

NADACE ČESKÉ SPOŘITELNY

ANNUAL REPORT 2005

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Introduction

Dear Friends,

This is the fourth time we have had the pleasure of providing you with information about the activities and financial results of the Nadace České spořitelny (hereinafter the “Foundation”), this time for the year 2005.

The Foundation was registered in the Foundation Register maintained by the Municipality Court in Prague on 30 January 2002. As in previous years and in compliance with the Statute, in its fourth year the Foundation supported projects in the social care, charity, health and education areas.

In the long-term, the Foundation has decided to focus on such areas and projects that are mostly neglected by other donors and corporations. Our strategy is mainly focused on seniors, the drug addicted, and the physically and mentally handicapped, also partially on education and the environment. In 2005 we continued cooperation with our long-term partners from the not-for-profit sector and we also entered in some new partnerships. The Foundation started to run its web sites and its policy is to be open to both the professional and non-professional public; this was carried out in the form of briefings and in the form of support for educational projects from the not-for-profit sector and, last but not least, projects enabling public involvement in specific charity programmes.

More detailed information about the main projects supported by the Foundation’s funds in 2005 is provided in the Annual Report.

In compliance with the Act on Foundations and Foundation Funds No. 227/1997 Coll., the Foundation approved the annual year statements as at 31 December 2005 and the annual report on the activities and financial results of the Foundation for the year 2005.



Mgr. Jarmila Plachá, Chairperson of the Administrative Board

The Foundation wants to help where it is needed. Unfortunately we are not able to satisfy everyone, therefore the Administrative Board approves the projects to be implemented very carefully and with regard to the benefit they will bring to the society in compliance with the Foundation’s long-term strategy. We believe we have been successful in bringing to life many useful things and we hope to continue doing so in the next years.

In the end we would like to thank Česká spořitelna - the founding entity and, as in previous years, the main donor to the Foundation.

A handwritten signature in black ink, appearing to read 'Jarmila Plachá'. The signature is fluid and cursive, with a large, sweeping flourish at the end.

Mgr. Jarmila Plachá
Chairperson of the Administrative Board of the Foundation

Financial report for the year ended

REVENUES:

Interest from tax exempt accounts	277 688,97	in CZK
Interest from term deposits	6 004,30	in CZK
Other income	146,00	in CZK
Exchange rate gains from securities	1 053 578,00	in CZK
Income from securities	20 760 323,84	in CZK
Revaluation of securities	10 387 136,16	in CZK
Sale of securities (shares)	98 714 473,00	in CZK
TOTAL REVENUES	131 199 350,30	in CZK

EXPENSES:

Bookkeeping, tax matters	54 524,00	in CZK
Legal advice	14 249,08	in CZK
Advertising, other services	266 673,00	in CZK
Office lease, telephones, office supplies	180 000,00	in CZK
Payroll expenses including social security and health insurance charges	269 721,00	in CZK
Exchange rate losses from securities	1 009 512,00	in CZK
Bank charges including administration of securities	114 702,06	in CZK
Revaluation of securities	5 188 930,48	in CZK
Cost of sold securities	93 818 039,98	in CZK
TOTAL EXPENSES	100 916 351,60	in CZK

Surplus (profit) **30 282 998,70 in CZK**

DONATIONS AND CONTRIBUTIONS:

Received from corporate entities	0,00	in CZK
Provided contributions		
To corporate entities	19 574 900,00	in CZK
To individuals	310 000,00	in CZK
TOTAL PROVIDED CONTRIBUTIONS	19 884 900,00	in CZK

ASSETS FOR THE YEAR ENDED 31 DECEMBER 2005

PORTFOLIO ASSETS

Shares	22 197 750,00	in CZK
Equity funds	30 469 767,35	in CZK
Bond funds	420 022 244,26	in CZK
Bonds	20 485 125,00	in CZK
Alternate strategy funds	4 970 414,65	in CZK
Structured bonds	35 636 132,40	in CZK
Current accounts in the portfolio	7 473 039,93	in CZK
TOTAL Portfolio assets	541 254 473,59	in CZK
Current account revenues, projects 82978319	77 022,31	in CZK
Current account, social fund, employees 82979389	203 851,62	in CZK
Current account 82511399	3 866,77	in CZK
Current account, operation 83686369	398 686,17	in CZK
TOTAL Current account	683 426,87	in CZK
Cash on hand	1 795,60	in CZK
TOTAL ASSETS	541 939 696,06	in CZK

31 December 2005

FINANCIAL CONTRIBUTIONS PROVIDED BY THE ČESKÁ SPOŘITELNA FOUNDATION

a) Contributions to individuals

The Česká spořitelna Foundation provided financial contributions to employees of Česká spořitelna, a.s. or their survivors as support in distressed situations, in the total value of CZK 250 000.

