



ANNUAL REPORT 2017

THE KELLNER FAMILY FOUNDATION

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The Chairwoman's Statement

Dear Friends,

In 2017, THE KELLNER FAMILY FOUNDATION worked for nine years on projects primarily geared towards education in the Czech Republic. Using an analogy with the education system, our Foundation successfully completed the equivalent of the compulsory nine-years school attendance. The first philanthropic project that my husband and I launched (at the time still under the Educa Foundation brand) was the Open Gate eight-year grammar school. I am delighted about the Foundation's activities to date and we have good foundations for pursuing them in the coming years.

Over the past nine years, we have distributed a total of CZK 621 million to students, teachers, researchers, and individual beneficiaries of assistance through THE KELLNER FAMILY FOUNDATION. In 2017 alone, we distributed almost CZK 88 million.

In need-based grants, the students of the Open Gate eight-year grammar school received more than CZK 40 million in 2017. At the end of 2017, this school was attended by 254 children, of whom 96 were able to do so thanks to sponsorship of our Foundation. Since 2005 when the grammar school was opened in Babice near Prague, 56% of all of its students have received financial support from the Foundation. Many of them are children growing up in children's homes, foster families or otherwise disadvantaged social environments.

Also in 2017, the graduates of the Open Gate eight-year grammar school achieved excellent results in their final examinations, including both the Czech national examinations and the International Baccalaureate (IB). In IB examinations, last year's graduates passed with an overall average score of 40 points, which ranked them among the most successful students globally.

The Foundation continues to dedicate great efforts to help improve teaching at public primary schools. For the Helping Schools Succeed scheme, we allocated almost CZK 37 million from the Foundation's budget, the same as in 2016. Experts from Helping Schools Succeed helped almost 800 teachers to improve their teaching skills at the 22 schools included in the scheme. Thanks to this support and the teachers' unwavering effort, more than 8,700 pupils were able to achieve greater academic experience and boost their positive relationship to education.

The twelve Universities project grantees successfully graduated from universities and other higher education institutions in 2017. In the current academic year 2017/2018, we are sponsoring 61 students who, in autumn last year, were heading for universities such as the University of Oxford, the University of Cambridge, Yale University and others. Over the eight years since the launch of the Universities project we have allocated financial grants to as many as 149 graduates from secondary schools across the Czech Republic.

I want to use this opportunity to express my gratitude and thanks to all those that are actively participating in our family foundations. I believe that assistance – provided on a day-to-day and a long-term basis – in the education of children, students and teachers contributes to a better future for our country.

Renáta Kellnerová
Chairwoman, Board of Trustees
THE KELLNER FAMILY FOUNDATION

Profile

The Kellner Family Foundation, a family foundation of Mrs Renáta Kellnerová and Mr Petr Kellner, was set up in 2009 with a view to promoting mainly long-term educational projects intended for primary school pupils and their teachers, students of secondary schools and higher education institutions, and also postgraduates. It seeks out and supports motivated children and young people who grow up in environments that impede or prevent their access to high-quality education. The Foundation allocates the largest part of funds to need-based grants for the Open Gate grammar school's students and also students at Czech and foreign universities in the form of financial grants, and for the Helping Schools Succeed project, running at public primary schools.

Mrs Renáta Kellnerová and Mr Petr Kellner established THE KELLNER FAMILY FOUNDATION in 2009 and, two years later, merged it with the Educa Foundation, which until then had been providing grants to the Open Gate grammar school's students. THE KELLNER FAMILY FOUNDATION has followed up on Educa's mission, and therefore continues to support academically gifted children and young people growing up in children's homes, broken families, or otherwise challenging socio-economic environments. Later, additional efforts included improving the quality of teaching at public primary schools in the Czech Republic and facilitating and broadening the opportunities for teachers to learn new and better ways to teach their students.

The largest portion of the Foundation's gifts has long been channelled into the **Open Gate** project. Through need-based and academic excellence scholarships the Foundation makes it possible for students coming from socially disadvantaged environments to attend the Open Gate eight-year grammar school. The grammar school was opened in 2005 and since then, 552 students have attended or are attending it; 308 individuals, i.e. 56%, have received full or partial grants from the Foundation. Open Gate also offers boarding in dormitories to students, enabling young people from all over the country to attend the grammar school. Students complete their schooling by sitting the Czech national school-leaving examination and they can also sit for the International Baccalaureate (IB) examination, in which Open Gate graduates achieve superior results every year; they need not be afraid of being compared with graduates of the most successful secondary schools globally.

In terms of the amount of support provided, our second most important project is **Helping Schools Succeed**. Since 2010, it has been providing public primary schools with resources to help their teachers and management to improve their skills, learn new methods, and have more time to dedicate to their students in full. The experts enlisted in this scheme prepare a number of various teaching and guidance materials, instructive videos, the *Kritická gramotnost* (Critical Literacy) quarterly journal, and countless technical seminars and conferences.

The third scheme is the **Universities** project. Its underlying idea is that it is important to support promising grammar school students in their higher education pursuits. As part of the scheme, THE KELLNER FAMILY FOUNDATION provides grants to graduates of Czech secondary schools, including grammar schools, enabling them to continue their education at universities in the Czech Republic and beyond. The Foundation pays school fees as well as other costs such as travel costs or the costs of living in a foreign country for talented students.

In addition to these core projects, the Foundation also provides financial grants to other individuals and institutions for scientific research, culture, and health promotion projects.

Since it was set up, THE KELLNER FAMILY FOUNDATION has contributed more than CZK 621 million to socially beneficial activities.

Foundation Bodies as at 31 December 2017

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

**Mrs Renáta Kellnerová,
THE KELLNER FAMILY FOUNDER founder
and Chairwoman of THE KELLNER FAMILY
FOUNDATION 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. Upon 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 grants also give motivated children from environments none too favourable for education the chance to receive a high-quality education.

Mrs Renáta Kellnerová also co-founded the Educa Foundation, which began providing need-based grants to Open Gate students and sponsored the further education of graduates from Czech secondary schools under the Universities project. 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. They own, among other things, one of the largest collections of Josef Sudek's photographs. They spend their leisure time actively, mainly outdoors, and engage in various sports, including snowboarding, kiting and biking.

**Mr Petr Kellner,
THE KELLNER FAMILY FOUNDATION founder
and trustee**

Mr Petr Kellner is one of the founders of PPF Group and manages this Group's strategic development and further direction. Over more than twenty-five years in operation, 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, biotechnologies, insurance, retail services and real estate, through to farming. PPF Group operates in Europe, Asia, and the US.

In December 2002, Mr Petr Kellner and his wife Renáta set up the Educa Foundation, which granted funds for building and operating the Open Gate eight-year grammar school in Babice, central Bohemia. Following the merger of Educa into, the then new, THE KELLNER FAMILY FOUNDATION, Open Gate students receive need-based grants totalling approximately CZK 40 million per year for school fees.

Both personally and through his companies, Mr Petr Kellner also contributes to other individuals and institutions for their 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 Prague art galleries The Josef Sudek Studio and The Václav Špála Gallery, continue to live. PPF has provided musical instruments valued at a total of CZK 20 million to the virtuoso musicians in the Czech Philharmonic Orchestra; through its CETIN subsidiary, PPF is the partner for the Prague Spring music festival.

