

Nadační fond
manželů Livie a Václava Klausových



2003 Annual Report

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Dear Partners, Associates, and Friends:

Nadační fond manželů Livia a Václava Klausových would like to present its first Annual Report, which also gives us an opportunity to look back at the first year of our work.

Our Fund is not an end in itself, and its purpose was not merely to add to the great number of similar institutions in the Czech Republic. It wanted to achieve something else. Its founders - Livia and Václav Klaus - were led by the idea that the dignity and great social prestige enjoyed in our country by the office of the President should be used to promote an activity which would help the needy in their everyday lives by means other than those afforded to the President of the country by his official powers. Although both my husband and I have been involved in foundation and charitable work since the early nineties, we concluded that we must join forces in this new, and we hope useful project.

It turned out that to establish a fund according to our ideas and designs is no easy task. From the very beginning, we have been intensively looking for and defining our position, in order for the help provided by the Fund to be not only sufficiently targeted, but also to encourage the recipient to be as personally active and creative as possible, and to work as hard as possible. Although we have not worked long enough to be able to responsibly say whether we are as successful as we would like to be, you will see from our report that we have managed to get certain things accomplished. Several projects are up and running, others just about to be launched, some are being prepared.

Let me use this forum to thank everyone who understood our efforts and thus helped us immensely. First, let me mention our partners - donors. Without them, we could not do any work. Apart from them, however, we have found a number of helpful hands and heads who help us create projects on which we together set out on a journey of help, mutuality, and solidarity.

I would also like to thank my colleagues from the Board of Directors and the Supervisory Board, who do difficult and very time-consuming work without a claim to remuneration.

We have launched work which is already beginning to bear its first fruits. I think that I may safely state that we have set out well and that in the brief time of its existence our Fund has become a respected institution.

I trust that this will also be the case next year and in the years to come. Let me again thank all those who met us and helped us during this first year, and greet those who were aided by our Fund.

Livia Klausová

Chair of the Board of Directors

Basic information about the Nadační fond manželů Livie a Václava Klausových (hereinafter referred to as „the Fund“)

Fund established: August 25, 2003

The Fund is registered in the Foundation Register kept by the Metropolitan Court in Prague, section N, folio 494

*Incorporators: Ing. Livia Klausová, CSc.
prof. Ing. Václav Klaus, CSc.*

The mission and purpose of the Fund is to support the humanitarian activities of legal entities and natural persons, primarily focused on supporting projects and activities of a health and social nature, and educational activities.

Total financial contribution of the incorporators on the establishment of the Fund: CZK 200,000.

Registered office: Prague 1, Hrad, postal code 119 08

Registration number: 270 82 857

Tax identification number: 001-27082857

Account number: 22220207/0100

*Board of Directors: Ing. Livia Klausová, CSc. - Chair
Petr Hájek
JUDr. Ladislav Petrásek*

*Supervisory Board: Ing. Alena Vitásková - Chair
Ing. Libuše Schmidová
Ing. Růžena Kabilková
MUDr. Boris Šťastný*

The Nadační fond manželů Livie a Václava Klausových was introduced to the public at a joint meeting of the Incorporators, the Board of Directors, and the Supervisory Board held on November 10, 2003 at Láňy Chateau.

For the rest of 2003, the Fund focused primarily on forming an organisational background for its work. At the same time, it began preparing the methodology and criteria for evaluating requests for financial support.

Apart from organisational work, the Fund prepared an extensive project in which children from children's homes and socially challenged families attend language courses abroad.

Overview of donations received and granted

Donations granted

In 2003, the Nadační fond manželů Livie a Václava Klausových made the following donations:

Marie Žufanová CZK 19,100.00
The donation was made to the recipient in order to pay the remaining part of a social-aid loan granted to her by the Mělník District Authority to pay for damage caused by the 2002 flood.

Donations received

In 2003, the Nadační fond manželů Livie a Václava Klausových received donations from the following donors:

Natural persons:

Eduard Harant CZK 637,100.00
PaedDr. Eva Ďoubalová - RICHARD LANGUAGE COLLEGE - Czech branch CZK 550,000.00

Legal entities:

Agrotec a. s. CZK 120,000.00
Madison Models, s. r. o. CZK 30,000.00
LG Electronics CZ, s. r. o. CZK 1,000,000.00
LG Electronics CZ, s. r. o. CZK 258,405.00
Press Servis, s. r. o. CZK 44,611.20

Donors who donated less than CZK 10,000 or who do not wish to be mentioned in the Annual Report donated to the Fund a total of CZK 100,200.00

The Fund received total donations of CZK 2,740,316.20.