Furthermore, a monthly contribution of CZK 5 000 is paid to the orphaned daughter of a victim of a criminal act, the contribution totalled CZK 60 000 in the year ended 31 December 2005.

b) Contributions to corporate entities (in CZK)

Život 90, občanské sdružení (Life 90, Civic Association)	300 000	in CZK
Nadace VIA (the VIA Foundation) (the "We help people improve their place for life" project)	1 980 900	in CZK
Nadace Partnerství (the Partnership Foundation)	3 000 000	in CZK
Vysoká škola finanční a správní (University of Finance and Business Administration)	1 200 000	in CZK
Nadace Terezy Maxové (the Tereza Maxová Foundation)	1 000 000	in CZK
Nadace Život umělce (the Artist's Life Foundation)	50 000	in CZK
Modrá linka, občanské sdružení (Blue Line, Civic Association)	150 000	in CZK
Nadace policistů a hasičů - vzájemná pomoc v tísni (the Policemen's and Firemen's Foundatio	100 000	in CZK
LADA, občanské sdružení (Lada, Civic Association)	100 000	in CZK
Sdružení pro rehabilitaci osob po cévních mozkových příhodách (Association for people after ictus)	100 000	in CZK

Ošetrovatelský domov Praha 3 (Nursing Home Prague 3)	115 000	in CZK
Volno, občanské sdružení (Volno, Civic Association)	150 000	in CZK
Nemocnice Semily (Hospital in Semily)	100 000	in CZK
Sananim, občanské sdružení (Sananim, Civic Association)	3 409 000	in CZK
Sdružení Česká katolická charita (Czech Catholic Charity Association)	5 200 000	in CZK
Fakultní nemocnice Motol (the Motol Teaching Hospital)	50 000	in CZK
Nadace VIA (the VIA Foundation) (the grant program for low-threshold clubs)	2 500 000	in CZK
Apogeum, občanské sdružení (Apogeum, Civic Association)	70 000	in CZK

Total contributions to corporate entities is CZK 19 574 900.

RECEIVED DONATIONS

a) Financial donations from individuals

No donations from individuals were received in 2005.

b) Financial donations from corporate entities

No donations from corporate entities were received in 2005.

Some projects implemented in 2005

In compliance with its long-term strategy, in 2005 the Česká spořitelna Foundation focused on projects regarding seniors and their incorporation into society, in the area of drugs, drug addiction treatment and prevention, as well as on environmental projects, projects regarding handicapped people and, last but not least, support of education. Following are some key projects of the Foundation:

It was the second year of successful cooperation with the civic association SANANIM, the main purpose of which is to provide services in the area of drug addiction prevention and treatment. As in 2004, the Foundation made a contribution to the adaptation of a farmhouse in Karlov, which serves as a therapeutic community for people undergoing drug addiction treatment. Further, the Foundation supported the project of a café-advisory centre “Café Therapy” opened in Školská street in Prague. The premises are multifunctional, besides the café with a restaurant, you can find here not only a shop with hand made pottery produced by handicapped people of the SANANIM association or a children’s corner but also a space used for therapeutic, advisory or educational activities. In that part the experts of the association provide advisory and therapeutic services to parents and to the wider social environment of those who have problems with addiction.



photo - source: Sananim - Café Therapy

In 2005, we continued a partnership with the civic association Život 90 (Life 90), which is focused on enhancing the quality of life of seniors, in the emergency care project AREĪON. It is a comprehensive social care for seniors and handicapped people that provides round-the-clock voice and electronic communication with persons who have reduced self-sufficiency and who are at a high risk for sudden serious health conditions. The service provider monitors the client in the client’s home and is with him/her in mutual contact and in critical situations ensures immediate professional help, which the client calls by simply pressing the emergency button. The professional care is available 24 hours a day 7 days a week. The AREĪON project has been in place since 1992 when the civic association Život 90 established a call centre and installed the first terminals in Prague. Currently this service is provided to more than thousand clients in six regions of the Czech Republic. In 2005 the AREĪON project was awarded the Makropulos Prize by the Ministry of Health. This prize is awarded to an exceptional project dealing with the needs of the elderly.



photo - source: Život 90 - J. Lorman, the chairman, with the Makropulos Prize

The Foundation was again the general partner of the Prague-Vienna Greenways project organised by Nadace Partnerství (the Partnership Foundation), which was awarded the Mid European award for *The best greenway* in 2005. The prize has been awarded since 2002 by the European association of the Partnership Foundations for Sustainable Development with the aim of encouraging efforts of civic associations in saving the cultural and natural heritage. Greenways are routes, roads or natural corridors used in compliance with their environmental function and potential for sport, tourism and recreation. They bring benefits in the area of conservation of culture and nature and they encourage a healthy life style and sustainable use of local sources.