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 7 April 2009, in a document (deed) establishing Nadace THE KELLNER FAMILY FOUNDATION

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

Endowment as at 31 December 2017 CZK 1,000,000

Registered office Nadace THE KELLNER FAMILY FOUNDATION, Evropská 2690/17, 160 41 Praha 6-Dejvice
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 family foundation of Mrs Renáta Kellnerová and Mr Petr Kellner seeks to help pupils and students of primary and secondary schools and of universities and other higher education institutions to acquire quality education. Therefore, the Foundation mainly focuses on long-term educational projects. It seeks to provide easier access to good education for motivated children and young people possessing academic potential but from difficult social backgrounds.

The core projects into which THE KELLNER FAMILY FOUNDATION is channelling the largest part of funds include need-based grants for Open Gate students, grants under the Universities programme for students of higher education institutions and universities, and grants to the Helping Schools Succeed project for public primary schools.



OPEN GATE

The Open Gate eight-year grammar school and primary school in Babice near Prague is one of the best-rated schools in the Czech Republic. Children from children's homes, foster homes, or financially disadvantaged families study alongside those from fee-paying families. Nevertheless, nobody can tell the difference between them as all children are selected on the same admission tests, with diligence and talent being preconditions for attending the school.

Open Gate is a school that promotes an open-minded approach to talent and encourages students to look for original solutions. It provides academically, artistically, technically and/or athletically gifted students with opportunities to excel. There are usually 18 students per classroom, and at the higher level of the grammar school, i.e. from the fifth year, lessons are mainly provided in English. Extracurricular activities are also designed with a view to each student's particular talents. Children are also educated about how to help in their leisure time, for example, joining community work, visiting homes for the elderly, etc...

In the current academic year, as at 31 December 2017 the Open Gate grammar school had 254 students, of whom 96 were sponsored by THE KELLNER FAMILY FOUNDATION. Eight of these grantees come from children's homes, 13 are in foster care, and 37 come from complete and 38 from disadvantaged families.

The grammar school was opened in 2005 and since then 552 students have attended or are attending it; 308 of them, i.e. 56% of all students, have received need-based grants from the Foundation.

Before the end of their enrolment Open Gate students decide whether they want to sit for the International Baccalaureate (IB) in addition to the Czech school-leaving examination, or only take one of these options. More than 100,000 secondary school students in 145 countries sit for IB every year and Open Gate graduates are among the very best in terms of their results. In 2017, all 18 graduates were successful in passing the complete examination or in tests for some of the IB certificates. Students also achieved an overall average score of 40 points; for illustration, only approximately 20% of all IB graduates globally score more than 36 points. Open Gate graduates also achieve some of the best results in the Czech school-leaving examinations.

In 2017, THE KELLNER FAMILY FOUNDATION donated a total of CZK 40.159 million in need-based grants for Open Gate grammar school students.





New Open Gate principal

Following eleven years with Open Gate, Peter Nitsche, the principal, has decided to end his professional career and retire. Effective from 1 July 2017, Kateřina Kožnarová became the new principal of the school, having previously been Head of the Sciences section at the grammar school and a biology and social sciences teacher.



Kateřina Kožnarová knows Open Gate very well, having spent ten years at the school. In recent years, she has also been contributing to the development of the school as an advisor for the school curriculum and contributing to the professional development of its teaching staff. Kateřina Kožnarová graduated from Charles University's Faculty of Education, and is also a certified biology examiner for International Baccalaureate.



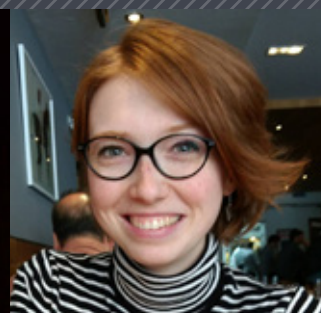
International Baccalaureate at Open Gate

International Baccalaureate (IB) is one of the most challenging and comprehensive examinations in the world. Open Gate was the first Czech eight-year grammar school to offer IB to its students in 2009. Open Gate grammar school students achieve superior results, both individually and in terms of the overall average, on a long-term basis. Scoring an overall average of 40 points, all 18 graduates (sitting for complete examinations or one of the IB certificates) were successful in the 2017 examinations. The global average result has long been around 30 points out of the 45 points possible.



Open Gate graduates 2017

The doors are wide open for Open Gate graduates whatever avenue they decide to follow after graduation from the grammar school. In 2017, three graduates headed to the US to enrol at Yale University in Connecticut, Drew University in New Jersey, and Mills College in California. One graduate is taking an extramural course at the Berklee College of Music in the US. Six former Open Gate students have left for the UK to attend the University of Cambridge, the London School of Economics and Political Science, the University of St Andrews, the University of Edinburgh, with two students going to the University of Aberdeen. Other students have left for the Netherlands to attend the University of Groningen and for Switzerland to attend Les Roches the International School of Hotel Management. Six students have continued their education in Prague, specifically at the Anglo-American University in Prague, with two students going to the CEVRO Institut, ČVUT and two attending Charles University's Faculty of Mathematics and Physics. Seven of these Open Gate graduates have won grants under the Universities scheme.



UNIVERSITIES

Through financial grants, the Universities scheme supports Czech students at foreign and Czech universities. Students achieving superior academic results can apply for the grants.

In the 2017/2018 academic year, 24 new students were awarded a grant and started their first year, with and 37 grantees, supported by the Foundation, continuing their studies which had begun in previous years. In the eight years that the project has been running, 149 graduates from secondary schools have received funds for school fees and other costs incurred in university enrolment. In addition, the Foundation has been supporting university students and more than 70 young people have graduated from the universities of their dreams both in the Czech Republic and elsewhere in the world.

In 2017, THE KELLNER FAMILY FOUNDATION distributed CZK 8.9 million in grants to 61 university students.

List of universities attended, now or in the past, by the Universities grantees



Belgium

- Royal Conservatoire de Bruxelles

The Czech Republic

- Charles University's 1st, 2nd and 3rd Faculties of Medicine
- Academy of Social Arts
- Akcent College
- Anglo-American University in Prague
- Czech University of Life Sciences
- Czech Technical University in Prague
- Metropolitan University Prague
- Unicorn College
- University of New York in Prague
- Johann Amos Comenius University
- Charles University
- CEVRO Institute
- University of Finance and Administration
- The Institute of Hospitality Management, Prague
- University of Chemistry and Technology, Prague
- College of Performing Arts

Denmark

- Copenhagen Business School

France

- Conservatoire à Rayonnement Régional de Paris

Italy

- Bocconi University
- Libera Accademia di Belle Arti

Japan

- Keio University

Germany

- Hochschule für Music Nürnberg
- Technische Universität Dresden

The Netherlands

- University of the Arts-Codarts, Rotterdam
- Erasmus Universiteit Rotterdam
- Maastricht University

Sweden

- Royal College of Music in Stockholm

Switzerland

- École polytechnique fédérale de Lausanne

The US

- Bennington College
- Berklee College of Music
- Boston University
- Columbia University
- Drew University
- The Geisel School of Medicine
- Grinnell College
- Harvard University
- Chapman University
- Lynn University
- Manhattan School of Music
- Northwestern University
- The Juilliard School of Music New York
- The University of Chicago
- Yale College
- Yale University