FINANCIAL REPORT FOR 2003 (in CZK)

Financial contribution from the Fund's incorporators200,000.00
Opening balance of the Fund's account200,000.00
Final account balance as of December 31, 20032,013,687.64

Total revenue**2,740,462.79**
Of this: Total donations received:2,740,316.20
Of this: from natural persons1,287,000.00
from legal entities1,453,016.20
Interest82.09
Other revenue (exchange rate profit)64.50

Total costs**126,701.15**
Of this: Total donations granted19,100.00
Of this to natural persons19,100.00
Personnel costs13,500.00
Suppliers and services77,138.02
Bank fees1,092.52
Other costs (exchange rate differences, stamps, etc.)15,870.61

A more detailed description of the above-mentioned costs is given in the analytical background materials for the Fund's final accounts as of December 31, 2003, which constituted a part of the documents subject to review by the Fund's Supervisory Board.

In 2003 **costs related to the management of the Fund** according to Sec. 22 of Act no. 210/2002 Coll. amounted to CZK 87,080.54, i.e., 3.09 % of the value of the Fund's assets as of December 31, 2003.

The limit of these costs, which, according to the Fund's statute, **must not exceed 30 %**, was not exceeded.

COMPLETE BALANCE SHEET AS OF DECEMBER 31, 2003 (in whole thousand of CZK)

ASSETS		line number	Situation as of the first day of the accounting period	Situation as of the last day of the accounting period
	a		1	2
A.	Total long-term assets	<i>Total of I to IV</i>	1	
I.	1. Intangible results of research and development	(012) . . . . .	.2	
Total long-term intangible assets	2. Software	(013) . . . . .	.3	
	3. Appraisalbe rights	(014) . . . . .	.4	
	4. Small long-term intangible assets	(018) . . . . .	.5	
	5. Other long-term intangible assets	(019) . . . . .	.6	
	6. Unfinished long-term intangible assets	(041) . . . . .	.7	
	7. Advances granted for long-term intangible assets	(051) . . . . .	.8	
	Total of I.1. to I.7. . . . .		.9	
II.	1. Land	(031) . . . . .	.10	
Total long-term tangible assets	2. Works of art, articles and collections	(032) . . . . .	.11	
	3. Buildings	(021) . . . . .	.12	
	4. Independent movables and sets of movable property	(022) . . . . .	.13	
	5. Growing units of permanent growth	(025) . . . . .	.14	
	6. Basic herd and draught animals	(026) . . . . .	.15	
	7. Small long-term tangible assets	(028) . . . . .	.16	
	8. Other long-term tangible assets	(029) . . . . .	.17	
	9. Unfinished long-term tangible assets	(042) . . . . .	.18	
	10. Advances granted for long-term tangible assets	(052) . . . . .	.19	
	Total of II.1. to II.10. . . . .		.20	
III.	1. Interest in controled and managed entities	(061) . . . . .	.21	
Total long-term financial assets	2. Interest in accounting units under significant influence	(062) . . . . .	.22	
	3. Debt securities held to maturity	(063) . . . . .	.23	
	4. Loans to organisational units	(066) . . . . .	.24	
	5. Other long-term loans	(067) . . . . .	.25	
	6. Other long-term financial assets	(069) . . . . .	.26	
	7. Long-term financial assets acquired	(043) . . . . .	.27	
	total of III.1. to III.7. . . . .		.28	
IV.	1. Provisions for intangible results of research and development	(072) . . . . .	.29	
Total provisions for long-term assets	2. Provisions for software	(073) . . . . .	.30	
	3. Provisions for appraisalbe rights	(074) . . . . .	.31	
	4. Provisions for small long-term intangible assets	(078) . . . . .	.32	
	5. Provisions for other long-term intangible assets	(079) . . . . .	.33	
	6. Provisions for buildings	(081) . . . . .	.34	
	7. Provisions for independent movables and sets of movable property	(082) . . . . .	.35	
	8. Provisions for growing units of permanent growt	(085) . . . . .	.36	
	9. Provisions for basic herd and draught animals	(086) . . . . .	.37	
	10. Provisions for small long-term tangible assets	(088) . . . . .	.38	
	11. Provisions for other long-term tangible assets	(089) . . . . .	.39	
	total of IV.1. to IV.11. . . . .		.40	
B.	Total short-term assets	<i>total of B.I. to B.IV.</i>	41	200
I.	1. Material in stock	(112) . . . . .	.42	
Total Stock	2. Material on the way	(119) . . . . .	.43	
	3. Unfinished production	(121) . . . . .	.44	
	4. Semifinished goods of own production	(122) . . . . .	.45	
	5. Products	(123) . . . . .	.46	
	6. Livestock	(124) . . . . .	.47	