For the second year the Česká spořitelna Foundation was also the general partner of Česká katolická charita (Czech Catholic Charity Association), which is focused on charity activities and its regional organisations work across the Czech Republic. The Česká spořitelna Foundation was involved in the traditional Three Kings Day Collection; which raised over 50 million Czech crowns, as well as in a number of specific projects e.g. reconstruction of a kindergarten and its conversion into a day care establishment for seniors and handicapped people Domovinka in Třebíč; repairs of the social care establishment

Domov sv. Máří Magdalény for mentally or physically handicapped mothers with children in Litoměřice; furnishings for the social care establishment for people with mental disease “Oáza pokoje” (Peace Oasis) in Frýdek-Místek; provision of services for clients of the house for mothers with children in distress and the children’s club Mariánek in Hradec Králové; establishment of assistance and respite care in the Beroun region or expansion of the nursing care in Veselí nad Lužnicí or home hospice care in Šternberk.

The Česká spořitelna Foundation supported the educational area via further cooperation with Vysoká škola finanční a správní (University of Finance and Administration), which has its seat in Prague and has centres of study in Most and Kladno. The university offers Bachelor degree courses of Economic Policy and Administration, Economy and Management, and Informatics, and also a subsequent Masters degree courses in Economic Policy and Administration, and Economy and Management. In cooperation with the City University of Washington it also offers world-renowned BSBA (Bachelor of Science in Business Administration) and MBA (Master of Business Administration) courses. Also important are the two-year programmes, for example in the areas of accounting or business financial management, or educational modules for local authorities.



photo - source: Czech Catholic Charity Association - Peace Oasis

What is new?

Of the new partnerships entered into by the Česká spořitelna Foundation in 2005, we would like to mention the following two:

Tereza Maxová Foundation *“Life blossoms in your hands”*

The Tereza Maxová Foundation was established by the famous Czech top model with the purpose of providing comprehensive support and aid to abandoned children. It is the patron of more than 200 baby nursing institutions and children’s homes. The Česká spořitelna Foundation took over the role of the general partner of the second year of the project “Life blossoms in your

hands” from Česká spořitelna, which was playing this role in the first year, i.e. in 2004. The project is designed for 10-19-year old children from children’s homes across the Czech Republic. Children’s teams receive grants for purchasing materials they need to make their products (e.g. cups, serviettes, ginger breads, products of glass and wood), which they can then offer to the public within the “Trade fairs for deft hands”. The purpose of the project is to inform the children about the life behind the walls of the children home, in the form of a competition to teach them basic “business” and how to handle money, to develop their skills and motivation and to help to integrate them into normal life.



photo - source: Tereza Maxová Foundation - one of the trade fairs

VIA Foundation

“We help people improve the place where they live”

The Česká spořitelna Foundation became the general partner of the third year of the grant programme of the VIA Foundation “We help people improve the place where they live” and thereby took the baton of cooperation from Česká spořitelna, which had supported the programme in the preceding two years. The purpose of the project is to restore or transform the not currently used or neglected grounds in public areas that can be used by people of all age categories. In selected places the local not-for-profit organisations - with technical and financial support from the VIA Foundation - improve the environment of their village, town or city. The programme also increases significantly the interest of local people in the local activities by involving them in all phases of planning and restoration or construction. In 2005 were built or adapted grounds in Doubravice (České Budějovice district), Lužná u Rakovníka, Jindřichův Hradec, Náměšť nad Oslavou and Vlkov (Náchod district). The restored grounds will be opened to the public by autumn 2006 at the latest.



photo - source: VIA Foundation - one of the finished grounds

“Česká spořitelna Foundation and VIA Foundation support low-threshold clubs for children and youth”

The second program prepared by the Česká spořitelna Foundation in cooperation with the VIA Foundation is a grant programme named “Česká spořitelna Foundation and VIA Foundation support low-threshold clubs for children and youth”. Low-threshold clubs are designed mainly for children and young people who would otherwise spend their time in the street. They are an alternative to various clubs of interest and other organised activities, however their main importance consists in their advisory and preventive activities - they give children and young people the possibility of talking about and discussing their problems. They represent a protected space in their anonymous quarters where young people find a place, which is exactly what is often missing in big cities. In the first round of the programme 23 grants were allocated in the total amount of CZK 1 980 000 in order to support the activities and operation of the clubs; in the second round another 17 grants to enhance their capacity and sustainability in the amount of CZK 276 338 were added.



photo - source: VIA Foundation - the Bongo club, Týn nad Vltavou

Report of the Supervisory Board

In compliance with the Foundations and Foundation Funds Act No. 227/1997 Coll. the Supervisory Board of the Česká spořitelna Foundation reviewed the annual financial statements as of 31 December 2005 and the annual report on the foundation's activities and economy for 2005 and came to the conclusion that accounting records and bookkeeping were properly kept in accordance with accounting regulations and that the annual financial statements truly present the financial situation of the Česká spořitelna Foundation. The annual financial statements were audited by Deloitte s.r.o., which confirmed that the financial statements present fairly, in all material respects, the assets, liabilities, equity capital and financial position of the Česká spořitelna Foundation as of 31 December 2005 and its financial performance for 2005 in accordance with the Accounting Act and applicable Czech regulations.