United Kingdom

- Abertay University
- Aberystwyth University
- Bath Spa University
- Cardiff University
- Coventry University
- De Montfort University
- Durham University
- Imperial College London
- London Metropolitan University
- The London School of Economics and Political Science
- Newcastle University
- Oxford Brookes University
- The Royal Academy of Music
- The University of Aberdeen
- The University of Edinburgh
- The University of Manchester
- The University of Warwick
- University College London
- The University of Bath
- The University of Birmingham
- The University of Brighton
- The University of Bristol
- The University of Cambridge
- The University of Derby
- The University of Exeter
- The University of Glasgow
- The University of Chester
- The University of Leicester
- The University of Oxford
- The University of Reading
- The University of Sheffield
- The University of Southampton
- The University of St Andrews
- The University of York

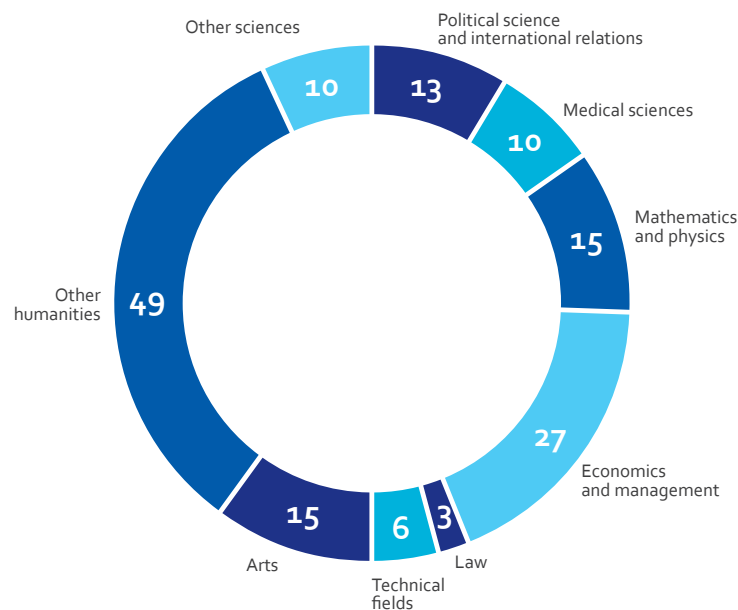
UNIVERSITIES grantees in the 2017/2018 school year

THE KELLNER FAMILY FOUNDATION sponsors 61 grantees under the Universities scheme in the 2017/2018 school year; 24 of those for the first year, 21 for the second year, seven for the third year, five for the fourth year, one for the fifth year, two for the sixth year, and one for the seventh year.

The new grantees include, for example, Jakub Přibáň who passed the International Baccalaureate examination with a full score of 45 points in May, thereby joining the group of fewer than 100 students worldwide to have achieved that score.

Tereza Rozumková, who is pursuing her passion for art and video games as part of reading Game Art at the De Montfort University in the United Kingdom, is now also carrying out her dream. Her aim is to participate in the creation of games that are beneficial for the world, and thanks to which people will be able to help themselves and others. "I would like to develop my concept of video games helping people with mental disorders, and to work on the development of such games, thereby also using and diversifying the valuable knowledge of psychology that I have acquired at the secondary school," Tereza said during her interview in the grant-award process.

Grantees' fields of study now or in the past



How are UNIVERSITIES grantees faring?

Marek Svoboda

As with the overwhelming majority of medical students in the US, Marek took the USMLE (United States Medical Licensing Exam) Step 1 test after completing the second year of medicine. Step 1 is the first of the three licensing examinations for physicians in the United States. It is a one-day examination administered in one eight-hour testing session, which gauges all knowledge acquired to date. Marek achieved an above-average score (the 85th percentile), and he can therefore go for any specialisation based on his preferences.

Natálie Uhlíková

In 2017, Natálie was deciding on the partner university she would be sent to as part of her Chemistry with Research Abroad course at Imperial College London. She won one year at Emory University, Atlanta, USA.

Martin Mach

Martin completed his second year at Oxford, passing the summer examinations with honours. He spent the holidays at the University immersed in experimental mathematics research, studying fractals.

Adam Polánek

Adam received the highest possible marks for his essays on Renaissance artists and on 19th century novels. He was elected as the students' representative to the students group of Amnesty International Society, an international apolitical human rights organisation, at the University of St Andrews. Thanks to this, he continues to keep in touch with British MPs.

Mariana Scholzová

In 2017, Mariana was involved in the setting up of the Plastic Free Edinburgh local group for the Plastic Free Scotland campaign. She has actively joined the fight for legislative changes and is helping to raise awareness of the impact of disposable plastics.

Tereza Růžičková

Tereza was nominated for the MOSTY Award, which is recognition for personalities active in the movement of people with health disabilities, for founding the Nevypust' duši non-profit organisation. Tereza has also won the Weiskrantz prize for the best overall performance in the Honour School of Experimental Psychology in her year at the University of Oxford and spent two months as a Research Assistant at its Department of Psychiatry, where she will continue in her doctoral course from the autumn of 2018.



The Kellner Family Foundation's Universities project grantees meeting in August 2017

Universities: The 2016/17 Graduates

Michal Buráň

Continues in his Mathematics doctoral course at the University of Cambridge.

Petr Doležal

Continues in his Natural Sciences course at the University of Cambridge.

Zuzana Leopoldová

Continues at University College London.

Viktorie Licková

Completed her bachelor's course at Coventry University in London and now works in the UK as an independent illustrator and photographer.

Nikola Marková

Completed her bachelor's course in Psychology with an honours degree at the University of Glasgow's School of Psychology (Scotland).

Ján Michalčák

Continues taking a one-year International Politics master's course at Leiden Universiteit in the Netherlands.

Jakub Musil

Having successfully completed his four-year Celtic & Linguistics course at the University of Edinburgh in Scotland he continues as a Research Assistant at the same university.

Denisa Nová

Continues at VŠE in Prague, specialising in Applied Information Science.

Lucie Studená

Completed her Natural Science course at the University of Cambridge. After graduation, she took several research fellowships in bioengineering and is now preparing for continuing her studies of this discipline.

Adéla Ševčíková

Completed her master's course in the Violin at the Royal Academy of Music in London. She spent the summer working at a Junior department of the Royal Academy of Music and since September 2017 has been teaching the violin in London. Since January 2018, she has been a member of the Southbank Sinfonia orchestra in London.

Marek Švejkar

Continues in Paris at Conservatoire à rayonnement régional de Paris. He is the first ever Czech clarinet player at this conservatoire.

Tomáš Titěra

Having completed his bachelor's course at Erasmus Universiteit Rotterdam in the Netherlands, he continues his education at Charles University's Faculty of Arts in Prague in the first year of his master's course in New Media Studies.



HELPING SCHOOLS SUCCEED

Helping Schools Succeed is a project targeted at teachers of public primary 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 Foundation, is responsible for operating the project.

Helping Schools Succeed pursues the ambition of improving the quality of teaching, emphasising a personalised approach by teachers to pupils. Its underlying philosophy is that long-term educational, financial and personal support will help teachers to better discern pupils' individual needs and better adjust their style of instruction, thereby achieving the best possible teaching results. The Helping Schools Succeed project is running under the aegis of the Ministry of Education, Youth and Sports and its purpose is to help as many children possible to learn at good schools, and both fully and happily.

THE KELLNER FAMILY FOUNDATION granted CZK 36.8 million to Helping Schools Succeed in 2017.

