



NADAČNÍ FOND AVAST

AVAST Foundation

Identification Number 247 75 401

Registered seat: Prague 4, Michle, Budějovická 1518/13a, 140 00

Section N, File 817 of the Foundation Register maintained by the Municipal Court in Prague

**ANNUAL REPORT REGARDING
ACTIVITIES AND FINANCES
FOR 2011**

In Prague on 31st March 2012

This annual report regarding the activities and finances of the AVAST Foundation, Identification Number 247 75 401, with its registered seat at Prague 4, Michle, Budějovická 1518/13a, 140 00, registered in Section N, File 817 of the Foundation Register maintained by the Municipal Court in Prague (hereinafter the "Foundation") for the year 2011 (hereinafter the "Report") has been processed in accordance with Section 25 of Act No. 227/1997 Coll., on foundations and foundation funds and on amendment and complementing of certain other legislative acts (the act on foundations and foundation funds), as amended, and in accordance with the Foundation's Statutes.

Foundation's Administrative Board as of 31 December 2011:

PhDr. Jarmila Baudišová, Chairwoman
Ing. Milada Kučerová, Member
Mgr. Libuše Tomolová, Member

Establisher: AVAST Software a.s.

The period evaluated in this report is the calendar year of 2011, meaning the period from 1 January to 31 December 2011. The report contains data for this period as reflected in the Foundation's documentation by 31 December 2011.

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A. Introduction



1. Foundation's purpose

The Foundation was founded in 2010, and its purpose is to contribute to a maximum extent to improvement and development of quality of life, to aid the development of spiritual and material values, development and respect for basic human rights and humanitarian principles and to help improve the lives of individuals and society as a whole. In relation to these objectives, the Foundation particularly carries out activities aimed at (i) supporting people who are disadvantaged due to their health condition, social status or ethnic origin, (ii) developing education and support of talented young people, (iii) promoting physical fitness and sport, (iv) supporting the development of medical facilities, particularly their equipping, (v) supporting the arts, (vi) improving the quality of the environment and supporting environmentally friendly projects, (vii) supporting activities related to care for animals, and (viii) supporting generally beneficial and necessary activities.

2. Foundation's projects in the evaluated period

In accordance with the Foundation's purpose, the Foundation focused in 2011 on providing contributions for the following activities:

- i. Supporting people who are disadvantaged in society due to their medical condition, social status or ethnic origin,
- ii. Developing education and supporting talented young people,
- iii. Supporting the development of medical facilities, particularly their equipping,
- iv. Supporting the arts,
- v. Support for activities related to care for animals.

3. Information about employees

The Foundation currently has no employees.

B. Foundation's results



1. Overview of Foundation's assets and liabilities

1. Calculations

- a. The total value of the Foundation's assets is: CZK 9,502,688.00 (words: nine million five hundred two thousand six hundred eighty eight Czech crowns).
- b. The total value of the Foundation's liabilities is: CZK 0 (words: zero Czech crowns)
- c. The economic result for 2011 is: CZK 9,002,688.00 (words: nine million five hundred two thousand six hundred eighty eight Czech crowns).

2. Overview of Foundation's assets:

As of the date of the Foundation's founding, its assets consisted of an investment by the founder in the amount of CZK 500,000.

The Foundation also had an economic result in 2010 of CZK 4,498,845.00 (words: four million four hundred ninety eight thousand eight hundred forty five Czech crowns).

The Foundation's other assets consist of Foundation contributions intended to achieve generally beneficial objectives. During 2011, the Foundation was provided donations in the amount of CZK 21,750,000.00 (words: twenty one million seven hundred fifty thousand Czech crowns) by AVAST Software, a.s.

The Foundation's assets also included a donation from Ernst & Young Audit, s.r.o., Company ID No.: 26705338, a limited liability company with its registered seat at Prague 2, Karlovo náměstí 10, 120 00, in the value of CZK 55,000 (words: forty five thousand six hundred Czech crowns), with consisted of an audit of the Foundation for 2010.

Other property of the Foundation not exceeding CZK 10,000 was generated by earnings from interest on the Foundation's current bank account.

The Foundation's assets by 31 December 2011 consisted of monetary funds in its bank account.

3. Overview of Foundation's liabilities:

The Foundation had no liabilities as of 31 December 2011.