The Supervisory Board acknowledged and agreed with this auditor's opinion on the financial statements.



Martin Němeček
Chairman of the Supervisory Board of the Foundation

Financial Part

Auditor's Report

Deloitte.

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Fax: +420 246 042 010
DeloitteCZ@deloitteCE.com
www.deloitte.cz

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in Prague, Section C, File 24349
Id Nr.: 49620592
Tax id. Nr.: CZ49620592

Independent Auditor's Report to the Management Board of Nadace České spořitelny

Having its registered office at: Olbrachtova 1929/62, Prague 4, 140 00
Identification number: 265 06 980
Principal activities: Support of projects related to culture, education and science, public and social affairs, health care, charity, municipal activities, sport
and ecology

Financial Statements

Based upon our audit, we issued the following audit report dated 30 April 2006 on the financial statements which are included in this annual report on pages 15 to 30:

"We have audited the accompanying financial statements of Nadace České spořitelny (the "Foundation") for the year ended 31 December 2005. These financial statements are the responsibility of the Foundation's Management Board. Our responsibility is to express an opinion on the financial statements, taken as a whole, based on our audit.

We conducted our audit in accordance with the Act on Auditors and International Standards on Auditing and the related application guidelines issued by the Chamber of Auditors of the Czech Republic. Those standards require that the auditor plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Foundation's Management Board, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements give a true and fair view, in all material respects, of the assets, liabilities and equity and financial position of Nadace České spořitelny as of 31 December 2005 and of the expenses, income and results of its operations for the year then ended in accordance with accounting regulations applicable in the Czech Republic."

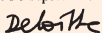
Annual Report

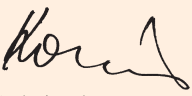
We have also audited the annual report for consistency with the financial statements referred to above. This annual report is the responsibility of the Foundation's Management Board. Our responsibility is to express an opinion on the consistency of the annual report and the financial statements based on our audit.


We conducted our audit in accordance with the Act on Auditors and International Standards on Auditing and the related application guidelines issued by the Chamber of Auditors of the Czech Republic. Those standards require that the auditor plan and perform the audit to obtain reasonable assurance about whether the information included in the annual report describing matters that are also presented in the financial statements is, in all material respects, consistent with the relevant financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the information included in the annual report is consistent, in all material respects, with the financial statements referred to above.

In Prague on 30 April 2006


Audit firm:
Deloitte s.r.o.
Certificate no. 79
Represented by:


Marie Kučerová, authorised employee
Audit . Tax . Consulting . Financial Advisory.

Statutory auditor: 
Marie Kučerová, certificate no. 1207

Member of
Deloitte Touche Tohmatsu

Balance Sheet

Ministry of Finance

Approved by MF
No. 283/77 225/2001

for entities accounting according
to classification for
non-profit organisations

To be submitted to the
Taxation Authority

Balance Sheet

as of 31 December 2005
(in CZK '000)

Corporate ID
26506980

NO 01

Name, seat and legal
form of the unit:

Nadace
České spořitelny
Olbrachtova 1929/62
Praha 4

A S S E T S		row	Opening balance	Closing balance
a	b	1	2	
A. Fixed assets	row 009-015+026-033+041	001	496 531	511 583
1. Intangible fixed assets				
Research and development	(012)	002		
Software	(013)	003		
Valuable rights	(014)	004		
Low value intangible fixed assets	(018)	005		
Other intangible fixed assets	(019)	006		
Acquisition of intangible fixed assets	(041)	007		
Prepayments made for intangible fixed assets	(051)	008		
Total row 002 to 008	009		0	0
2. Accumulated depreciation of 010 to 014				
- Research and development	(072)	010		
- Software	(073)	011		
- Valuable rights	(074)	012		
- Low value intangible fixed assets	(078)	013		
- Other intangible fixed assets	(079)	014		
Total row 010 to 014	015		0	0
3. Tangible fixed assets				
Land	(031)	016		
Works of art	(032)	017		
Buildings	(021)	018		
Individual movable assets and sets of movable assets	(022)	019		
Perennial crops	(025)	020		
Breeding and draught animals	(026)	021		
Low value tangible fixed assets	(028)	022		
Other tangible fixed assets	(029)	023		
Acquisition of tangible fixed assets	(042)	024		
Prepayments made for tangible fixed assets	(052)	025		
Total row 016 to 025	026		0	0
4. Accumulated depreciation of 027 to 032				
- Buildings	(081)	027		
- Individual movable assets and sets of movable assets	(082)	028		
- Perennial crops	(085)	029		
- Breeding and draught animals	(086)	030		
- Low value tangible fixed assets	(088)	031		
- Other tangible fixed assets	(089)	032		
Total row 027 to 032	033		0	0
5. Financial investments				
Investments in subsidiaries	(061)	034		
Investments in associates	(062)	035		
Debt securities held to maturity	(063)	036		
Intercompany loans	(066)	037		
Other long-term loans	(067)	038		
Other financial investments	(069)	039	496 531	511 583
Acquisition of financial investments	(043)	040		
Total row 034 to 040	041		496 531	511 583