Helping Schools Succeed: Facts and Figures:

22 supported schools and almost 800 teachers:

- 10 model schools**
- 9 reading skills schools**
- 3 cooperating schools**

73 teachers at 37 schools across the country, who work together to introduce the 'reading continuum' into instruction

More than 8,700 children able to experience greater academic achievements and boost their positive relationship to education thanks to the project support and the teachers' unwavering effort

Almost CZK 37 million granted every year to improve teaching at Czech primary schools

5 full-time staff members and several dozen expert consultants and collaborators of the project



Schools enrolled in the project in 2017

Model schools

Model schools in the project are a practical example of schools that are learning and seek success for each and every pupil. They offer inspiration to other schools around them. They are open to all who want to gain insight into teaching. They promote the idea of schools learning from each other and sharing experiences.

- **Primary School in Kunratice, Prague**
- **The Mendel Primary School and Kindergarten, Karviná, the Moravian-Silesian Region**
- **Primary School in Zdice, the Central Bohemian Region**
- **Primary School and Kindergarten in Horka nad Moravou, the Olomouc Region**
- **Primary School in Staňkov, the Plzeň Region**
- **The Tomáš Šobr Primary School in Písek, the South Bohemian Region**
- **Primary School in Liberec at Křížanská 80, the Liberec Region**
- **Primary School and Kindergarten in Brno at Husova 17, the South Moravian Region**
- **Primary School in Slatiňany, the Pardubice Region**
- **The 2nd Primary School – the Propojení School in Sedlčany, the Central Bohemian Region**
- **The 8th Primary School in Most, the Ústí Region**

Cooperating schools

Under the Helping Schools Succeed scheme we are searching for ways to effectively share experience with other Czech schools with regards to improvements in the quality of teaching. Since 2013, we have been working with the teaching staff of three other schools. Their teachers, working with colleagues at the model schools, are testing in practice what best helps children to learn and teachers to teach, and they continue to develop the project's know-how.

- **The Šromotovo Primary School and Kindergarten in Hranice, the Olomouc Region**
- **The 2nd Primary School – the Propojení School in Sedlčany, the Central Bohemian Region**
- **Primary School and Kindergarten in Dobronín, the Vysočina Region**

Schools cooperating in reading skills

Reading on a regular basis is essential for children's learning. It helps to improve pupils' performance in most other school subjects and in everyday life. Every child can become a good reader if we give them opportunity and support. We therefore dedicate extreme attention to the development of reading at all project schools.

- **Primary School and Kindergarten in Frymburk, the South Bohemian Region**
- **Primary School in Český Krumlov at Plešivec 249, the South Bohemian Region**
- **Primary School in Český Krumlov at Za Nádražím 222, the South Bohemian Region**
- **Primary School in Příbor at Jičínská 486, the Moravian-Silesian Region**
- **The T G Masaryk Primary School in Studénka, at 2. května 500, the Moravian-Silesian Region**
- **Primary School and Kindergarten in Třinec at Kopernikova 696, the Moravian-Silesian Region**
- **Primary School in Háj ve Slezsku, the Moravian-Silesian Region**
- **Primary School in Humpolec at Hálkova 591, the Vysočina Region**
- **Primary School and Kindergarten in Větrný Jeníkov, the Vysočina Region**

Testimonials on Helping Schools Succeed



Professor Milan Hejný

A mathematics didactician and the founder of the Hejný method; the H-mat, o.p.s. charity

"In our country, the educational system has long been undervalued in terms of both financing and perception in society. Helping Schools Succeed is a major positive initiative. We were therefore delighted by the offer of cooperation received by our team of mathematicians in 2012.

An environment has been created in which our team has been meeting on a regular basis and growing professionally, and I regard this as the main benefit of Helping Schools Succeed for our team. Work with the project schools has borne fruit. Our trainers have learned to better understand the teachers who have not yet come across our teaching strategy. Our trainers have kindled fire in several teachers for the new educational approach and these are now our collaborators, helping to pilot test new textbooks or as trainers themselves. We also work together on the development of guidance materials that assist teachers who are seeking to change their own educational style in gaining an understanding of pupils' cognitive processes."



Professor Milan Pol

Dean and Professor at Masaryk University's Faculty of Arts

"The first thing that attracted my attention at both model schools I have had the opportunity to see was the immense commitment of the teachers and their collaborators. These are schools of real enthusiasts who do not hesitate to invest time and energy far beyond the notional limits of the standard. But their endeavours are not wasted on secondary activities; they are clearly directed towards the core of schooling, i.e. support for pupils' learning, for their upbringing and education. Virtually every step they take makes it visible that these schools know what they are doing and why. Thus, Helping Schools Succeed helps good schools to rise to higher levels of quality.

I wish these schools every success in implementing everything valuable brought and supported by the project in the schools' everyday life. However, it will not be easy to stabilise the outcomes and benefits of the project. Today, these schools place great demands on all: the teachers and their collaborators, but also on the pupils. And although it may not appear to be so at first sight, a lot of effort will still have to be made to retain the project achievements as part of the schools' everyday life."



Tomáš Zatloukal

Chief School Inspector, Czech School Inspectorate

"Helping Schools Succeed is an inspiring example of comprehensive support for specific schools. There are many enthusiastic and motivated teachers all over the Czech Republic, who are willing to work hard on their own improvement. I wish them success in being able to use the encouragement and methodological guidance and support at the same level of depth as this project is making possible for the project schools."

Helping Schools Succeed: Highlights of 2017

A conference of the Success for All Students initiative with the motto School in the Light of Society-Wide Changes

For the April conference, which we traditionally organise in cooperation with the Ministry of Education, Youth and Sports, the Standing Conference of Education Associations, the EDUin charitable organisation, and the DOX centre, **the 200 admission tickets sold out within 48 hours from start of sale**. Experts knowledgeable in the trends in modern technologies, the labour market, art, urban planning, and environmentalism underpinned the success of the conference.

We have doubled the number of project schools

The May gathering of more than 50 teachers marked the beginning of a **new reading programme** under the Helping Schools Succeed project. **Eleven public primary schools from all over the country joined the three-year programme aimed at the systematic promotion of students' reading skills**. Nine of them were newcomers to the project.

In September, three new model schools joined the network: the 8th Primary School in Most in the Ústí Region, the Slatiňany primary school in the Pardubice Region, and the primary school and kindergarten at Husova, Brno, in the South Moravian Region. The number of model schools rose to ten. Together with three cooperating schools (since 2013) we are already supporting 22 teaching staff teams.

A year marked by festivals

In April, more than 100 teachers met at the regional Didactica Magna Festival of Teaching Inspiration. Teachers at the Mendel Primary School and Kindergarten in Karviná organised the festival for their colleagues. The central topic of this already traditional festival, which focuses on reading skills, was the use of short texts for developing reading literacy.

In November, the Kunratice Primary School hosted the project's hitherto **largest educational event, the third annual Festival of Teaching Inspiration**. **The 130 workshops and a panel discussion** on the subject of What Needs to Change in the Educational System in Order to Improve the Quality of Teaching attracted **780 teachers from 80 schools across the Czech Republic**.

The one-week summer school of reading was attended by 120 teachers from 50 schools all over the Czech Republic

Its programme focused on **improving the teaching of reading using the reading continuum, and on reading and critical literacy**.

We released three issues of Critical Literacy

The Kritická gramotnost (Critical Literacy) journal brings teachers **inspirational teaching classes and experts' treatises focused on reading**. A special print issue was distributed to all primary schools in the Czech Republic. **The online section of the journal was the most visited section of the project's website in 2017**.

