK 9,000) represents liabilities under health insurance. All these liabilities were paid within statutory time limits.

12. INFORMATION ABOUT FEES FOR STATUTORY AUDITORS (in CZK thousands)

	2015	2014
Statutory audit	6	6
Total	6	6

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 taxable income by as much as 30%, set out in Section 20(7) of Act No. 586/1992, the Income Tax Act, as amended ("Income Tax Act") was used. For the 2015 fiscal period, the estimated corporate income tax is CZK 319,000.

(b) Tax relief from 2014 applied in 2015

The tax liability saving achieved by applying tax relief of CZK 448,000 (2013: CZK 779,000) was used for advertising and promoting the Foundation's core activity in 2015.

(c) In the fiscal period of 2015, the Foundation used tax relief for accepted gifts under Section 19b(2)(b)(1) of the Income Tax Act.

14. SIGNIFICANT SUBSEQUENT EVENT

No significant subsequent event that could have an impact on the financial statements as of December 31, 2015 had occurred by the date of the preparation of the financial statements.



Date: May 6, 2016

Signature of the responsible person: Renáta Kellnerová



Nadace

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