A S S E T S

a	row b	Opening balance 1	Closing balance 2
B. Current assets	row 052 + 071 + 080 + 085	35 707	30 357
1. Stock			
Material on stock	(112) 043		
Material in transit	(119) 044		
Work in progress	(121) 045		
Semi-finished products	(122) 046		
Products	(123) 047		
Live animals	(124) 048		
Goods on stock	(132) 049		
Goods in transit	(139) 050		
Paid advances for stock	(from account 314) 051		
	Total row 043 to 051	0	0
2. Receivables			
Trade receivables	(311) 053		
Bills of exchange to be cashed	(312) 054		
Receivables from discounted securities	(313) 055		
Operational advances paid	(from account 314 except row 050) 056		
Other receivables	(315) 057		
Receivables from staff	(335) 058		
Receivables from social security and health insurance	(336) 059		
Personal income tax	(341) 060		
Other direct taxes and charges	(342) 061		
VAT	(343) 062		
Other taxes and charges	(345) 063		
Claims for contributions from the state budget	(346) 064		
Claims for contributions from the local budgets	(348) 065		
Receivables from members of associations	(358) 066		
Receivables from fixed term transactions	(373) 067		
Receivables from issued bonds	(375) 068		
Other receivables	(378) 069		
Provisions against receivables	(391) 070		
	Total row 053 to 069 minus 070	0	0
3. Short-term financial assets			
Cash in hand	(211) 072	2	2
Duty stamps	(213) 073		
Cash in bank	(221) 074	35 704	8 156
Share securities for trading	(251) 075		22 198
Debt securities for trading	(253) 076		
Other securities	(256) 077		
Acquisition of short-term financial assets	(259) 078		
Cash in transit (+/-)	(261) 079		
	Total row 072 to 079	35 706	30 356
4. Temporary accounts of assets			
Prepaid expenses	(381) 081	1	1
Accrued revenues	(385) 082		
Foreign exchange rate losses	(386) 083		
Estimated receivables	(388) 084		
	Total row 081 to 084	1	1
TOTAL ASSETS	row 001+042	532 238	541 940


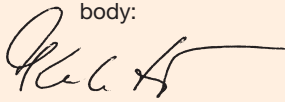
Sent out:
30.4.2006

Stamp:

Signature of statutory
body:

Completed by:

Completed on:
30.4.2006


Phone: 224941856

LIABILITIES AND EQUITY		row	Opening balance	Closing balance
a	b	3	4	
A. Equity	row 091 + 095	087	531 959	541 634
1. Capital				
Equity	(901)	088	501 000	501 000
Funds	(911)	089	11 566	10 351
Valuation differences and revaluation of assets and liabilities	(921)	090		
Total row 088 to 090	091		512 566	511 351
2. Profit or loss				
Result of current year (+ / -)	(963)	092		30 283
Result of previous years to be approved (+ / -)	(931)	093	18 722	
Retained earnings, accumulated losses (+ / -)	(932)	094	671	
Total row 092 to 094	095		19 393	30 283
B. Liabilities	row 97+103+121+128+133	096	279	306
1. Statutory reserves	(941)	097		
2. Long term liabilities				
Issued bonds	(953)	098		
Lease commitments	(954)	099		
Long-term prepayments received	(955)	100		
Long-term bills of exchange	(958)	101		
Other long-term payables	(959)	102		
Total row 098 to 102	103		0	0
3. Short-term payables				
Suppliers	(321)	104	222	226
Bills of exchange	(322)	105		
Prepayments received	(324)	106		
Other payables	(325)	107		
Payroll payables	(331)	108		
Other payables to employees	(333)	109		
Payables to social security and health insurance authorities	(336)	110		
Personal income tax	(341)	111		
Other direct taxes	(342)	112		
VAT	(343)	113		
Other taxes and charges	(345)	114		
Payables in relation to the state budget	(346)	115		
Payables in relation to the budget of local administration	(348)	116		
Payables in relation to subscribed but unpaid securities and deposits	(367)	117		
Payables to members of association	(368)	118		
Payables from fixed term transactions	(373)	119		
Other payables	(379)	120		
Total row 104 to 120	121		222	226
4. Bank loans and borrowings				
Long-term bank loans	(951)	122		
Short-term bank loans	(231)	123		
Discounted loans	(232)	124		
Issued short-term bonds	(241)	125		
Own bonds (-)	(255)	126		
Other short-term financial assistance	(249)	127		
Total row 122 to 127	128		0	0
5. Other liabilities				
Accrued expenses	(383)	129	49	53
Deferred income	(384)	130		
Foreign exchange rate gains	(387)	131		
Estimated payables	(389)	132	8	27
Total row 129 to 132	133		57	80
TOTAL LIABILITIES AND EQUITY	row 087 + 096	134	532 238	541 940

