

Nadační fond
manželů Livie a Václava Klausových



2004 Annual Report

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Dear Partners, Colleagues, Friends,

The Nadační fond manželů Livie a Václava Klausových would like to present its second annual report to all partners, colleagues and friends. It has been a “mere” second year since the foundation of our Fund, however, for those of you, who have been working for us on a daily basis, these two years may feel like a much longer time. The reason for this may also perhaps be that we did not want to start off in a sedate pace, on the contrary we immediately dived into the “donation ocean” as we believe that truly meaningful work can be done only in such a way.

This year we launched an extensive project aimed mainly at young people who start their adult lives but who, however, find themselves in an uneasy situation that is not due to their own fault. Here I have in mind children from children’s homes. They are the project “A Start in life” focuses on. This project wants - all in compliance with the aim of our Fund - not only to lessen these inequalities but also to inspire children to have their own independent activity.

The second project of our Fund is also focused on the youth. It aims to improve their language qualifications through grants at foreign schools.

Besides the above mentioned activities, we also commit ourselves to a large number of individual cases of health impaired people of all generations. All this is clearly reviewed in our annual report.

Nevertheless, our activities are much more numerous as we are naturally interested in what there is in front of us. And I can gladly inform you that in the forthcoming period we wish to devote more of our attention to our senior citizens.

There are far more issues I would like to speak about - however that is the aim of this report anyway. That is why I would also like to mention the “other side of the coin”, which is contact with those we would not be able to act without - our donators. There is nothing more to say than simply - thank you. Thank you for your understanding that our work has a clear aim, that we strive in a clear and purposeful direction, thank you for your trust. We mediate your help to many people in need and in my opinion this is a beautiful outcome of our co-operation. That is why I want to thank you not only on my own behalf but also on the behalf of the cofounder of the Fund - my husband, the president of the Czech Republic, Václav Klaus, and also on the behalf of those mentioned at the beginning: my colleagues working in management and administration and all those who commit themselves to time demanding and complicated work without any claims of financial reward.

We find ourselves on the threshold of the third year of the Nadační fond manželů Livie a Václava Klausových. I am deeply convinced that our next year’s annual report will be even more enriched.

Livia Klausová
the Chair of the Board of Directors

BASIC INFORMATION ABOUT THE NADAČNÍ FOND MANŽELŮ LIVIE A VÁCLAVA KLAUSOVÝCH (herein after only “the Fund”)

The 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 humanitarian activities of legal entities and natural persons, and is primarily focused on supporting projects and activities of health and a social nature, as well as 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

Identification number: 270 82 857

Account number: 22220207/0100

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

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

ACTIVITIES OF THE NADAČNÍ FOND MANŽELŮ LIVIE A VÁCLAVA KLAUSOVÝCH

Over the past year the Fund has focused on the support of socially disadvantaged and health impaired people in the frame of the projects “Language courses for children from children’s homes and foster families” and “A Start in life”.

The Fund has offered grants as part of a grant program and in special cases has given a contribution to individual applicants.

The project “Language courses to children from children’s homes and foster families”

The project “Language courses for children from children’s homes and foster families” is provided by the Nadační fond manželů Livie and Václava Klausových as a part of its support of education. The project is aimed at children from children’s homes and foster families who desire to improve their language skills.

In the year 2004 students of the age of 16+ have had a possibility to participate in two- to four-week language courses of English, German or French at various foreign language schools. The Fund provided selected candidates with financial means for transport, accommodation, boarding, textbooks and appropriate pocket money.

Chosen students attended courses at the following language schools:

Richard Language College, Bournemouth, Great Britain

Emerald Cultural Institute, Dublin, Ireland

European Centre, Malta

Europa - Kolleg, Kassel, Germany

Inlingua, Salzburg, Austria

Cavilam, Vichy, France.

115 students applied in a tender which took place in March, 2004. Most of them were interested in the English language (70 applicants) and German language (42 applicants). On the basis of the tender, 12 students attended English courses, two students signed up for a German course and one student took part in a French course.

The representatives of the Fund wanted to meet the chosen students and that was the agenda of the two meetings that took place on 24 May 2004, and 22 November 2004. The common denominator of both the sessions was a mutual wish to meet each other and share experience from the language courses.

Personal meetings and students’ reports show that the language course did not only represent an occasion to improve language skills in a foreign language. Students did not forget to mention their travel experience, surprise stemming from meeting other young people from all over the world, and the chance to visit places of historical and cultural interest within the vicinity of the language schools. The students returned enriched with language skills as well as the experience that they are independent and reliable enough to be able to spend two or four weeks abroad all by themselves.