2. Donors of donations in amounts above CZK 10,000

In 2011, the following persons or entities provided donations in values exceeding CZK 10,000:

AVAST Software a.s. – CZK 21,750,000.00 (words: twenty one million seven hundred fifty thousand Czech crowns);

The economic result for 2010 in the amount of CZK 4,498,845.00 (words: four million four hundred ninety eight thousand eight hundred forty five Czech crowns) was transferred to the undivided contributions for 2011.

There was also a donation from Ernst & Young Audit s.r.o. in the amount of CZK 55,000 (words: forty five thousand six hundred Czech crowns), provided in the form of services.

In 2011 the Foundation had funds at its disposal in the total amount of CZK 26,303,565.00 (words: twenty six million three hundred three thousand five hundred sixty five Czech crowns).

3. Overview of beneficiaries and Foundation contributions above CZK 10,000 and valuation of their use

1. Support for people who are disadvantaged in society due to their medical condition, social status or ethnic origin

DUHA – integration of persons with mental disabilities

Dům tří přání

Oliver Matouš Stanislav

POHODA – society for normal life of people with disabilities

Mamma HELP – association of breast cancer patients, civic association

Hospice civic association Cesta domů

Centrum Paraple, generally beneficial association

Charter 77 Foundation

Regional charity Červený Kostelec

POD KŘÍDLY

ALKA, generally beneficial association

People in Need Foundation – Ethiopia

People in Need Foundation – Somalia

Civic association Gaudia proti rakovině (anti-cancer organisation)

Regional charity Vyškov

Civic association Asistence

DUHA – integration of persons with mental disabilities

Wheelchair users' club Petýrkova, civic association

Sue Ryder Home

Czech Blind United – training of seeing-eye dogs

Wheelchair users' sport club Prague

CZK 14,170,794.00

2. Development of education and support for talented young people

People in Need Foundation – One World in Schools

Foundation Fund of Gymnázium Trutnov secondary school

Parish of Evangelical Church of Czech Brethren in Horní Krupá

CZK 954,000.00

3. Support for development of medical facilities, particularly their equipping

General Teaching Hospital – Comprehensive care centre for children with perinatal disabilities

Olomouc Teaching Hospital – Children's diabetes centre

Association for Computer Technology – Czech-Slovak section

ISEA – Institute for Social and Economic Analysis, civic association – enjoyment of mathematics

CZK 1,520,000.00

4. Support for the arts

Czech Music Society – Association of Friends of Beautiful Art, civic association

Prague Student Orchestra

Jablonský Theatre Company

DIVADLO COMPANY.CZ, theatre association

Legato, civic association

CZK 500,000.00

5. Support for activities related to care for animals

Jaroslava KLADIVOVÁ – Refuge for abused and abandoned dogs

CZK 100,000.00

TOTAL

CZK 17,244,794.00

All Foundation contributions were provided and used in accordance with the Foundation's Statutes and in line with the purpose for which the Foundation was established.

4. Overview of property use

In 2011, Foundation contributions amounted to a total of CZK 17,244,794.00 (words: seventeen million two hundred forty four thousand seven hundred ninety four Czech crowns). The amount of the Foundation's costs for 2011 reached a total of CZK 65,422.00 (words: sixty five thousand four hundred twenty two Czech crowns). The economic result for 201 is CZK 9,002,688.00 (words: nine million two thousand six hundred eighty eight Czech crowns).

5. Evaluation of rules for limiting costs pursuant to Section 22 of the act on foundations and foundation funds

The rules for limiting the Foundation's costs pursuant to Section 22 of the act on foundations and foundation funds and pursuant to Article 6.1 of the Foundation's Statutes were fully complied with in 2011.

Calculation of fulfilment of cost rules:

- a. total amount of Foundation contributions provided in 2011: CZK 17,244,794.00 (words: seventeen million two hundred forty four thousand seven hundred ninety four Czech crowns).
- b. total amount of the Foundation's costs for 2011: CZK 65,422.00 (words: sixty five thousand four hundred twenty two Czech crowns).
- c. ratio of the total amount of costs to the total amount of Foundation contributions in percent: 0.4% (with the limit of cost limitation set as 14%).

C. Selected data related to the financial statements



1. Evaluation of basic data contained in the financial statements

The basic data contained in the financial statements show that the Foundation managed its finances in 2011 in a manner ensuring its long-term stability and sustainability of its activities.

2. Auditor's statement and more serious information from the auditor's report

The auditor's report is the attachment of this annual statements.