Other Selected Projects in 2017

The Foundation grants financial contributions to other institutions and individuals for projects in education, culture, and the promotion of good health. In 2017, the Foundation continued, among other things, in providing support for the following long-term partners:

Logic Olympiad

In 2017, THE KELLNER FAMILY FOUNDATION was, together with the OPEN GATE grammar school and primary school, the General Partner of the Logic Olympiad competition for thoughtful children and young people for the sixth time. Mensa Czech Republic organises the Logic Olympiad in an effort to extend the range of activities for children and young people to include a competition where independent cogitation and the ability of logical thinking decide.

Prague Student Summit

The Foundation has long been the General Partner of Model United Nations 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 the production of the Zámeček (Little Chateau) magazine. Zámeček has been distributed to children in children's homes and other surrogate care institutions since 1997. Lukáš Kotlár, an Open Gate graduate and now also a Universities grantee, is the editor of the magazine.



Gifts Received and Grants Awarded

Gifts received in 2017

Donor	in CZK thousands
Česká telekomunikační infrastruktura a.s.	20,000
PPF banka a.s.	180,000
Total	200,000

Grants awarded in 2017

Beneficiary	in CZK thousands
Grants for OPEN GATE - gymnázium a základní škola, s.r.o.*	40,159
Pomáháme školám k úspěchu o.p.s.	36,800
Grants for UNIVERSITIES students** and other grants to students enrolled at universities abroad	8,916
Individual gifts***	1,794
Total	87,669

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 programme

[Names are listed with the surname first and the first name second]

	CZK		CZK
Andrle Daniel	167,637	Marková Nikola	72,766
Bađurová Aneta	200,000	Marták Tomáš	140,000
Běláková Ibolya	150,000	Milošová Tereza	100,000
Benda Mikuláš	102,000	Musil Jakub	50,758
Berger František	77,000	Mužátko Daniel	61,093
Buráň Michal	51,189	Nová Denisa	14,667
Cimbalová Agatha	191,879	Polánek Adam	150,000
Deingruber Tomáš	120,000	Přibáň Jakub	66,951
Demovič Daniel	161,640	Rataj Blahoslav	43,000
Fuchsová Nina	10,600	Robert (Musilová) Eva	250,000
Fuksa Jonáš	42,169	Rozumková Tereza	127,036
Gelnarová Michaela	84,000	Řehák Milan	205,821
Hassan Alinnur	406,698	Scholzová Mariana	179,999
Hausner Daniel	108,999	Skalník Marek	260,970
Horská Karolína	93,836	Sova Martin	200,000
Hrdlička Aleš	81,082	Stejskalová Barbora	157,000
Chliapa Eleni	90,000	Stěpaněnko Nikita	200,000
Jaškeová Nikola	148,000	Strnadová Eva	263,039
Jirát Matyáš	79,261	Studená Lucie	100,000
Jirman Tomáš	268,675	Svoboda Marek	200,000
Klustová Anežka	203,773	Šilhanová Veronika	73,500
Knápek Lukáš	119,999	Švejkar Marek	95,862
Kotlár Lukáš	107,505	Titěra Tomáš	201,371
Krajník Jan	157,444	Tran Le Thu	199,999
Leopoldová Zuzana	173,000	Trčková Dominika	158,000
Licková Viktorie	86,906	Uhlíková Natálie	400,000
Macáková Michaela	56,000	Vavryčuková Viola	90,000
Mach Martin	78,440	Vecko Petr	40,000
Mácha Lukáš	257,922	Vinárek Michal	167,737
Maláčová Tereza	82,086	Za Nzambi Jennifer	155,000
Malec Leoš	40,000	Zemachová Michaela	100,703
Mañas Petr	243,328	Zíková Adéla	150,000
		Total in 2017	8,916,340

Appendix 2

Individual gifts

THE KELLNER FAMILY FOUNDATION

	CZK
Duha, Zámeček	50,000
Geisselreiter Jan	38,081
Mensa International – Mensa Czech Republic	185,000
The Ivan Dejmal Foundation for Nature Conservation	150,000
The Chyňava municipality	500,000
Popov Albert	8,500
Senior-komplex s.r.o.	76,612
The Svárov Bell Society	50,000
The Beroun Secondary School and Primary School	70,000
Vengrynská Jana	60,000
Vernerová Kateřina	21,000
Vlk Stanislav	18,128
Chyňava Primary School and Kindergarten	70,000
Loděnice Primary School, Beroun District	379,899
Zaykov Filip	116,098
Total	1,793,318





Financials

Balance Sheet

Full length as at 31 December 2017 (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				
A.	Total fixed assets	1	952	661
A. I.	Total intangible fixed assets	2	2,077	2,077
1.	Research and development	3		
2.	Software	4	744	744
3.	Valuable rights	5	452	452
4.	Low value intangible fixed assets	6		
5.	Other intangible fixed assets	7	881	881
6.	Intangible fixed assets in progress	8		
7.	Advance payments for intangible fixed assets	9		
A. II.	Total tangible fixed assets	10	169	0
1.	Land	11		
2.	Works of art, items and collections	12		
3.	Buildings	13		
4.	Individual movable assets and sets of movable assets	14	169	0
5.	Cultivated areas	15		
6.	Grown breeding and draft animals	16		
7.	Low value tangible fixed assets	17		
8.	Other tangible fixed assets	18		
9.	Tangible fixed assets in progress	19		
10.	Advance payments for tangible fixed assets	20		

Full length as at 31 December 2017 (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.	Total long-term investments	21	495	495
1.	Equity investments in subsidiaries	22		
2.	Equity investments in associates	23		
3.	Long-term debt securities held to maturity	24		
4.	Loans to branches	25		
5.	Other long-term loans	26	495	495
6.	Other long-term investments	27		
A. IV.	Total accumulated depreciation and amortisation	28	-1,789	-1,911
1.	Accumulated amortisation of research and development	29		
2.	Accumulated amortisation of software	30	-328	-578
3.	Accumulated amortisation of valuable rights	31	-452	-452
4.	Accumulated amortisation of low value intangible assets	32		
5.	Accumulated amortisation of other intangible fixed assets	33	-881	-881
6.	Accumulated depreciation of buildings	34		
7.	Accumulated depreciation of individual movable assets and sets of movable assets	35	-128	0
8.	Accumulated depreciation of cultivated areas	36		
9.	Accumulated depreciation of breeding and draft animals	37		
10.	Accumulated depreciation of low value tangible fixed assets	38		
11.	Accumulated depreciation of other tangible fixed assets	39		

Full length as at 31 December 2017 (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.	Total current assets	40	265,075	388,106
B. I.	Total inventories	41	0	0
1.	Material in stock	42		
2.	Material in transit	43		
3.	Work in progress	44		
4.	Internally developed semi-finished products	45		
5.	Finished goods	46		
6.	Young and other animals	47		
7.	Goods on stock and in stores	48		
8.	Goods in transit	49		
9.	Advance payments for inventories	50		
B. II.	Total receivables	51	300	598
1.	Customers	52		
2.	Bills of exchange to be paid	53		
3.	Receivables for discounted securities issued	54		
4.	Operating advances paid	55		
5.	Other receivables	56		
6.	Receivables from employees	57		
7.	Receivables from social security authorities and public health insurance	58		
8.	Income tax	59		
9.	Other direct taxes	60		
10.	Value added tax	61		