The project “A start in life”

The project “A start in life” focuses on 14-to-18-year-old children from children’s homes and its aim is to provide these children with a certain financial support when leaving the children’s home. The money, the children obtain through the project “A start in life”, will serve as means to cover expenditures linked with the start of an independent life - e.g. rent payment and other expenditures prior to their first salary, partial payment of expenditures related to university studies, payment of building society loans etc.

We opened a special account for each child participating in this project. The Fund will financially contribute to the account every year. Besides these annual deposits, chosen children will obtain a so-called motivating bonus from the Fund as of 1 September each year. Education (school achievement results etc.) will be the main criteria and among other possible criteria are: behaviour, extra curricula activities, tidiness etc. The money can be withdrawn from the account after the participant of the project reaches 18 years of age.

On 30 September 2004 a meeting with the headmistresses and headmasters of children’s homes took place. The purpose of the session was to inform the headmistresses and headmasters of children’s homes about the project “A start in life” and ask them for co-operation in the preparation and implementation of the project. Immediately after everybody started working and the result of several months of hard work was that a day before Christmas Eve 243 children from 42 children’s homes, who had had all formalities considering the relationship with the bank and the Fund solved, received a contribution of 1.500 CZK.

Grants

The Nadační fond manželů Livie and Václava Klausových predominantly offers grants to socially disadvantaged and health impaired students. The crucial aspect during the selection procedures is the motivation of students. The Fund requires those students who have gained the grant to provide appropriate feedback including a school assessment report. A list of students who have gained grants has been included in the review of gift recipients for the year 2004.

Individual applications

The Fund offers fund donations in those cases that require special attention and in cases when an applicant is unable to gain a donation from any other fund or donation fund.

Thanks to activities of the Fund and to the co-operation with individual donators, conditions for continuation of all these projects in the year 2005 have been created in the assets frame as of 31 December 2004. The financially most demanding project “A Start in Life” regards also years to follow 2005. In 2005 the Nadační fond manželů Livie a Václava Klausových also intends to launch a project with a working title “We Think of Future Seniors”.

OVERVIEW OF DONATIONS AND CONTRIBUTIONS

Donations received

In 2004, the Nadační fond manželů Livie a Václava Klausových received donations from the following donors:

Individual persons total CZK 440 900

| | | |
|--------------------------|-----|---------|
| Milan Janků | CZK | 50 000 |
| Eduard Harant | CZK | 310 900 |
| Renáta Petrová | CZK | 50 000 |
| Pavel Šporcl | CZK | 30 000 |

Legal entities total CZK 6 794 942

| | | |
|--|-----|-----------|
| Advokátní kancelář JUDr. Martin Slaviček | CZK | 100 000 |
| AST - Česká stavební, s. r. o. | CZK | 12 500 |
| Canguro, s. r. o. | CZK | 15 000 |
| CARS BAD, s. r. o. | CZK | 63 750 |
| Damm Sport Agency, s. r. o. | CZK | 10 000 |
| Dům porcelánu Praha, a. s. | CZK | 8 000 |
| EUREST, spol. s r.o. | CZK | 12 500 |
| Eurexa, spol. s r. o. | CZK | 70 000 |
| Eurotel Praha, spol. s r.o. | CZK | 200 000 |
| EXIM TOURS, a. s. | CZK | 200 000 |
| Ferona, a. s. | CZK | 75 000 |
| FG Forrest, a. s. | CZK | 136 400 |
| FOLK ART PRODUCTION, spol. s r. o. | CZK | 100 000 |
| GRUND, a. s. | CZK | 100 000 |
| Karlovarský porcelán, a. s. | CZK | 25 000 |
| Kooperativa, pojišťovna, a. s. | CZK | 77 500 |
| LG Electronics CZ, s. r. o. | CZK | 1 000 000 |
| Madison Models, s. r. o. | CZK | 60 000 |
| Miloslav Martinec | CZK | 5 500 |
| Nadace Komerční banky, a. s. - JISTOTA | CZK | 1 000 000 |
| Nadace PRECIOSA | CZK | 1 000 000 |

| | | |
|--|-----|-----------|
| Nadační fond Naděje třetího tisíciletí | CZK | 1 500 000 |
| PaedDr. Eva Ďoubalová - zastoupení zahraničních škol | CZK | 526 192 |
| SAGA TRADE, spol. s r. o. | CZK | 100 000 |
| Scanservice, spol. s r. o. | CZK | 16 600 |
| Sport Art Promotion, a. s. | CZK | 25 000 |
| Tributum Praha, s. r. o. | CZK | 36 000 |
| Viliam Sivek - EuroAgentur Praha | CZK | 100 000 |
| Všeobecná stavební spořitelna Komerční banky, a. s. | CZK | 200 000 |
| ZHENG HE | CZK | 20 000 |

Four small donors donated to the Fund a total of CZK 6 800.