3. Supervisory Board's report about results of auditing activities

The Supervisory Board of the AVAST Foundation, identification number 247 75 401, registered seat: Prague 4, Michle, Budějovická 1518/13a, 140 00, registered in Section N, File 817 of the Foundation Register maintained by the Municipal Court in Prague (hereinafter the "Foundation"), whose members as of 31 December 2011 were:

Mgr. Ondřej Vlček, Martin Novák, and Ing. Jan Šíd

Hereby submits to the Foundation's Administrative Board pursuant to Section 17 paragraph 3 letter e) of Act No. 227/1997 Coll., on foundations and foundation funds, as amended (hereinafter the "act"), this report about the results of auditing activities:

1. Check of fulfilment of the conditions set for providing Foundation contributions and the accuracy of the Foundation's accounting

The Supervisory Board during its audit activities did not discover any errors in the fulfilment of conditions for providing of Foundation contributions.

The Supervisory Board also examined the accuracy of the Foundation's accounting for the period from 1 January 2011 to 31 December 2011. Based on its examination, the Supervisory Board hereby notifies the Administrative Board that it has no feedback or criticism regarding the accuracy of the Foundation's accounting or about the Foundation's method of maintaining accounting.

2. Examination of the financial statements and annual report

The Foundation's Supervisory Board examined the Foundation's financial statement for the year 2011, which it found to be accurate and properly compiled in accordance with applicable legislation. The Supervisory Board also examined the Foundation's submitted annual report for 2011, which it also found to be accurate. The Supervisory Board concluded that the annual report fulfils the requirements of Section 25 of the act. All details specified in the annual report were evaluated by the Supervisory Board, as accurate, complete and sufficient.

3. Summary of discovered shortcomings and summary of proposals for their elimination

The Foundation's Supervisory Board in performance of its auditing activities pursuant to Section 17 of the act and in accordance with the Foundation charter and its Statutes did not discover any shortcomings about the need for elimination it would be required to inform the Foundation's Administrative Board.

In Prague on 31st March 2012

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Mgr. Ondřej Vlček

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Martin Novák

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Jan Šíd

D. Foundation's further development



E. Annex

Foundation's financial statements for 2011

Balance sheet as of 31 December 2011

(in CZK thousand)

Accounting unit's trade name and registered office

AVAST Foundation
 Budějovická 1518/13a
 140 00 Prague 4 - Michle
 ID No. 24775401

ASSETS	line no.	As of the first day of the fiscal year	As of the last day of the fiscal year
A. Fixed assets, total	1	0	0
I. Intangible fixed assets, total	2	0	0
Research and development (012)	3		
Software (013)	4		
Royalties (014)	5		
Small intangible fixed assets (018)	6		
Other intangible fixed assets (019)	7		
Intangible fixed assets under construction (041)	8		
Advance payments for intangible fixed assets (051)	9		
II. Tangible fixed assets, total	10	0	0
Land (031)	11		
Fine art and collections (032)	12		
Structures (021)	13		
Property, plant, and equipment (022)	14		
Perennial crops (025)	15		
Breeding and draught animals (026)	16		
Small tangible fixed assets (028)	17		
Other tangible fixed assets (029)	18		
Tangible fixed assets under construction (042)	19		
Prepayments for tangible fixed assets (052)	20		
III. Long-term investments, total	21	0	0
Investments in group undertakings (061)	22		
Investments in associated companies (062)	23		
Debt securities held until maturity date (063)	24		
Intercompany loans (066)	25		
Other long-term loans (067)	26		
Other long-term investments (069)	27		
Acquired long-term investments (043)	28		
IV. Adjustments to acquired fixed assets	29	0	0
Adjustments to research and development (072)	30		
Adjustments to software (073)	31		
Adjustments to royalties (074)	32		
Adjustments to small intangible fixed assets (078)	33		
Adjustments to other intangible fixed assets (079)	34		
Adjustments to structures (081)	35		
Adjustments to machinery, equipment, vehicles, furniture and fixtures (082)	36		
Adjustments to perennial crops (085)	37		
Adjustments to breeding and draught animals (086)	38		
Adjustments to small tangible fixed assets (088)	39		
Adjustments to other tangible fixed assets (089)	40		