Profit and Loss Account

Ministry of Finance

Approved by MF
No. 283/77 225/2001

for entities accounting according
to classification for
non-profit organisations

To be submitted to the
Taxation Authority

PROFIT AND LOSS ACCOUNT

Year ended 31 December 2005
(in CZK '000)

Corporate ID
26506980

NO 02

Name, seat and legal form
of the unit:

Nadace
České spořitelny
Olbrachtova 1929/62
Praha 4

Description	Row	Activity			Total
		main	economic		
a	b	5	6	7	8
EXPENSES		x	x	x	x
Consumption of material	(501) 001	91			91
Consumption of energy	(502) 002				
Consumption of other non-storable supplies	(503) 003				
Cost of goods sold	(504) 004				
Repair and maintenance	(511) 005				
Travel expenses	(512) 006				
Entertainment	(513) 007				
Other services	(518) 008	424			424
Payroll expenses	(521) 009	201			201
Statutory social security	(524) 010	69			69
Other social security	(525) 011				
Statutory social benefits	(527) 012				
Other social benefits	(528) 013				
Road tax	(531) 014				
Property tax	(532) 015				
Other taxes and fees	(538) 016				
Contractual fines and penalties	(541) 017				
Other fines and penalties	(542) 018				
Bad debts	(543) 019				
Interest	(544) 020				
Foreign exchange rate losses	(545) 021	1 010			1 010
Gifts	(546) 022				
Deficits and damage	(548) 023				
Other expenses	(549) 024	115			115
Depreciation of fixed assets	(551) 025				
Book value of sold fixed assets	(552) 026				
Sold securities and deposits	(553) 027	93 818			93 818
Sold raw material	(554) 028				
Creation of reserves	(556) 029				
Change in valuation of securities	(557) 030	5 189			5 189
Creation of provisions	(559) 031				
Contributions paid to organisational units	(581) 032				
Other paid contributions	(582) 033				
Total expenses „5“ group	row 001 to 032	034	100 917		100 917

Description	Row	Activity			Total
		main	economic		
a	b	5	6	7	8
REVENUES		x	x	x	x
Sales of products (601)	034				
Rendering of services (602)	035				
Sales of goods (604)	036				
Change in inventory of work in progress (611)	037				
Change in inventory of semi-finished products (612)	038				
Change in inventory of products in stock (613)	039				
Change in inventory of animals (614)	040				
Capitalisation of products and goods (621)	041				
Capitalisation of own services (622)	042				
Capitalisation of intangible fixed assets (623)	043				
Capitalisation of tangible fixed assets (624)	044				
Contractual fines and default interest (641)	045				
Contractual fines and penalties (642)	046				
Settlement of written-off receivables (643)	047				
Interest (644)	048	284			284
Foreign exchange rate gains (645)	049	1 054			1 054
Settlement of funds (648)	050				
Other income (649)	051				
Revenues from sold tangible and intangible fixed assets (652)	052				
Revenues from sold securities and deposits (653)	053	98 715			98 715
Revenues from sold material (654)	054				
Revenues from short-term financial assets (655)	055	86			86
Release of statutory provisions (656)	056				
Revenues from long-term financial assets (657)	057	31 061			31 061
Release of statutory provisions (659)	058				
Received contributions from other organisational units (681)	059				
Received contributions (682)	060				
Received membership fees (684)	061				
Operating grants (691)	062				
Total revenues „6“ group	row 034 to 062	131 200			131 200
Result before tax (+ / -)	row 063 - row 033	30 283			30 283
Corporate income tax (591)	065				
Additional payments of income tax (595)	066				
Net result after taxation (+ / -)	row 064 - 065 - 066	30 283			30 283

Sent out:
30.4.2006

Stamp:

Signature of
statutory body:

Completed by:

Completed on:
30.4.2006

Phone: 224941856

Financial Statements for the year ended 31 December 2005

Name of the Company: Nadace České spořitelny

Registered Office: Praha 4,
Olbrachtova 62 čp. 1929
PSČ 140 00

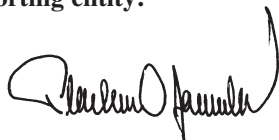
Legal Status: Foundation

Corporate ID: 265 06 980

Components of the Financial Statements: Balance Sheet
Profit and Loss Account
Notes to the Financial Statements

These financial statements were prepared on 30 April 2006.