Six donors who asked to remain anonymous contributed the following donation CZK 1 663 750.

The Fund received total donations of CZK 8 906 392.

Contributions

In 2004, the Nadační fond manželů Livie a Václava Klausových provided total contributions of CZK 1 508 112.

Individual persons CZK 1 370 144

A. Grants CZK 190 040

| | | |
|----------------------------|-----|--------|
| Kateřina Červeňáková | CZK | 30 000 |
| Radek Vavřík | CZK | 32 320 |
| Kristýna Bubeníčková | CZK | 31 720 |
| Helena Dostálová. | CZK | 50 000 |
| Vladimír Červeňák | CZK | 15 000 |
| Radomil Martinec | CZK | 12 000 |
| Martin Škurek | CZK | 9 000 |
| Hana Šamšulová | CZK | 10 000 |

B. Language coursesCZK 765 664

| | | |
|-------------------|-----|--------|
| David Šamko | CZK | 37 114 |
| Lucie Navarová | CZK | 39 808 |
| Václav Svatoš | CZK | 66 389 |
| Aranka Šiváková | CZK | 39 578 |
| Jarmila Vodičková | CZK | 34 917 |
| Blanka Brzicová | CZK | 56 606 |
| Zdeněk Hruboš | CZK | 56 606 |
| Zdenka Šranková | CZK | 40 543 |
| Jana Opatřilová | CZK | 57 981 |
| Lenka Odehnalová | CZK | 33 239 |
| Radka Krajčová | CZK | 57 502 |
| Martin Pospíšil | CZK | 56 433 |
| Jiří Kvaiser | CZK | 56 632 |
| Pavel Dvořáček | CZK | 57 712 |
| Lukáš Vostrý | CZK | 36 872 |
| Lucie Basovníková | CZK | 37 732 |

C. The Project “A Start in Life”CZK 364 500

| | | |
|--|-----|--------|
| Children 's home Boršov nad Vltavou - 9 children | CZK | 13 500 |
| Children 's home Dagmar - Brno Žabovřesky - 3 children | CZK | 4 500 |
| Children 's home a SPMŠ Broumov - 17 children | CZK | 25 500 |
| Private children 's home Budišov - 7 children | CZK | 10 500 |
| Children 's home Budišov nad Budišovkou - 7 children | CZK | 10 500 |
| Children 's home and Special School Čechy pod Kosířem - 4 children | CZK | 6 000 |
| Children 's home Deštné v Orlických horách - 13 children | CZK | 19 500 |
| Children 's home Dolní Lánov - 8 children | CZK | 12 000 |
| Children 's home Frýdek-Místek - 3 children | CZK | 4 500 |
| Children 's home Frýdlant - 2 children | CZK | 3 000 |
| Children 's home Holice - 5 children | CZK | 7 500 |
| Children 's home Hora Sv. Kateřiny - 2 children | CZK | 3 000 |
| Children 's home Horní Slavkov - 8 children | CZK | 12 000 |
| Children 's home Hranice - 4 children | CZK | 6 000 |
| Children 's home Humpolec - 6 children | CZK | 9 000 |
| Private children 's home SOS 92 Korkyně - 2 children | CZK | 3 000 |
| Children 's home Krásná Lípa - 8 children | CZK | 12 000 |
| Children 's home Kroměříž - 4 children | CZK | 6 000 |
| Children 's home Lipník nad Bečvou - 4 children | CZK | 6 000 |