ASSETS	line no.	As of the first day of the fiscal year	As of the last day of the fiscal year
B. Short-term assets, total	41	4 999	9 503
I. Total inventories	42	0	0
1. Material in stock (112)	43		
2. Material in transit (119)	44		
3. Work in progress (121)	45		
4. Semi-finished own production (122)	46		
5. Products (123)	47		
6. Livestock (124)	48		
7. Merchandise in stock (132)	49		
8. Merchandise in transit (139)	50		
9. Advance payments for inventory (314)	51		
II. Total receivables	52	0	0
1. Receivables from customers (311)	53		
2. Receivables from exchange (312)	54		
3. Receivables for discount securities (313)	55		
4. Advance payments for operational expenditures (314)	56		
5. Other receivables (315)	57		
6. Receivables from employees (335)	58		
7. Receivables from social security and health insurance (336)	59		
8. Income tax (341)	60		
9. Other direct taxes (342)	61		
10. Value added tax (343)	62		
11. Other taxes and fees (345)	63		
12. State subsidies & other budgetary contributions (346)	64		
13. Local administration budgetary contributions (348)	65		
14. Receivables from group members (358)	66		
15. Receivables from fixed term transactions (373)	67		
16. Receivables from bonds issued (375)	68		
17. Other receivables (378)	69		
18. Estimated receivables (388)	70		
19. Adjustment to receivables (391)	71		
III. Short-term investments, total	72	4 999	9 503
1. Cash (211)	73		
2. Valuables (213)	74		
3. Bank accounts (221)	75	4 999	9 503
4. Equity shares (251)	76		
5. Bonds and debentures (253)	77		
6. Other securities (256)	78		
7. Acquired short-term investments (259)	79		
8. Cash in transit (261)	80		
IV. Other assets, total	81	0	0
1. Prepaid expenses (381)	82		
2. Accrued revenue (385)	83		
3. Exchange rate losses (386)	84		
Total assets	85	4 999	9 503

LIABILITIES	line no.	As of the first day of the fiscal year	As of the last day of the fiscal year
A. Total own capital	86	4 999	9 503
I. Total equity	87	500	4 999
1. Equity capital (900)	88	500	500
2. Funds (911)	89		4 499
3. Gains or losses from the revaluation of assets and liabilities (921)	90		
II. Total profit/loss account	91	4 499	4 504
1. Profit and loss for account year (963)	92	4 499	4 504
2. Profit / loss under approval (931)	93		
3. Retained earnings/losses from previous years (932)	94		
B. Total loan capital	95	0	0
I. Total reserves	96	0	0
1. Provisions (941)	97		
II. Long-term liabilities, total	98	0	0
1. Long-term bank loans (951)	99		
2. Bonds issued (953)	100		
3. Leasing payables (954)	101		
4. Long-term advances received (955)	102		
5. Long-term bills of exchange payable (958)	103		
6. Estimated payables (389)	104		
7. Other long-term liabilities (959)	105		
III. Short-term liabilities, total	106	0	0
1. Trade payables (321)	107		
2. Payables of exchange (322)	108		
3. Prepayments received (324)	109		
4. Other payables (325)	110		
5. Employees (331)	111		
6. Other payables to employees (333)	112		
7. Payables to social security & health insurance institutions (336)	113		
8. Income tax (341)	114		
9. Other direct taxes (342)	115		
10. Value added tax (343)	116		
11. Other taxes and fees (345)	117		
12. State budget payables (346)	118		
13. Local administration budgets payables (348)	119		
14. Subscriptions & deposits payable (367)	120		
15. Payables to partners and consortium members (368)	121		
16. Financial Derivates payables (373)	122		
17. Other payables (379)	123		
18. Short-term bank loans (231)	124		
19. Credits for discounted securities (232)	125		
20. Short-term bonds issued (241)	126		
21. Own bonds issued (255)	127		
22. Estimated payables (389)	128		
23. Other short-term borrowings (249)	129		
IV. Other liabilities, total	130	0	0
1. Accrued expenses (383)	131		
2. Deferred revenues (384)	132		
3. Unrealised exchange rate gains (387)	133		
Total liabilities	134	4 999	9 503

Drawn up on:	Signature of the statutory representative of the accounting unit:	Person responsible for accounting:	Person responsible for Financial Statements:
	Libuše Tomolová		
31. March 2012	Jarmila Baudišová	Jarmila Baudišová	Jarmila Baudišová

Profit and loss account as of 31 december 2011

(in CZK thousand)