ASSETS		line number	Situation as of the first day of the accounting period	Situation as of the last day of the accounting period
	7. Goods in stock and in shops	(132)	48	808
	8. Goods on the way	(139)	49	
	9. Advances for stock provided	(314)	50	
	total of I.1. to I.9.		51	808
II.	1. Clients	(311)	52	
Total	2. Bills of exchange to collect on	(312)	53	
Receivables	3. Receivables for discounted securities	(313)	54	
financial	4. Operation advances provided	(314)	55	
assets	5. Other receivables	(315)	56	
	6. Receivables from employees	(335)	57	
	7. Receivables for social security and health insurance institutions	(336)	58	
	8. Income tax	(341)	59	
	9. Other indirect taxes	(342)	60	
	10. Value added tax	(343)	61	
	11. Other taxes and levies	(345)	62	
	12. Right to subsidies and other reconciliation with the state budget	(346)	63	
	13. Right to subsidies and other reconciliation with the budgets of self-governing territorial units	(348)	64	
	14. Receivables from association members	(358)	65	
	15. Receivables from fixed term operations	(373)	66	
	16. Receivables from bonds issued	(375)	67	
	17. Other receivables	(378)	68	
	18. Active contingencies	(388)	69	
	19. Provisions entry for receivables	(391)	70	
	total of II.1. to II.19.		71	
III.	1. Petty cash	(211)	72	2
Total	2. Duty stamps	(213)	73	
short-term	3. Bank accounts	(221)	74	200
financial	4. Asset securities for trading	(251)	75	2 014
assets	5. Debt securities for trading	(253)	76	
	6. Other securities	(256)	77	
	7. Short-term financial assets acquired	(259)	78	
	8. Money on the way	(261)	79	
	total of III.1. to III.8.		80	200
IV.	1. Future costs	(381)	81	2 016
Total	2. Future income	(385)	82	
other assets	3. Active exchange rate differences	(386)	83	
	total of IV.1. to IV.3.		84	
Total assets	total of A. to B.		85	200
				2 824
LIABILITIES		line number	Situation as of the first day of the accounting period	Situation as of the last day of the accounting period
	a		b	3
A.	Total own sources	total of A.I. to A.II.	86	2 814
I.	1. Equity capital	(901)	87	200
Total Capital	2. Funds	(911)	88	
	3. Appraisal differences for asset and liability re-appraisal	(921)	89	
	total of I.1. to I.3.		90	200
II.	1. Financial result account	(963)	91	x
Financial	2. Financial results pending approval	(931)	92	2 614
results	3. Undivided profit, unpaid loss from previous years	(932)	93	x
	total of II.1 to II.3.		94	2 614

LIABILITIES		line number	Situation as of the first day of the accounting period	Situation as of the last day of the accounting period
B.	Total third-party sources	total of B.I. to B.IV.	95	10
I.	Reserves	1. Reserves	(941) 96	
		Value I.1. . . . .	. . . . . 97	
II.	Total long-term liabilities	1. Long-term bank loans	(951) 98	
		2. Bonds issued	(953) 99	
		3. Lease liabilities	(954) 100	
		4. Long-term advances accepted	(955) 101	
		5. Long-term payable bills of exchange	(958) 102	
		6. Passive contingencies	(389) 103	
		7. Other long-term liabilities	(959) 104	
		total of II.1. to II.7 . . . . .	. . . . . 105	
III.	Total short-term liabilities	1. Suppliers	(321) 106	
		2. Payable bills of exchange	(322) 107	
		3. Advances accepted	(324) 108	
		4. Other liabilities	(325) 109	
		5. Employees	(331) 110	4
		6. Other liabilities to employees	(333) 111	
		7. Liabilities to social security and healthcare insurance institutions	(336) 112	2
		8. Income tax	(341) 113	
		9. Other direct taxes	(342) 114	1
		10. Value added tax	(343) 115	
		11. Other taxes and levies	(345) 116	
		12. Liabilities with respect to the state budget	(346) 117	
		13. Liabilities with respect to the budgets of the bodies of self-governing territorial units	(348) 118	
		14. Liabilities from subscribed unpaid securities and contributions	(367) 119	
		15. Liabilities to members of partnership	(368) 120	
		16. Liabilities from fixed term operations	(373) 121	
		17. Other liabilities	(379) 122	
		18. Short-term bank loans	(231) 123	
		19. Discount loans	(232) 124	
		20. Short-term bonds issued	(241) 125	
		21. Own bonds	(255) 126	
		22. Passive contingencies	(389) 127	
		23. Other short-term financial aid	(249) 128	
		total of III.1. to III.23. . . . .	. . . . . 129	4
IV.	Other liabilities	1. Future expenses	(383) 130	
		2. Future revenue	(384) 131	
		3. Passive exchange rate difference	(387) 132	
		total of IV. to IV.3. 133	3
		Total liabilities	total of A. to B. 134	200 2 824