| | | |
|--|-----|--------|
| <i>Children 's home Lipová u Šluknova - 14 children</i> | CZK | 21 000 |
| <i>Children 's home and Special school Liptál - 9 children</i> | CZK | 13 500 |
| <i>Children 's home Litoměřice - 2 children</i> | CZK | 3 000 |
| <i>Children 's home Melč - 10 children</i> | CZK | 15 000 |
| <i>Children 's home Mikulov - 4 children</i> | CZK | 6 000 |
| <i>Special School and Children 's home Mladá Boleslav - 3 children</i> | CZK | 4 500 |
| <i>Children 's home Nová Ves u Chotěboře - 1 dítě</i> | CZK | 1 500 |
| <i>Children 's home Nový Jičín - 2 children</i> | CZK | 3 000 |
| <i>Children 's home Slezská Ostrava - Na Vizině - 1 child</i> | CZK | 1 500 |
| <i>Children 's home Planá - 5 children</i> | CZK | 7 500 |
| <i>Children 's home Praha 9 - Dolní Počernice - 14 children</i> | CZK | 21 000 |
| <i>Children 's home Praha 9 - Klánovice - 14 children</i> | CZK | 21 000 |
| <i>Children 's home and Special School Prachatice - 10 children</i> | CZK | 15 000 |
| <i>Children 's home Pyšely - 4 children</i> | CZK | 6 000 |
| <i>Children 's home Semily - 3 children</i> | CZK | 4 500 |
| <i>Children 's home Senožaty - 8 children</i> | CZK | 12 000 |
| <i>Children 's home Solenice - 1 child</i> | CZK | 1 500 |
| <i>Children 's home Staňkov - 2 children</i> | CZK | 3 000 |
| <i>Children 's home Tachov - 4 children</i> | CZK | 6 000 |
| <i>Children 's home and Special school Třebívlice - 1 child</i> | CZK | 1 500 |
| <i>Children 's home Uherské Hradiště - 3 children</i> | CZK | 4 500 |
| <i>Children 's home Vrchlabí - 9 children</i> | CZK | 13 500 |
| <i>Children 's home Zašová - 3 children</i> | CZK | 4 500 |

D. Individual applicationsCZK 59 940

| | | |
|---------------------------|-----|--------|
| <i>Lenka Drlíková</i> | CZK | 8 000 |
| <i>Lenka Nováková</i> | CZK | 17 280 |
| <i>Alena Řeháková</i> | CZK | 15 000 |
| <i>Magdalena Vránková</i> | CZK | 8 500 |
| <i>Eva Horňofová</i> | CZK | 6 600 |
| <i>Zdenka Konárová</i> | CZK | 4 560 |

Legal entities**CZK 127 968**

| | | |
|--|-----|--------|
| Občanské sdružení ROMODROM | CZK | 6 020 |
| Sdružení pěstounských rodin | CZK | 2 000 |
| Gymnázium Christiana Dopplera | CZK | 28 609 |
| Sdružení rom. občanů Lysá n. L. | CZK | 49 539 |
| Speciální školy Aloyse Klara | CZK | 10 000 |
| ALTER EGO - institut pro podporu vzdělanosti | CZK | 6 000 |
| o.s. Život bez bariér | CZK | 12 800 |
| SPID handicap, o. p. s. | CZK | 10 000 |
| Armáda spásy, o. s. | CZK | 1 000 |
| Městské centrum sociálních služeb a prevence | CZK | 1 000 |
| Naděje | CZK | 1 000 |

FINANCIAL REPORT FOR 2004 (in CZK)

| | | |
|--|-----|--------------|
| The financial contribution of the Fund's incorporators | CZK | 200 000,00 |
| Opening balance of the Fund's account | CZK | 200 000,00 |
| Final account balance as of 31 December 2003 | CZK | 2 013 687,64 |
| Final balance of accounts as of 31 December 2004 | CZK | 8 745 925,08 |
| Of this: current account | CZK | 1 718 994,93 |
| certificate of deposit | CZK | 7 026 930,15 |

Total revenue: CZK 8 935 225,73

| | | |
|--|-----|--------------|
| of this: total donations received | CZK | 8 906 392,00 |
| of this: donations from individual persons | CZK | 447 700,00 |
| donations from legal entities | CZK | 8 458 692,00 |
| other revenues | CZK | 28 833,73 |

Total costs: CZK 1 990 620,85

| | | |
|---|-----|--------------|
| of this: total donation contributions granted | CZK | 1 508 112,21 |
| of this: contributions to individual persons | CZK | 1 380 144,21 |
| contributions to legal entities | CZK | 127 968,00 |
| Personnel costs | CZK | 126 171,00 |
| Suppliers and services | CZK | 305 375,40 |
| Other costs | CZK | 50 962,24 |

A more detailed description of the above-mentioned costs and revenues is given in the analytical materials for the Fund's final accounts as of 31 December 2004 which was subject to the Fund's Supervisory Board supervision activities and the external auditor's report.

In 2004 costs relating to the management of the Fund pursuant to Section 22 of Act no. 210/2002 Coll. amounted to CZK 482,509.70, i.e. 4.9% of the value of the Fund's assets as of 31 December 2004.

The limit of costs which is given in the Fund's statute was not exceeded.