Full length as at 31 December 2017 (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	62		
12.	Entitlements to subsidies and other settlements with the national budget	63		
13.	Entitlements to subsidies and other settlements with budgets of regional authorities	64		
14.	Receivables from consortium members	65		
15.	Receivables from fixed-term transactions and options	66	300	598
16.	Receivables from bonds issued	67		
17.	Other receivables	68		
18.	Estimated receivables	69		
19.	Provision for receivables	70		
B. III.	Total short-term financial assets	71	264,747	387,486
1.	Cash on hand	72	52	100
2.	Cash equivalents	73		
3.	Cash in banks	74	95,713	118,266
4.	Equity securities for trading	75		
5.	Debt securities for trading	76		
6.	Other securities	77	168,982	269,120
7.	Cash in transit	78		
B. IV.	Total other assets	79	28	22
1.	Prepaid expenses	80	28	18
2.	Accrued revenues	81		4
3.	Foreign exchange rate gains	82		
	TOTAL ASSETS	83	266,027	388,767

Full length as at 31 December 2017 (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				
A.	Foundation's total holdings	1	265,589	388,181
A. I.	Net holdings	2	260,619	383,211
	1. Endowment	3	1,000	1,000
	2. Funds	4	261,710	373,952
	3. Valuation difference on the revaluation of financial assets and liabilities	5	-2,091	8,259
A. II.	Total profit (loss)	6	4,970	4,970
	1. Profit (loss) account	7		
	2. Profit (loss) to be approved	8		
	3. Retained earnings, accumulated losses	9	4,970	4,970
B.	Total liabilities	10	438	586
B. I.	Total provisions	11	0	0
	1. Provisions	12		
B. II.	Total long-term liabilities	13	0	0
	1. Long-term loans	14		
	2. Bonds issued	15		
	3. Leasing payables	16		
	4. Long-term advances received	17		
	5. Long-term bills of exchange payable	18		
	6. Estimated payables	19		
	7. Other long-term payables	20		
	Total short-term liabilities	21	438	586
	1. Suppliers	22	268	315
	2. Bills of exchange payable	23		
	3. Advances received	24		
	4. Other payables	25		

Full length as at 31 December 2017 (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	26	53	51
6.	Other payables to employees	27		
7.	Payables to social security authorities and public health insurance	28	35	36
8.	Income tax	29	79	180
9.	Other direct taxes	30		
10.	Value added tax	31		
11.	Other taxes and charges	32		
12.	Liabilities to the national budget	33		
13.	Liabilities to budgets of regional authorities	34		
14.	Liabilities from subscribed outstanding securities and investments	35		
15.	Payables to consortium members	36		
16.	Payables arising from fixed-term transactions and options	37		
17.	Other payables	38	3	4
18.	Short-term bank loans	39		
19.	Discount loans	40		
20.	Short-term bonds issued	41		
21.	Bonds held	42		
22.	Estimated payables	43		
23.	Other short-term financial borrowings	44		
B.	IV. Total other liabilities	45	0	0
1.	Accrued expenses	46		
2.	Deferred revenues	47		
3.	Foreign exchange rate losses	48		
	TOTAL LIABILITIES	49	266,027	388,767

Profit and Loss Account

Full length for the year ended 31 December 2017

Ref.	Description	Row No.	Core activity	Economic activity	Total
a	b	c	1	2	3
A.	Expenses	1			
I.	Consumed purchases and purchased services	2	1,594	793	2,387
1.	Consumed materials, energy and other non-storable supplies	3	148		148
2.	Goods sold	4			0
3.	Repairs and maintenance	5	4		4
4.	Travel expenses	6	1		1
5.	Entertainment costs	7	35		35
6.	Other services	8	1,406	793	2,199
II.	Changes in internally-developed inventories and capitalisation	9	-77	0	-77
7.	Changes in the stock of internally-developed products	10			0
8.	Capitalisation of materials, goods and intra-organisation services	11	-77		-77
9.	Capitalisation of fixed assets	12			0
III.	Total personnel costs	13	1,311	0	1,311
10.	Payroll costs	14	935		935
11.	Statutory social security contributions	15	332		332
12.	Other social security contributions	16			0
13.	Statutory social expenses	17	44		44
14.	Other social expenses	18	0		0
IV.	Taxes and charges	19	0	0	0
15.	Taxes and charges	20	0		0

Full length for the year ended 31 December 2017

Ref.	Description	Row No.	Core activity	Economic activity	Total
a	b	c	1	2	3
V.	Other expenses	21	230	17,470	17,700
16.	Contractual penalties, late charges, other fines and penalties	22			0
17.	Bad debt written off	23			0
18.	Interest expense	24			0
19.	Foreign exchange rate losses	25	36	6,697	6,733
20.	Gifts	26	113	0	113
21.	Deficits and damage	27			0
22.	Additional other expenses	28	81	10,773	10,854
VI.	Depreciation and amortisation, asset disposals, provisioning	29	252	22,908	23,160
23.	Depreciation and amortisation of fixed assets	30	252		252
24.	Fixed assets sold	31		39	39
25.	Securities and investments sold	32		22,869	22,869
26.	Materials sold	33			0
27.	Additions to and reversal of reserves and provisions	34			0
VII.	Contributions paid	35	0	0	0
28.	Paid membership dues and contributions accounted for between organisational units	36			0
VIII.	Income tax	37	0	492	492
29.	Income tax	38		492	492
	Total expenses	39	3,310	41,663	44,973

Full length for the year ended 31 December 2017

Ref.	Description	Row No.	Core activity	Economic activity	Total
a	b	c	1	2	3
B.	Revenues	40			
I.	Operating subsidies	41	0	0	0
1.	Operating subsidies	42			0
II.	Contributions received	43	0	0	0
2.	Received contributions accounted for between organisational units	44			0
3.	Received contributions (gifts)	45			0
4.	Received membership dues	46			0
III.	Revenues from production and goods	47			0
IV.	Other revenues	48	204	13,284	13,488
5.	Contractual penalties, late charges, other fines and penalties	49			0
6.	Payments for receivables written off	50			0
7.	Interest income	51	1	36	37
8.	Foreign exchange rate gains	52	1	12,059	12,060
9.	Transfer of assets from Funds to operating	53	202		202
10.	Additional other revenues	54	0	1,189	1,189
V.	Proceeds from asset disposal	55	0	31,485	31,485
11.	Proceeds from the sale of intangible and tangible fixed assets	56		90	90
12.	Proceeds from the sale of securities and investments	57		24,798	24,798
13.	Proceeds from the sale of materials	58			0
14.	Proceeds from short-term financial assets	59		6,597	6,597
15.	Revenues from long-term investments	60			0
	Total revenues	61	204	44,769	44,973
	Profit (loss) before tax	62	-3,106	3,598	492
	Profit (loss) after tax	63	-3,106	3,106	0

The Auditor's Report



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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

Opinion

We have audited the accompanying financial statements of Nadace THE KELLNER FAMILY FOUNDATION ("the Foundation"), prepared in accordance with Czech accounting legislation, which comprise the balance sheet as at 31 December 2017 and the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory notes. Information about the Foundation is set out in Note 1 and 2 to the financial statements.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Foundation as at 31 December 2017, and of its financial performance for the year then ended in accordance with Czech accounting legislation.

Basis for Opinion

We conducted our audit in accordance with the Act on Auditors, and Auditing Standards of the Chamber of Auditors of the Czech Republic, consisting of International Standards on Auditing (ISAs) as amended by relevant application guidelines. Our responsibilities under those regulations are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Foundation in accordance with the Act on Auditors and the Code of Ethics adopted by the Chamber of Auditors of the Czech Republic, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

In accordance with Section 2(b) of the Act on Auditors, other information is defined as information included in the annual report other than the financial statements and our auditor's report. The statutory body is responsible for the other information.