Sent out on:
May 11, 2004

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Signature of the responsible person:

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Signature of the person responsible for compilation:

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Moment of compilation:
May 11, 2004

Telephone: 602 176 184

PROFIT AND LOSS STATEMENT As of December 31, 2003 (in whole thousand of CZK)

Specification	Indicator name	line number	Total
A.	Costs	1	
I.	Total used-up purchases Total of I.1. to I.4.	2	52
1.	Material consumed .....(501)	3	52
2.	Energy consumed .....(502)	4	
3.	Other non-storable supplies consumed .....(503)	5	
4.	Goods sold .....(504)	6	
II.	Total services Total of II.5. to II.8.	7	25
5.	Repairs and maintenance .....(511)	8	
6.	Travel expenditures .....(512)	9	
7.	Entertainment costs .....(513)	10	1
8.	Other services .....(518)	11	24
III.	Total personnel costs Total of III.9. to III.13.	12	13
9.	Wage costs .....(521)	13	10
10.	Statutory social insurance .....(524)	14	3
11.	Other social insurance .....(525)	15	
12.	Statutory social costs .....(527)	16	
13.	Other social costs .....(528)	17	
IV.	Total taxes and levies Total of IV.14. to IV.16.	18	
14.	Road tax .....(531)	19	
15.	Real estate tax .....(532)	20	
16.	Other taxes and levies .....(538)	21	
V.	Total other costs Total of V.17. to V.24.	22	36
17.	Contractual penalties and default interest .....(541)	23	
18.	Other penalties and fines .....(542)	24	
19.	Amortisation of bad debts .....(543)	25	
20.	Interest .....(544)	26	
21.	Foreign exchange loss .....(545)	27	16
22.	Donations .....(546)	28	19
23.	Deficit and damages .....(548)	29	
24.	Other 'other costs' .....(549)	30	1
VI.	Amortisation, assets sold, creation of reserves and adjusting entries in total Total of VI.25. to VI.30	31	
25.	Amortisation of long-term intangible and tangible assets .....(551)	32	
26.	Residual price of long-term intangible and tangible assets sold .....(552)	33	
27.	Securities and interest sold .....(553)	34	
28.	Material sold .....(554)	35	
29.	Creation of reserves .....(556)	36	
30.	Creation of provisions .....(559)	37	
VII.	Total contributions provided Total of VII.31. to VII.32.	38	
31.	Contributions provided, accounted among organisational units .....(581)	39	
32.	Membership fees provided .....(582)	40	
VIII.	Total income tax Value VIII. 33.	41	
33.	Additional income tax payments .....(595)	42	
	Total costs Total of I. to VIII.	43	126