COMPLETE BALANCE SHEET AS OF 31 DECEMBER 2004 (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 | b | 1 | 2 |
| A. | Total long-term assets | <i>Total of I to IV</i> | 1 | 67 |
| I. | 1. Intangible results of research and development | (012) | 2 | |
| Total | 2. Software | (013) | 3 | |
| long-term | 3. Appraisable rights | (014) | 4 | 87 |
| intangible | 4. Small long-term intangible assets | (018) | 5 | |
| assets | 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 | 87 |
| II. | 1. Land | (031) | 10 | |
| Total | 2. Works of art, articles, and collections | (032) | 11 | |
| long-term | 3. Buildings | (021) | 12 | |
| tangible | 4. Independent movables and sets of movable property | (022) | 13 | |
| assets | 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 | 2. Interest in accounting units under significatn influence | (062) | 22 | |
| long-term | 3. Debt securities held to maturity | (063) | 23 | |
| financial | 4. Loans to organisational units | (066) | 24 | |
| assets | 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. Accumulated amortization - results of research and development | (072) | 29 | |
| Total | 2. Accumulated amortization - software | (073) | 30 | |
| accumulated | 3. Accumulated amortization - patents, copyrights, trademarks | (074) | 31 | -20 |
| depreciation | 4. Accumulated amortization - small long-term intangible assets | (078) | 32 | |
| long-term | 5. Accumulated amortization - other long-term intangible asstes | (079) | 33 | |
| assets | 6. Accumulated depreciation - buildings | (081) | 34 | |
| | 7. Accumulated depreciation - independent movables and sets of movable property | (082) | 35 | |
| | 8. Accumulated depreciation - growing units of permanent growth | (085) | 36 | |
| | 9. Accumulated depreciation - basic herd and draught animals | (086) | 37 | |
| | 10. Accumulated depreciation - small long-term tangible assets | (088) | 38 | |
| | 11. Accumulated depreciation - othet long-term tangible assets | (089) | 39 | |
| | Total of IV.1. to IV.11. | | 40 | -20 |

| ASSETS | | Line number | Situation as of the first day of the accounting period | Situation as of the last day of the accounting period |
|---------------|--|------------------------------|---|--|
| | a | b | 1 | 2 |
| B. | Total short-term assets | Total of B.I. to B.IV. 41 | 2 824 | 9 776 |
| I. | Total stock | | | |
| | 1. Material in stock | (112).....42 | | |
| | 2. Material on the way..... | (119).....43 | | |
| | 3. Unfinished production..... | (121).....44 | | |
| | 4. Work in process..... | (122).....45 | | |
| | 5. Products | (123).....46 | | |
| | 6. Livestock..... | (124).....47 | | |
| | 7. Goods in stock and in shops | (132).....48 | 808 | 963 |
| | 8. Goods on the way | (139).....49 | | |
| | 9. Advances for stock provided..... | (314).....50 | | |
| | Total of I.1. to I.9. | 51 | 808 | 963 |
| II. | Total receivables | | | |
| | 1. Clients..... | (311).....52 | | |
| | 2. Note receivable..... | (312).....53 | | |
| | 3. Receivables for discounted securities | (313).....54 | | |
| | 4. Operation advances provided | (314).....55 | | 63 |
| | 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 direct 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-governments | (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. Adjustments to uncollected accounts | (391).....70 | | |
| | Total II.1. to II.19. | 71 | | 63 |
| III. | Total short-term financial assets | | | |
| | 1. Petty cash | (211).....72 | 2 | 4 |
| | 2. Duty stamps..... | (213).....73 | | |
| | 3. Bank accounts | (221).....74 | 2 014 | 8 746 |
| | 4. Equity securities for trading | (251).....75 | | |
| | 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 III.1. to III.8. | 80 | 2 016 | 8 750 |
| IV. | Total other assets | | | |
| | 1. Future costs | (381).....81 | | |
| | 2. Future income | (385).....82 | | |
| | 3. Active exchange rate differences | (386).....83 | | |
| | Total IV.1. to IV.3. | 84 | | |
| | Total assets | Total of A. to B. 85 | 2 824 | 9 843 |