Statutory body of the reporting entity:



Jarmila Plachá
Chairperson of the Administrative Board



Václav Kubata
Vice - Chairman of the Administrative Board

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1. GENERAL INFORMATION

1.1. Establishment and Description of the Foundation

Nadace České spořitelny (the Česká spořitelna Foundation, henceforth referred to as the “Foundation”) was established by Česká spořitelna, a.s., Corporate ID: 452 44 782, Prague 4, Olbrachtova 62/1929. The Foundation was recorded in the Foundation Register held at the Municipal Court on 30 January 2002, Section N, File 433. The registered office of the Foundation is Olbrachtova 62/1929, Prague 4, 140 00, Corporate ID 265 06 980.

The principal purpose of the Foundation is to provide:

- Support of projects in the area of culture, education and science, public and social matters, medical care, charity, municipal activities, sport and ecology; and
- Support of individuals in distress caused by unpredictable events.

The Foundation’s capital amounts to CZK 501 000 thousand. The capital consists of securities administered by Česká spořitelna, a.s. according to the Agreement on Administration of Securities and Provision and Settlement of their Trading between the Foundation and Česká spořitelna, a.s. of 4 May 2004, and cash in accounts at Česká spořitelna, a.s. The Foundation’s capital upon its establishment consisted of a CZK 500 thousand cash deposit made by the Founder.

The total value of the Foundation’s capital must be in excess of CZK 500 thousand and must not drop below this limit during the existence of the Foundation. The Foundation’s capital may be composed only of cash, securities, movable and immovable assets as well as other asset titles or values which meet the condition of generating permanent returns and are not subject to lien.

1.2. Organisational Structure of the Foundation

The activities of the Foundation are managed by the Administrative and Supervisory Boards.

1.3. Administrative and Supervisory Boards of the Foundation

Composition of the Administrative Board

Chairperson:	Mgr. Jarmila Plachá
Vice-Chairman:	Ing. Václav Kubata
Members:	John James Stack
	Ing. Karel Machytka
	Ing. Daniel Heler
	Boris Johannes Marte
	Ing. Martin Škopek

Composition of the Supervisory Board

Chairman:	Ing. Martin Němeček
Members:	Ing. Ivan Vondra
	Ing. Richard Brejník

The Foundation is legally represented by any two of the following members of the Administrative Board: Jarmila Plachá, Václav Kubata, John James Stack, Martin Škopek, Daniel Heler, Karel Machytka by adding their signatures to the name of the Foundation.

1.4. Changes in the Administrative and Supervisory Boards, Changes in the Foundation Register.

Jarmila Plachá was elected Chairperson of the Administrative Board and Eugenia Askern left the Board. The changes were recorded in the Foundation Register on 22 November 2005.

2. BASIS OF ACCOUNTING AND GENERAL ACCOUNTING PRINCIPLES

The Foundation's accounting books and records are maintained in accordance with the Accounting Act 563/1991 Coll., as amended, Regulation 504/2002 Coll. which provides implementation guidance on certain provisions of the Accounting Act for reporting entities whose primary activities are not focused on business, and a Notice issued by the Czech Finance Ministry which establishes the chart of accounts, accounting treatments, classification and substance of financial statement components for not-for-profit organisations, and Czech Accounting Standards for entities whose primary activities are not focused on business.

There were no year-on-year changes in the accounting principles and policies, the only exception being the treatment of accounting for measurable differences arising from the revaluation of assets and liabilities. In 2005, the changes arising from the revaluation of other securities are recognised through expense and income accounts.

Securities are remeasured at fair value at the balance sheet date.

During the reporting period, amounts denominated in foreign currencies are recorded using the fixed exchange rate of the CNB (Czech National Bank) prevailing as of 1 January 2005 and revalued using the CNB's exchange rates as of 31 December 2005.

Contributions received and donations provided are recorded through funds.

All amounts stated in the financial statements are presented in thousands of Czech Crowns.

3. ADDITIONAL INFORMATION ON THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

3.1. Non-Current Financial Assets (Financial Investments)

The Foundation's non-current financial assets comprise securities (participation certificates of bond funds, equity funds, money market funds and shares) in the aggregate amounts of CZK 511 583 thousand and CZK 496 531 thousand as of 31 December 2005 and 31 December 2004, respectively.

Securities are administered by Česká spořitelna, a.s. in accordance with the Agreement on Securities Administration and represent part of the Foundation's capital. Securities are readily marketable on the stockexchange.

3.2. Current Financial Assets

Balances of financial assets:

	31 Dec 2005	31 Dec 2004
Cash on hand	2	2
Bank account of the Foundation's capital	3 422	5 979
Term deposits	0	711
Current accounts	4 734	29 014
Equity securities held for trading	22 198	0
Total	30 356	35 706

Securities are administered by Česká spořitelna, a.s. in accordance with the Agreement on Securities Administration and represent part of the Foundation's capital. Securities are readily marketable on the stockexchange.

3.3. Prepaid Expenses

The prepaid expenses account represents deferred expenses of an internet domain administration as of 31 December 2005.