Specification	Indicator name	line number	Total
B.	Revenue	44	
I.	Total revenue from the unit's own performance and goods Total of I.1. to I.3.	45	
1.	Revenue from the unit's own products (601)	46	
2.	Revenue from the sale of services (602)	47	
3.	Revenue from goods sold (604)	48	
II.	Total change in the situation of intra-organisation stock Total of II.4. to II.7.	49	
4.	Change in unfinished production stock (611)	50	
5.	Change in the situation of semi-finished product stock (612)	51	
6.	Change in the situation of product stock (613)	52	
7.	Change in the state of livestock (614)	53	
III.	Total activation Total of III.8. to III.11.	54	
8.	Activation of material and goods (621)	55	
9.	Activation of intra-organisation services (622)	56	
10.	Activation of long-term intangible assets (623)	57	
11.	Activation of long-term tangible assets (624)	58	
IV.	Total other revenue Total of IV.12. to IV.18.	59	
12.	Contractual penalty and default interest (641)	60	
13.	Other penalties and fines (642)	61	
14.	Payments for amortised receivables (643)	62	
15.	Interest (644)	63	
16.	Foreign exchange profit (645)	64	
17.	Fund reconciliation (648)	65	
18.	Other 'other revenue' (649)	66	
V.	Total revenue from the sale of assets, accounting of reserves and adjusting entries . . Total of V.19. to V.25.	67	
19.	Revenue from the sale of long-term intangible and tangible assets (652)	68	
20.	Revenue from the sale of securities and interests (653)	69	
21.	Revenue from the sale of assets (654)	70	
22.	Revenue from short-term financial assets (655)	71	
23.	Accounting of reserves (656)	72	
24.	Revenue from long-term financial assets (657)	73	
25.	Accounting of provisions entries (659)	74	
VI.	Total contributions received Total of VI.26. to VI.28.	75	2 740
26.	Contributions received accounted among organisational units (681)	76	
27.	Contributions received (donations) (682)	77	2 740
28.	Membership fees received (684)	78	
VII.	Total operational subsidies Value VII.29.	79	
29.	Operational subsidies (691)	80	
	Total revenue Total of I. to VII.	81	2 740
C.	Financial result before tax revenue - cost	82	2 614
34.	Income tax (591)	83	
D.	Financial result after tax C. - 34.	84	2 614

Sent out on:
May 11. 2004

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Signature of the responsible person:

Signature of the person responsible
for compilation:

Telephone: 602 176 184

Supervisory Board Report on the Results of its Supervision Work

The Supervisory Board of Nadační fond manželů Livie a Václava Klausových hereby submits to the Fund's Board of Directors, pursuant to Sec. 17 (3) (e) of Act no. 227/1997 Coll., to regulate foundations and funds, as amended, the following report on the results of its supervision.

According to Article 17 of the Fund's Statute dated September 2, 2003, the Fund's Supervisory Board has divided its report into the following sections:

- 1. Checking the adherence to the conditions for granting donations and the correctness of the accounts kept by the Fund*
- 2. Review of the annual final accounts and annual report*
- 3. Summary of shortcomings ascertained and a summary of proposals to remedy them*

Ad 1) Checking the adherence to the conditions for granting donations and the correctness of the accounts kept by the Fund

The conditions for and the manner in which donations are made are set in Article 7 of the Fund's Statute. According to this provision, the Fund may make donations to support the humanitarian activities of legal entities and natural persons, primarily focused on supporting projects and activities of a health and social nature, and educational activities. At the same time, the condition of due process and a decision on granting a donation must be made, pursuant to Article 8 of the Statute.

The Fund's Supervisory Board regularly attended the meetings of the Fund's Board of Directors, which discussed making donations. Thus, it kept an ongoing check on the correctness of the provision of donations, pursuant to the Fund's Statute.

At its meeting of March 17, 2004, the Fund's Supervisory Board reviewed the correctness of the Fund's accounting between August 25, 2003 and December 31, 2003. Based on its review, the Supervisory Board would like to inform the Board of Directors that it has no comments or reservations as to the correctness of the accounting of the Fund or the manner in which the Fund's accounts are being kept.

Ad 2) Review of the annual final accounts and annual report

The Fund's Supervisory Board has reviewed the annual final accounts of the Fund for 2003.

The Fund's Supervisory Board has found the final accounts of the Fund for 2003 to be correct and duly produced within the meaning of the special laws.

Furthermore, the Fund's Supervisory Board has reviewed the Annual Report of the Fund for 2003 presented to it.

The Fund's Supervisory Board has found the Annual Report of the Fund for 2003 to be correct. The Fund's Supervisory Board found that the Annual Report complies with the requirements of Sec. 25 of Act no. 277/1997 Coll., to regulate foundations and funds, as amended. The Fund's Supervisory Board found all the data given in the Annual Report correct, complete, and sufficient.

Ad 3) Summary of shortcomings ascertained, and a summary of proposals to remedy them

In its supervisory work pursuant to Sec. 17 Act no. 227/1997 Coll., to regulate foundations and funds, as amended, and pursuant to the provisions of Article 16 of the Fund's Statute, the Fund's Supervisory Board has not ascertained any shortcomings about which it should inform the Fund's Board of Directors.

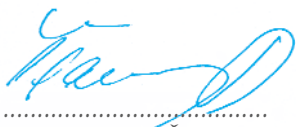
Prague, dated June 9, 2004



.....
Ing. Růžena Kabilková



.....
Ing. Libuše Schmidová



.....
MUDr. Boris Šťastný



.....
Ing. Alena Vításková