LIABILITIES AND EQUITY

| | | 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 | 4 | |
| A. | Total own sources | Total of A.I. to A.II. | 86 | 2 814 | 9 764 |
| I. | 1. Equity capital | (901) | 87 | 200 | 200 |
| | 2. Funds | (911) | 88 | | |
| | 3. Appraisal differences for asset and liability re-appraisal | (921) | 89 | | |
| | Total I.1. to I.3. | | 90 | 200 | 200 |
| II. | 1. Profit and loss account | (963) | 91 | x | 6 950 |
| | 2. Economic result in pending procedures | (931) | 92 | 2 614 | x |
| | 3. Undivided profit, unpaid loss from previous years | (932) | 93 | | 2 614 |
| | Total II.1 to II.3. | | 94 | 2 614 | 9 564 |
| B. | Total third-party sources | Total B.I. to B.IV. | 95 | 10 | 79 |
| I. | 1. Reserves | (941) | 96 | | |
| | Value I.1. | | 97 | | |
| II. | 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 II.1. to II.7. | | 105 | | |
| III. | 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 | 11 |
| | 6. Other liabilities towards employees | (333) | 111 | | |
| | 7. Liabilities to social security and health insurance institutions | (336) | 112 | 2 | 7 |
| | 8. Income tax | (341) | 113 | | |
| | 9. Other direct taxes | (342) | 114 | 1 | 2 |
| | 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 budget of the bodies of self-government | (348) | 118 | | |
| | 14. Liabilities from subscribed unpaid securities and contributions | (367) | 119 | | |
| | 15. Liabilities to association members | (368) | 120 | | |
| | 16. Liabilities from fixed-term operations | (373) | 121 | | |
| | 17. Other liabilities | (379) | 122 | | 59 |
| | 18. Short-term bank loans | (231) | 123 | | |
| | 19. Discount credits | (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 III.1. to III.23. | | 129 | 7 | 79 |
| IV. | 1. Future expenses | (383) | 130 | 3 | |
| | 2. Future income | (384) | 131 | | |
| | 3. Passive exchange rate differences | (387) | 132 | | |
| | Total IV. to IV.3. | | 133 | 3 | |
| | Total liabilities | Total A. to B. | 134 | 2 824 | 9 843 |

 Sent out on:
31. 3. 2005

Seal:

Signature of the person in charge:

 Signature of the person
in charge of compilation:

 Moment of compilation:
23. 2. 2005


Telephone: 602 176 184

PROFIT AND LOSS STATEMENT AS OF 31 DECEMBER, 2004 (whole thousand of CZK)

| Specification | Index | Line number | Activities | | |
|---------------|--|----------------------------------|------------|----------|-------|
| | | | Main | Economic | Total |
| | | | 5 | 6 | 7 |
| A. | Costs | 1 | | | |
| I. | Total manufacturing costs..... | Total I.1. to I.4. 2 | 15 | | 15 |
| 1. | Materials used..... | (501) 3 | 15 | | 15 |
| 2. | Energy used..... | (502) 4 | | | |
| 3. | Utilities used..... | (503) 5 | | | |
| 4. | Goods sold..... | (504) 6 | | | |
| II. | Total services..... | Total II.5. to II.8. 7 | 285 | | 285 |
| 5. | Repairs and maintenance..... | (511) 8 | | | |
| 6. | Travel expenses..... | (512) 9 | 29 | | 29 |
| 7. | Entertainment expenses..... | (513) 10 | 42 | | 42 |
| 8. | Other services..... | (518) 11 | 214 | | 214 |
| III. | Total personal costs..... | Total III.9. to III.13. 12 | 126 | | 126 |
| 9. | Staff costs..... | (521) 13 | 94 | | 94 |
| 10. | Statutory social insurance..... | (524) 14 | 32 | | 32 |
| 11. | Other social insurance..... | (525) 15 | | | |
| 12. | Statutory social costs..... | (527) 16 | | | |
| 13. | Other social costs..... | (528) 17 | | | |
| IV. | Total taxes and levies..... | Total 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 V.17. to V.24. 22 | 1539 | | 1539 |
| 17. | Contractual penalties and default interest..... | (541) 23 | | | |
| 18. | Other penalties and fines..... | (542) 24 | | | |
| 19. | Uncollectable debt expense..... | (543) 25 | | | |
| 20. | Interest..... | (544) 26 | | | |
| 21. | Exchange rate losses..... | (545) 27 | 15 | | 15 |
| 22. | Donations..... | (546) 28 | 1508 | | 1508 |
| 23. | Deficit and damages..... | (548) 29 | | | |
| 24. | Other ,other costs'..... | (549) 30 | 16 | | 16 |
| VI. | Amortization, assets sold, creation of reserves and adjusting entries in total ... | Total VI.25. to VI.30. 31 | 20 | | 20 |
| 25. | Amortization of long-term intangible and tangible assets..... | (551) 32 | 20 | | 20 |
| 26. | Residual price of long-term intangible and tangible assets sold..... | (552) 33 | | | |
| 27. | Securities and shares 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 VII.31. to VII.32. 38 | | | |
| 31. | Contributions provided and accounted among organisational units..... | (581) 39 | | | |
| 32. | Membership fees provided..... | (582) 40 | | | |
| VIII. | Total income tax..... | Value VIII.33. 41 | | | |
| 33. | Additional income tax payment..... | (595) 42 | | | |
| | Total costs..... | Total I. to VIII. 43 | 1985 | | 1985 |