Our opinion on the financial statements does not cover the other information. 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 is materially inconsistent with the financial statements or our knowledge obtained in the audit, or



otherwise appears to be materially misstated. In addition, we assess whether the other information has been prepared, in all material respects, in accordance with applicable laws and regulations, in particular, whether the other information complies with laws and regulations in terms of formal requirements and the procedure for preparing the other information in the context of materiality, i.e. whether any non-compliance with those requirements could influence judgments made on the basis of the other information.

Based on the procedures performed, to the extent we are able to assess it, we report that:

- the other information describing matters that are also presented in the financial statements is, in all material respects, consistent with the financial statements; and
- the other information has been prepared in accordance with applicable laws and regulations.

In addition, our responsibility is to report, based on the knowledge and understanding of the Foundation obtained in the audit, on whether the other information contains any material misstatement. Based on the procedures we have performed on the other information obtained, we have not identified any material misstatement.

Responsibilities of the Statutory Body and Supervisory Board for the Financial Statements

The statutory body is responsible for the preparation and fair presentation of the financial statements in accordance with Czech accounting legislation and for such internal control as the statutory body determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the statutory body is responsible for assessing the Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the statutory body either intends to liquidate the Foundation or to cease operations, or has no realistic alternative but to do so.

The Supervisory Board is responsible for the oversight of the Foundation's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the above regulations will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the above regulations, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a



basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the statutory body.
- Conclude on the appropriateness of the statutory body's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statutory Auditor Responsible for the Engagement

Veronika Strolená is the statutory auditor responsible for the audit of the financial statements of Nadace THE KELLNER FAMILY FOUNDATION as at 31 December 2017, based on which this independent auditor's report has been prepared.

Prague
4 May 2018

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

Veronika Strolená
Veronika Strolená
Partner
Registration number 2195

Notes to the Financial Statements

Year ended 31 December 2017 (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
Reg. No.: 28902254
Legal form: Foundation

2 DESCRIPTION AND CORE ACTIVITIES

Establishment and description of the Foundation

Nadace THE KELLNER FAMILY FOUNDATION (hereinafter referred to as "the Foundation") was registered in the Register of Foundations maintained by the Municipal Court in Prague, Section N, File 746, on 25 May 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 27 July 2011. The funds equalling 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 juristic person 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 organisational development of non-governmental non-profit organisations, 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, and for cultural development, art, and the protection of cultural heritage.

The Foundation is the sole founder of the charitable organisation Pomáháme školám k úspěchu o.p.s., Reg. No.: 29005469, having its registered office at Praha 4 - Nusle, Hvězdova 1716/2b, postcode 140 00 (hereinafter "the Company"). The Company was incorporated in the Register of Charitable Organisations, Section O, File 702, on 16 December 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 AT 31 DECEMBER 2017

Board of Trustees as at 31 December 2017:

Chairwoman	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 at 31 December 2017:

Chairwoman	Mrs Karina Divišová
Member	Mr Richard Sedláčko
Member	Mr Tomáš Vališ

Changes in the Register of Foundations in 2017

No changes were entered in the Register of Foundations in 2017.

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

The unit's accounting period is the calendar year 2017. Under Section 19(1) of Act No. 563/1991 on Accounting, 31 December 2017 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 recognised in the Profit and Loss Account 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 valuation. 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 amortisation 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 carries leased assets by expensing lease payments evenly throughout the lease term. At the end of the lease and upon exercising the purchase option, the leased asset is included in the Foundation's assets at the acquisition (replacement) cost.

(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 at 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 revenues from long-term investments.

(g) Short-term financial assets

Short-term financial assets include, in particular, funds held in current 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 Revenues, corresponding to the relevant account in account group 92 Assets and Liabilities Revaluation.

Income from the above financial assets is included in revenues 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 Amortisation, 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 profit and loss account in the item "Additional Other Revenues" or, as applicable, "Additional Other Expenses".

(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 realised foreign exchange gains and losses.

Assets and liabilities in foreign currencies are translated as at the balance sheet date using the forex market rate declared by the Czech National Bank. Unrealised foreign exchange gains and losses of short-term financial assets are shown in the result.

(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 revenue are recognised 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 at 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 current 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). As at 31 December 2017, the balance in bank accounts stood at CZK 118,266,000 (2016: CZK 95,713,000). As at 31 December 2017, cash on hand amounted to CZK 100,000 (2016: CZK 52,000).

As at 31 December 2017, the Foundation had the following short-term financial assets:

2017						
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						
AQIR BANK SUB 10/4/2014 C19	30	31,204	1,295	32,499	-1,266	31,233
ARCELORMITTAL 5.25 05/08/2020	500	13,179	268	13,447	-1,912	11,535
CESZBR VAR 27/01/2022	3	9,001	82	9,083	-398	8,685
EPH FINANCING 4.2 30/09/2018	11,800	12,115	124	12,239	-366	11,873
EUC AS FLOAT 23/11/2022	7	21,002	62	21,064	-2	21,062
GAZPRU 3.85 06/02/2020	400	10,286	132	10,418	-1,654	8,764
HB REAVIS 23/03/2021	900	9,001	110	9,111	-5	9,106
HCFB BK SUB 9.375 24/4/2020 C18	800	20,513	297	20,810	-3,265	17,545
IN. CER. PPFB CZK 3.50 10/2020	400	35,061	--	35,061	385	35,446
IN. CER. PPFB ZERO 20/01/2020	400	35,006	--	35,006	1,112	36,118
MND AS FLOAT 13/11/2022	3	9,001	39	9,040	32	9,072
PPF FINANCIAL FLOAT 18/12/2027	500	50,000	81	50,081	3	50,084
RUSSIA 3.5 16/01/2019	1	5,152	68	5,220	-854	4,366
SKODA TRANSPORTATION 3 26/06/20	2	5,949	92	6,041	-69	5,972
Total bonds		266,470	2,650	269,120	-8,259	260,861

2016						
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						
ARCELORMITTAL 5.25 05/08/2020	500	13,179	315	13,494	732	14,226
BK SANTANDER BRAS 4.625 13/02/17	500	12,401	221	12,622	438	13,060
CESZBR VAR 27/01/2022	3	9,001	81	9,082	-497	8,585
EPH FINANCING 4.2 30/09/2018	5,800	5,946	61	6,007	-145	5,862
ERST BANK SUB P+301. 5 29/04/23	114	11,857	63	11,920	-420	11,500
HB REAVIS 23/03/2021	900	9,001	108	9,109	17	9,126
HCFB BK SUB 9.375 24/4/2020 C18	800	20,513	358	20,871	691	21,562
IN. CER. PPFB CZK 3.50 10/2020	400	35,061	--	35,061	290	35,351
IN. CER. PPFB ZERO 20/01/2020	400	35,006	--	35,006	450	35,456
ING BANK NV L+83 30/11/2017	100	5,061	4	5,065	-31	5,034
RUSSIAN FEDERAL 3.25 4/4/2017	1	4,664	40	4,704	474	5,178
SKODA TRANSPORTATION 3 26/06/20	2	5,949	92	6,041	92	6,133
Total bonds		167,639	1,343	168,982	2,091	171,073

(b) Liabilities due to fixed term operations and options

2017	Contract amounts		
	Receivables (CZK thousands)	Payables (CZK thousands)	Fair value (CZK thousands)
Currency swaps			
SWAP USD/CZK 21,55757 31/01/2018	42,674	-42,076	598
Total currency swaps	42,674	-42,076	598