3.4. Equity

Statement of Changes in Equity

	Registered foundation capital	Own funds	Revaluation differences	Unallocated profit or loss from prior periods	Current year's profit or loss	(CZK '000) Total
Balance at 1 January 2005	501 000	11 566	0	671	18 722	531 959
Distribution of profit	-	19 342	-	-671	-18 722	0
Contribution to foundation capital	-	-	-	-	-	-
Received cash	-	-723	-	-	-	-723
Granted donations	-	-19 885	-	-	-	-19 885
Changes in valuation differences	-	-	-	-	-	-
Current year's profit or loss	-	-	-	-	30 283	30 283
Balance at 31 December 2005	501 000	10 351	-	0	30 283	541 634

The Foundation's Capital

For details about the Foundation's capital refer to Note 1.1.

Funds

The Foundation's Funds represent special-purpose sources used for distribution of donations. Funds are generated by donations from third parties and from the net profit of the Foundation.

No donations were received in 2005.

The total amount of granted donations in the current period was CZK 19 885 thousand, of which CZK 310 thousand was granted to individuals.

Profit and Loss Account/Profit or Loss to be Approved

The Administrative Board of the Foundation intends to transfer the profit for the current period to funds to be used for contributions to corporate entities and individuals.

In accordance with the decision of the Administrative Board of the Foundation, the net profit for 2004 amounting to CZK 18 722 thousand was transferred to retained earnings and subsequently transferred to the funds. These funds were used as contributions to corporate entities and individuals in 2005.

Received Donations

No donations were received in 2005.

Unused donations amounting to CZK 723 thousand were returned to the donors.

Granted Donations

The total amount of the donations granted to corporate entities was CZK 19 575 thousand and CZK 14 094 thousand in 2005 and 2004 respectively. The total amount of donations granted to individuals was CZK 310 thousand and CZK 240 thousand in 2005 and 2004, respectively. The funding was paid to support individuals in distressed situations.

3.5. Short-Term Payables

Short-term trade payables amounting to CZK 226 thousand and CZK 222 thousand as of 31 December 2005 and 2004, respectively, represent outstanding invoices for office rent, rebilled payroll expenses of the staff that ensure the Foundation's operations and accounting services. No payables were carried past their due dates.

3.6. Income Tax

The corporate income tax for both 2005 and 2004 amounted to CZK 0. Revenues earned by the Foundation in the current period, i.e., the Foundation's capital, are exempt from, or not subject to, income tax.

3.7. Temporary Liabilities

The balance in the accrued expenses account of CZK 53 thousand and CZK 49 thousand as of 31 December 2005 and 2004, respectively, is composed of the fees for securities administration which were paid to the administrator after the balance sheet date.

Estimated payables totalling CZK 27 thousand and CZK 8 thousand as of 31 December 2005 and 2004, respectively, represent unbilled supplies of services, mainly accounting services.

3.8. Expenses

	31 Dec 2005	31 Dec 2004
		(CZK '000)
Advertising	230	50
Costs of services, rental, phone fees (Česká spořitelna, a.s.)	180	107
Maintenance of accounting and tax books, legal advisory	69	67
Other services	36	224
Rebilled payroll costs (Česká spořitelna, a.s.)	201	130
Rebilled statutory social security (Česká spořitelna, a.s.)	69	46
Bank fees, securities administration (Česká spořitelna, a.s.)	115	50
Exchange rate differences - securities	1 010	-
Sold securities	93 818	3 084
Change in the valuation of securities	5 189	4 093
Total	100 917	7 627

3.9. Revenues

	31 Dec 2005	31 Dec 2004
		(CZK '000)
Interest received – current accounts	278	1 345
Interest received – term deposits	6	9
Other revenues (tax recoveries)	-	1
Exchange rate differences - securities	1 054	
Revenues from sold securities	98 715	3 200
Revenues from non-current financial assets (dividends and coupon earnings)	20 760	16 900
Change in the valuation of securities	10 387	4 894
Total	131 200	26 349

4. ADDITIONAL INFORMATION

In the year ended 31 December 2005, no bonuses for the members of the Administrative Board of the Foundation were set and paid and no prepayments, loans or guarantees were provided to the members of the Administrative Board of the Foundation.

In the year ended 31 December 2005, the members of the Administrative Board of the Foundation had no relations with the entities that entered into contractual or other business relations with the Foundation.

According to the statute of the Foundation, the annual administration costs of the Foundation must not exceed 2,5 percent of the balance of the Foundation's capital as of 31 December of the year. The limit was not exceeded in 2005.

The total administration costs of the Foundation amounted to CZK 785 thousand in the year ended 31 December 2005.

As of 31 December 2005, the Foundation was involved in no legal dispute, the outcome of which would significantly impact the Foundation.

5. OFF BALANCE SHEET COMMITMENTS

As of 31 December 2005, the Foundation does not record any other commitments not presented in the financial statements.

6. SIGNIFICANT POST BALANCE SHEET EVENTS

No significant events occurred subsequent to the balance sheet date that would have a material impact on the financial statements.