| Specification | Index | Line number | Activities | | |
|---------------|--|--------------------------------|------------|----------|-------|
| | | | Main | Economic | Total |
| | | | 5 | 6 | 7 |
| B. | Revenues | 44 | | | |
| I. | Total revenue from the unit's own performance and goods..... | Total I.1. to I.3.45 | | | |
| 1. | Revenues from unit's own products | (601)46 | | | |
| 2. | Revenues from sale of services | (602)47 | | | |
| 3. | Revenues from goods sold | (604)48 | | | |
| II. | Total change of the situation of intra-organisation stock | Total II.4. to II.7.49 | | | |
| 4. | Change in unfinished production stock | (611)50 | | | |
| 5. | Change in the situation of semi-product stock | (612)51 | | | |
| 6. | Change in the situation of product stock | (613)52 | | | |
| 7. | Change in the situation of livestock | (614)53 | | | |
| III. | Total activation | Total 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 revenues | Total IV.12. to IV.18.59 | 29 | | 29 |
| 12. | Contractual penalties and default interest | (641)60 | | | |
| 13. | Other penalties and fines | (642)61 | | | |
| 14. | Payment for amortized receivables | (643)62 | | | |
| 15. | Interest | (644)63 | 28 | | 28 |
| 16. | Exchange rate gains | (645)64 | 1 | | 1 |
| 17. | Funds reconciliation | (648)65 | | | |
| 18. | Other ,other revenues' | (649)66 | | | |
| V. | Total revenue from the sale of assets, accounting of reserves and adjusting entries..... | Total 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 shares | (653)69 | | | |
| 21. | Revenue from the sale of material | (654)70 | | | |
| 22. | Revenue from the short-term financial assets | (655)71 | | | |
| 23. | Accounting of reserves | (656)72 | | | |
| 24. | Revenue from long-term financial assets | (657)73 | | | |
| 25. | Accounting of adjustment entries | (659)74 | | | |
| VI. | Total contributions received | Total VI.26. to VI.28.75 | 8906 | | 8906 |
| 26. | Contributions received and accounted among organisational units | (681)76 | | | |
| 27. | Contributions accepted (donations) | (682)77 | 8906 | | 8906 |
| 28. | Membership fees received | (684)78 | | | |
| VII. | Total operational subsidies | Value VII.29.79 | | | |
| 29. | Operational subsidies | (691)80 | | | |
| | Total revenue | Total I. to VII.81 | 8935 | | 8935 |
| C. | Economic result prior to tax | Revenues - Costs | | | |
| 34. | Income tax | (591) | 83 | | 6950 |
| D. | Economic result net of tax | C. - 34. | 84 | 6950 | 6950 |

Sent out on:
31. 3. 2005

Seal:



Signature of the person in charge:

Signature of the person in charge of accounting:

Telephone: 602 176 184

Note:

Pursuant to Section 2 of Act no. 210/2002 Coll., costs in line 22 represent donations of the benevolent fund to third persons. Revenues relating to line 75 represent the amount of donations received by the benevolent fund from third persons.

AUDITOR'S REPORT

on the annual financial statement 2004

The auditor's report on the annual financial statement and economy in the year 2004 is addressed to the Board of Directors of the benevolent fund.

An auditor expresses an opinion on this financial statement based on his audit.

Ing. Blanka Jindrová, a CR auditor, licence number 1284, carried out an audit of the accompanying financial statement as of 31 December 2004 of the Nadační fond manželů Livie a Václava Klausových, registered office Prague 1, Hrad, IN 270 82 857 in accordance with the Act on Auditors and the auditing standards of the Chamber of Auditors of the Czech Republic.

Those standards require that an audit be planned and performed for the auditor to obtain a reasonable assurance about whether the financial statements are free of significant misstatement. An audit also includes examining, on a test basis, evidence supporting the amount and disclosures in the financial statements. An audit also includes assessing the accounting principles and significant estimates made by the company, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

The statutory body of the accounting unit is responsible for accounting management, consistency of accounting, conclusive evidence of accounting and objective accuracy of accounting. To the best of her knowledge and belief the auditor is responsible for obtaining all information, which is necessary to examine the financial statement. The examination of the statement was carried out on a test basis with respect to the significance of the statement material.