2016	Contract amounts		
	Receivables (CZK thousands)	Payables (CZK thousands)	Fair value (CZK thousands)
Currency swaps			
SWAP USD/CZK 25,7775 31/01/2017	51,031	-50,731	300
Total currency swaps	51,031	-50,731	300

(c) Fixed assets

Intangible fixed assets

	Software	Valuable rights	Other IFA	Total
Acquisition cost				
Balance on 1 January 2017	744	452	881	2,077
Additions	--	--	--	--
Disposals	--	--	--	--
Transfer	--	--	--	--
Balance on 31 December 2017	744	452	881	2,077
Accumulated amortisation				
Balance on 1 January 2017	328	452	881	1,661
Amortisation	250	--	--	250
Accumulated amortisation of disposals	--	--	--	--
Balance on 31 December 2017	578	452	881	1 911
Net book value on 1 January 2017	416	--	--	416
Net book value on 31 December 2017	166	--	--	166

Tangible fixed assets

	Plant and machinery	Total
Acquisition cost		
Balance on 1 January 2017	169	169
Additions	--	--
Disposals	-169	-169
Transfer	--	--
Balance on 31 December 2017	--	--
Accumulated depreciation		
Balance on 1 January 2017	128	128
Depreciation	2	2
Accumulated depreciation of disposals	-130	-130
Transfer	--	--
Balance on 31 December 2017	--	--
Net book value on 1 January 2017	41	41
Net book value on 31 December 2017	--	--

In 2017, the Foundation disposed of a notebook with an acquisition cost of CZK 19,000 and sold a damaged passenger car with an acquisition cost of CZK 150,000; the proceeds related to the sale of the vehicle amount to CZK 90,000; the residual value of the disposed assets amounts to CZK 39,000.

On 17 January 2017, the Foundation signed a vehicle lease, on which it spent CZK 37,000 in 2017.

(d) **Receivables**

As at 31 December 2017, the Foundation does not report any receivables from customers (2016: CZK 0).

(e) **Payables**

As at 31 December 2017, payables to suppliers totalled CZK 315,000 (2016: CZK 268,000). All payables had been paid by the date of preparation of these financial statements.

(f) **Prepaid expenses**

Prepaid expenses totalled CZK 18,000 (2016: CZK 28,000) and were comprised of unconsumed office supplies and cost of asset lease for the subsequent period.

7 HOLDINGS ALLOCATED TO COVERING FIXED AND CURRENT ASSETS

	Registered endowment	The organisation's Funds	Revaluation differences	Retained profit	Total
Balance on 1 January 2017	1,000	261,710	-2,091	4,970	265,589
Financial gifts received	--	200,000	--	--	200,000
Financial grants awarded	--	-87,556	--	--	-87,556
Gifts in kind provided	--	-113	--	--	-113
Transfer from Funds to cover administrative costs	--	-89	--	--	-89
Securities revaluation difference	--	--	10,350	--	10,350
Profit (loss) for 2017	--	--	--	--	--
Balance on 31 December 2017	1,000	373,952	8,259	4,970	388,181

The items "Gifts in kind provided" and "Transfer from Funds to cover administrative costs" constitute the item "Transfer of Assets from Funds to Operating" shown in the profit and loss account.

8 ADDITIONAL INFORMATION ABOUT THE PROFIT AND LOSS ACCOUNT

(a) Revenue (in CZK thousands)

	2017
Revenue from own activity	204
Revenue from economic activity	44,769
Total	44,973

The Foundation's income was comprised of the following: interest income of CZK 37,000 (2016: CZK 33,000), of which CZK 1,000 (2016: CZK 5,000) was interest accrued on a term deposit holding the endowment, which is exempt from tax; further, exchange rate gains of CZK 12,060,000 (2016: CZK 1,179,000) and transfer of assets from Funds of CZK 202,000 (2016: CZK 1,214,000).

'Additional other revenues' of CZK 1,189,000 (2016: CZK 3,177,000) include the re-measurement of bonds and derivatives. Additional income liable to tax includes proceeds from the sale of tangible fixed assets, CZK 90,000 (2016: CZK 0) and proceeds from the sale of bonds, amounting to CZK 24,798,000 (2016: CZK 31,827,000). Related to this amount is interest income from bonds amounting to CZK 6,597,000 (2016: CZK 3,316,000).

(b) Expenses

	2017
Costs of own operation (administration)	3,197
Costs of grants awarded (in cash)	--
Costs of grants awarded (in kind)	113
Costs of economic activity, including income tax	41,663
Total	44,973

The costs of core activity include CZK 3,197,000 (2016: CZK 3,392,000) in Foundation administration costs. The costs of economic activity, amounting to CZK 41,663,000 (2016: CZK 37,365,000), were largely incurred in the sale of securities; of this amount, CZK 22,869,000 (2016: CZK 31,679,000) is the residual price of the securities sold, CZK 6,697,000 (2016: CZK 3,661,000) is foreign exchange losses, CZK 10,773,000 (2016: CZK 1,052,000) is re-measurement of the securities as at the balance sheet date, and CZK 793,000 (2016: CZK 610,000) is the cost of the intermediating services procured. The balance of the cost of economic activity, CZK 39,000 (2016: CZK 0), is the residual value of the tangible fixed assets sold.

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

	2017
Profit (loss) from core activity	-3,106
Profit (loss) from non-core activity after tax	3,106
Total	--

9 GIFTS RECEIVED AND GRANTS AWARDED

(a) Gifts received

Donor	2017	2016
Česká telekomunikační infrastruktura a.s.	20,000	22,000
PPF a.s.	--	2,000
PPF banka a.s.	180,000	130,000
Total	200,000	154,000

(b) Grants awarded

Donee	2017	2016
Students, to the account of OPEN GATE – gymnázium a základní škola, s.r.o.	40,159	40,480
Pomáháme školám k úspěchu o.p.s.	36,800	36,710
Contributions to students at foreign universities	8,916	7,450
Nadace HAMU	--	300
The municipality of Chyňava	500	--
Palacký University in Olomouc	--	2,500
Loděnice Primary School	380	381
Other	914	1,137
Total	87,669	88,958

10 EMPLOYEES AND MANAGERS

Average number of employees and managers, and personnel costs for 2017 and 2016:

Year	Number of employees	Payroll costs	Social security and health insurance costs	Social costs
2017	2	935	332	44
2016	2	924	320	31

In 2017, 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 2017 amounted to CZK 36,000 (2016: CZK 35,000), of which CZK 25,000 (2016: CZK 25,000) represents liabilities under social security and CZK 11,000 (2016: CZK 10,000) represents liabilities under health insurance. All these liabilities were paid within statutory time limits.

12 INFORMATION ABOUT FEES FOR STATUTORY AUDITORS

	2017	2016
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 the Income Tax Act was used. For the 2017 fiscal period, the estimated corporate income tax is CZK 492,000.

(b) Tax relief from 2016 applied in 2017

The tax liability saving of CZK 736,000 (2015: CZK 721,000), achieved by applying tax relief in 2016, was used for advertising and promoting the Foundation's core activity in 2017.

(c) In the fiscal period of 2017, the Foundation used tax relief for accepted gifts under Section 19b(2)(b)(1) of the Income Tax Act.

14 SIGNIFICANT SUBSEQUENT EVENTS

No significant subsequent event that could have an impact on the financial statements as at 31 December 2017 had occurred by the date of the preparation of the financial statements.

Date: 4 May 2018

Signature of the responsible person: Renáta Kellnerová



Nadace

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