Accounting unit's trade name and registered office

AVAST Foundation
 Budějovická 1518/13a
 140 00 Prague 4 - Michle
 ID No. 24775401

Name of indicator	line no.	For fiscal year, total		2010
A. Expenses	1	Principal activity	Economic activity	Total
I. Total costs of purchases	2	0	0	0
1. Material consumption (501)	3			
2. Energy consumption (502)	4			
3. Consumption of other not-for-stock materials (503)	5			
4. Goods sold (504)	6			
II. Total services	7	0	0	0
5. Repairs and maintenance (511)	8			
6. Travel expenses (512)	9			
7. Entertainment expenses (513)	10			
8. Other services (518)	11			
III. Total staff costs	12	0	0	0
9. Wages & salaries (521)	13			
10. Mandatory social security expenses (524)	14			
11. Other social security expenses (525)	15			
12. Mandatory social expenses (527)	16			
13. Other social expenses (528)	17			
IV. Total taxes and fees	18	0	0	0
14. Road tax (531)	19			
15. Real estate tax (532)	20			
16. Other taxes and fees (538)	21			
V. Other expenses, total	22	17 310	0	0
17. Contractual penalties and interests on late payment (541)	23			
18. Other penalties & fines (542)	24			
19. Write off bad receivables (543)	25			
20. Interests (544)	26			
21. Foreign exchange rate losses (545)	27			
22. Donations (546)	28	17 245		
23. Deficits and damages (548)	29			
24. Other expenses (549)	30	65		
VI. Depreciations, disposal of assets, addition to reserves and adjustments, total	31	0	0	0
25. Depreciation of intangible and tangible fixed assets (551)	32			
26. Net book value of disposed intang.& tang. assets (552)	33			
27. Securities and shares sold (553)	34			
28. Material sold (554)	35			
29. Additions to reserves (556)	36			
30. Additions to adjustments (559)	37			
VII. Total contribution provided	38	0	0	0
31. Intercompany contributions (581)	39			
32. Membership fees provided (582)	40			
VIII. Income tax, total	41	0	0	0
33. Additional income tax	42			
Total expenses	43	17 310	0	0

Name of indicator	line no.	For fiscal year, total		2010
B. Revenues	44	Principal activity	Economic activity	Total
I. Total revenue from own products and services	45	0	0	0
1. Sale of own products (601)	46			
2. Sale of own services (602)	47			
3. Sale of goods purchased for resale (604)	48			
II. Total change in internal inventory	49	0	0	0
4. Change in work-in-progress (611)	50			
5. Change in semi-finished product inventory (612)	51			
6. Change in finished product inventory (613)	52			
7. Change in livestock (614)	53			
III. Total capitalization	54	0	0	0
8. Capitalization of material & merchandise (621)	55			
9. Capitalization of intercompany services (622)	56			
10. Capitalization of intangible fixed assets (623)	57			
11. Capitalization of tangible fixed assets (624)	58			
IV. Other revenues, total	59	9	0	0
12. Contractual penalties and interests on late payment (641)	60			
13. Other penalties & fines (642)	61			
14. Payments for written-off receivables (643)	62			
15. Interests (644)	63	9		
16. Exchange rate gains (645)	64			
17. Accounting for funds (648)	65			
18. Other revenues (649)	66			
V. Revenues from assets sold, application of provisions and adjustments, total	67	0	0	0
19. Sale of intang. & tang. assets (652)	68			
20. Sale of securities and shares (653)	69			
21. Sale of material sold (654)	70			
22. Revenues from short-term financial assets (655)	71			
23. Accounting for mandatory reserves (656)	72			
24. Revenues from fixed financial assets (657)	73			
25. Accounting for mandatory adjustments (659)	74			
VI. Contributions received, total	75	21 805	0	4 499
26. Intercompany contributions received (681)	76			
27. Contributions received (donations) (682)	77	21 805		4 499
28. Membership contributions received (684)	78			
VII. Total subsidies for operations	79	0	0	0
29. Operating subsidies (691)	80			
Total revenues	81	21 814	0	4 499
C. Profit/loss before tax	82	4 504	0	4 499
34. Income tax (591)	83			
D. Profit/loss after tax	84	4 504	0	4 499

Drawn up on:	Signature of the statutory representative of the accounting unit:	Person responsible for accounting:	Person responsible for Financial Statements:
	Libuše Tomolová		
31. March 2012	Jarmila Baudišová	Jarmila Baudišová	Jarmila Baudišová