In my opinion, the financial statement present, in all material respect true and fair view of assets, liabilities, equity and financial position of the Nadační fond manželů Livie a Václava Klausových as of 31 December 2004 and its operations for the accounting period from 1 January to 31 December 2004 in accordance with the Act on Accounting and relevant legislation of the Czech Republic.

The report was presented to the Chair of the Board of Directors of the benevolent fund who thereby confirmed that all material loans were returned to the benevolent fund and the report was delivered in accordance with the contractual terms.

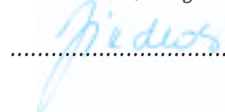
Prague, 3 March 2005

Ing. Livia KLAUSOVÁ, CSc.
Chair of the Board of Directors



.....

Ing. Blanka JINDROVÁ
Auditor licence 1284
Chlumova 15, Prague 3



.....



AUDITOR'S REPORT ON THE ANNUAL REPORT

of the Nadační fond manželů Livie a Václava Klausových

The annual report of the Nadační fond manželů Livie a Václava Klausových was issued pursuant to Section 25 (1 and 2) of Act no. 227/1997 Coll. on Foundations and Benevolent Funds, as amended.

All information as presented in the annual report is true and consistent in all material respects related to the operations of the Nadační fond manželů Livie a Václava Klausových for the year 2004.

As an auditor of the Fund, I reviewed the consistency of information in the presented annual report and data of accounting and the financial statement of the Nadační fond manželů Livie a Václava Klausových for the year 2004. In my opinion, the information presented in the annual report is consistent in all significant respect with the information included in the financial statement.

Prague, 20 March 2005

*Ing. Blanka JINDROVÁ
auditor, licence 1284
Chlumova 15, 130 00 Prague 3*

Blanka Jindrová
.....



SUPERVISORY BOARD REPORT ON THE RESULTS OF ITS SUPERVISION WORK

The Supervisory Board of the Nadační fond manželů Livie a Václava Klausových as follows:

- 1/ Ing. Růžena Kabilková, Na Homolce 23/148, Prague 5*
- 2/ Ing. Libuše Schmidová, Karolíny Světlé 7, Prague 1*
- 3/ MUDr. Boris Šťastný, Nad Vodovodem 220/50, Prague 10*
- 4/ Ing. Alena Vitásková, Ivana Olbrachta 1501, Hlučín*

hereby submits to the Board of Directors pursuant to Section 17 (3,e) of Act no. 227/1997 Coll. on Foundations and Benevolent Funds, as amended, the following report on the results of its supervision.

In accordance with Article 17 of the Fund's statute of 2 September 2003, the Supervisory Board has divided its report into the following sections:

- 1/ Checking the adherence to the conditions for granting donations and contributions, and the correctness of the Fund's accounting.*
- 2/ Review of the annual financial statement and annual report*
- 3/ Summary of shortcomings ascertained and summary of proposals to remedy them.*

Ad.1. Checking the adherence to the conditions for granting donations and contributions, and correctness of the Fund's accounting.

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

In 2004, the Supervisory Board attended meetings of the Board of Directors regularly and continuously supervised financial management of donations which are provided pursuant to the Fund's statute and current legal regulations.

In its meeting on 10 March 2005, the Supervisory Board reviewed the consistency and correctness of the Fund's accounting in the accounting period from 1 January 2004 to 31 December 2004. Based on this review the Supervisory Board informs the Board of Directors that it has no comments or reservations as to the consistency and correctness of the Fund's accounting or to the accounting principles of the Fund.

Ad.2. Review of the annual financial statement and annual report

The Supervisory Board of the Fund reviewed annual financial statement of the Fund for the year 2004.

The Supervisory Board of the Fund found the Fund's final financial report for the year 2004 to be correct and due pursuant to the legal regulations in force.

The Supervisory Board of the Fund also reviewed the Annual Report for the year 2004.

The Supervisory Board found the Annual Report for 2004 to be correct. The Supervisory Board also acknowledged that the Annual Report is pursuant to Section 25 of Act no. 277/1997 Coll. on Funds and Benevolent Funds, as amended. All data in the Annual Report were found correct, complete and sufficient.

Ad.3. Summary of shortcomings ascertained and summary of proposals to remedy them

The Supervisory Board of the Fund during its supervision pursuant to Section 17 of Act no. 277/1997 Coll. on Foundations and Benevolent Funds, as amended, and in accordance with the Article 16 of the Fund's Statute has ascertained no shortcomings for the Board of Directors of the Fund to be informed of.

Prague, 16 March 2005


.....
Ing. Růžena Kabilková


.....
Ing. Libuše Schmidová


.....
MUDr. Boris Šťastný


.....
Ing. Alena Vitásková

www.nadacnifondklausovych.cz